

ANNUAL REPORT

2019-2020



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 2020, 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

UDIN: 20232723AAAABQ3007

Sd/-

CA. Vishnu Mohan

Partner | Membership No 232723

Place: Cochin

Date: 28 July 2020

KOCHI METRO RAIL LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020

Amount (Rs.in Lakh)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS			
(I) Non- Current Assets			
(a) Property, Plant and Equipment	2.A	5364 21.63	3893 24.60
(b) Capital Work-In-Progress	2.B	276 31.28	1244 05.69
(c) Other Intangible Assets	3.A	32 16.85	33 28.92
(d) Intangible Assets Under Development	3.B	.58	.58
(e) Financial Assets			
(i) Trade Receivables	4	-	-
(ii) Other Financial Assets	5	343 80.60 212 97.07	400 91.82 138 65.33
(f) Other Non Current Assets			
Total Non - Current Assets (I)		6229 48.01	5710 16.94
(II) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	6	13 52.72	7 11.19
(ii) Cash and Cash Equivalents	7	14 29.96	4 03.06
(iii) Other Bank Balances	8	33 40.15	85.60
(iv) Other Financial Assets	9	206 37.07	283 10.09
(b) Other Current Assets	10	83 14.70	3 58.53
Total Current Assets (II)		350 74.60	298 68.47
Total Assets (I) +(II)		6580 22.61	6008 85.41
EQUITY AND LIABILITIES			
(I) EQUITY			
(a) Equity Share capital	11	1507 46.00	1507 46.00
(b) Other Equity	12	818 14.37	919 02.22
Total Equity (I)		2325 60.37	2426 48.22
LIABILITIES			
(II) Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	3228 86.97	2886 97.95
(ii) Other financial liabilities	14	83 16.98	90 57.23
(b) Provisions	15	12 41.19	8 26.92
(c) Deferred Tax Liabilities	16	-	-
(d) Other Non-Current Liabilities	17	949.40	6 79.03
Total Non - Current Liabilities (II)		3333 94.54	2992 61.13
(III) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	85 30.08	-
(ii) Other Financial Liabilities	19	761 46.08	554 03.99
(b) Other Current Liabilities	20	72 64.66	34 92.85
(c) Provisions	21	1 26.88	79.22
Total Current Liabilities (III)		920 67.70	589 76.06
Total Equity and Liabilities (I) + (II) + (III)		6580 22.61	6008 85.41
Significant accounting policies See accompanying notes to the financial statements	1.2 2-30		

In terms of our report of even date attached.

For K Venkatachalam Aiyer & Co

Chartered Accountants

FRN 004610S

UDIN: 20232723AAAABQ3007

For and on behalf of the Board of Directors

Sd/-
Alkesh Kumar Sharma
Managing Director

Sd/-
Vishnu Mohan
Partner

Membership No. 232723

Sd/-
Shyam Sunder Agrawal
Company Secretary

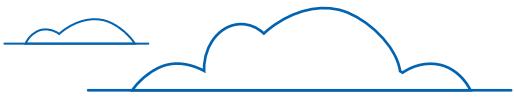
Sd/-
Kumar K R
Director (Finance)

Place : Cochin
Date : 28.07.2020

Place : Thiruvananthapuram
Date : 28.07.2020

ANNUAL REPORT

2019-2020



KOCHI METRO RAIL LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH , 2020

Amount (Rs.in Lakh)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I Revenue from Operations	22	94 02.98	80 09.24
II Other Income	23	40 92.07	24 38.75
III Total Revenue (I + II)		134 95.05	104 47.99
IV Expenses:			
Operating Expenses	24	45 11.09	32 78.56
Employee Benefits Expense	25	42 20.38	38 06.66
Finance Costs	26	160 93.07	75 10.89
Depreciation and Amortization Expense	27	168 04.97	134 91.92
Impairment on Non Current Assets		-	78 99.11
Other Expenses	28	28 45.73	29 49.28
Total Expenses (IV)		444 75.24	389 36.42
V Profit / (Loss) Before Tax (III - IV)		(309 80.19)	(284 88.43)
VI Tax expense:			
(1) Prior tax adjustment		-	-
(2) Deferred tax		-	-
		-	-
VII Profit / (Loss) for the period (V - VI)		(309 80.19)	(284 88.43)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations		(21.64)	(29.99)
Income tax relating to items that will not be reclassified to profit or loss		-	-
		(21.64)	(29.99)
IX Total Comprehensive Income for the year (VII+ VIII) (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		(310 01.83)	(285 18.42)
X Earnings per equity share:			
(1) Basic and Dilutive	29		
Significant accounting policies	1.2	(20.57)	(18.92)
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
UDIN: 20232723AAAABQ3007

For and on behalf of the Board of Directors

Sd/-
Vishnu Mohan
Partner
Membership No. 232723

Sd/-
Shyam Sunder Agrawal
Company Secretary

Sd/-
Alkesh Kumar Sharma
Managing Director

Sd/-
Kumar K R
Director (Finance)

Place : Cochin
Date : 28.07.2020

Place :Thiruvananthapuram
Date : 28.07.2020

KOCHI METRO RAIL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

Amount (Rs.in Lakh)

Particulars	Equity Share Capital	Deferred Income - Monetary Grants			Other Equity Deferred Income - Non Monetary Grants GOK	Reserves and Surplus	Other Comprehensive Income	Total
		Interest Free Sub Debt - GOI	Interest Free Sub Debt - GOK	Reimbursement of State Taxes - GOK				
Balance as at April 1 , 2018	1507 46.00	216 52.96	805 26.92	92 70.66	-	(202 10.91)	2.00	912 41.63
Changes in accounting policy or prior period errors	-	-	-	9 63.03	-	(3 09.37)	-	6 53.66
1507 46.00	216 52.96	805 26.92	102 33.69		-	(205 20.28)	2.00	918 95.29
Add : Comprehensive income / (Loss) restated for the year	-	-	-	-	-	(284 88.43)	(29.99)	(285 18.42)
Add: Additions / Adjustments during the year	-	-	-	-	-	-	-	305 30.70
Less: Transfer to Income during the year	-	(3 28.10)	(93 81.27)	(73 10.91)	138 38.52	-	-	(20 05.35)
Balance as at March 31 , 2019	1507 46.00	213 24.86	886 70.82	171 04.72	138 38.52	(490 08.71)	(27.99)	919 02.22
Balance as at April 1 , 2019	1507 46.00	213 24.86	886 70.82	171 04.72	138 38.52	(490 08.71)	(27.99)	919 02.22
Changes in accounting policy or prior period errors	-	-	-	-	-	20.69	-	20.69
1507 46.00	213 24.86	886 70.82	171 04.72	138 38.52	(489 88.02)	(27.99)	(27.99)	919 22.91
Add : Comprehensive income / (Loss) for the year	-	-	-	-	-	(309 80.19)	(21.64)	(310 01.83)
Add: Additions / Adjustments during the year	-	-	177 49.09	58 89.37	91.91	-	-	237 30.37
Less: Transfer to Income during the year	-	(3 61.77)	(16 38.41)	(8 36.90)	-	-	-	(28 37.08)
Balance as at March 31 , 2020	1507 46.00	209 63.09	1047 81.50	221 57.19	139 30.43	(799 68.21)	(49.63)	818 14.37

For and on behalf of the Board of Directors

ANNUAL REPORT

2019-2020

In terms of our report attached.
For K Venkatachalam Aiyer & Co
Chartered Accountants
FRN 004610S
UDIN: 20232723AAAABQ3007

Place : Cochin
Date : 28.07.2020

Sd/-
Vishnu Mohan
Partner
Membership No. 232723

Sd/-
Shyam Sunder Agrawal
Company Secretary

Sd/-
Alkesh Kumar Sharma
Managing Director

Sd/-
Kumar K R
Director (Finance)

Place : Thiruvananthapuram
Date : 28.07.2020

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KOCHI METRO RAIL LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

Amount (in Rs. Lakh)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Cash Flow from Operating activities		
Net Profit/(Loss) for the period	(310 01.83)	(285 18.42)
Adjustment for		
(Profit) / Loss on sale of asset (net)	8.89	0.53
(Profit) / Loss on sale of flood affected asset (net)	.00	1 94.32
Depreciation and amortization expense	168 04.97	134 91.92
Prior period items	20.69	-
Impairment of Asset	-	78 99.11
Expected Credit Loss on Trade Receivables	1 59.53	-
Interest income	(42.57)	(33.92)
Finance cost	135 96.33	57 66.13
Net Gain arising on financial assets measured at FVTPL	(8 53.03)	(4 43.76)
Operating Profit/(Loss) before working capital changes	(13 07.02)	(16 44.09)
Adjustments for (increase) / decrease in operating assets		
(Increase)/ Decrease in Financial Assets	(79 47.91)	38 44.82
(Increase)/ Decrease in other non- current Assets	(104 08.92)	16 77.24
(Increase)/ Decrease in other Assets	(112 10.73)	19 15.23
(Increase)/ Decrease in Provisions	4 61.94	3 59.32
(Increase)/ Decrease in other Payables	123 50.42	166 36.46
Net Cash flow from / (used in) Operating activities (A)	(180 62.22)	227 88.98
B. Cash Flow from Investing activities		
Payment to acquire property , plant and equipment including capital advances	(19 53.93)	(95 72.48)
Payment for Capital WIP including capital advances	(608 54.95)	(490 78.39)
Interest income received	50.53	87.56
Net Cash flow from / (used in) investing activities (B)	(627 58.35)	(585 63.31)
C. Cash flow from Financing activities		
Proceeds from Long term loan from Canara Bank	269 45.17	353 44.40
Proceeds from Long term loan from HUDCO	130 00.00	-
Proceeds from Long term loan from Union Bank	30 00.00	-
Proceeds from Pass through assistance from Agence Francaise de Development(AFD)	-	58 67.76
Proceeds from Sub Debt from Government of Kerala	477 39.51	58 11.00
Proceeds from Working Capital loan	85 30.08	-
Finance Cost Paid	(143 67.29)	(106 34.74)
Loan repaid during the year	(30 00.00)	(47 00.00)
Net Cash flow from / (used in) financing activities (C)	818 47.47	316 88.42
Net Increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	10 26.90	(40 85.91)
Cash and cash equivalents at the beginning of the year	4 03.06	44 88.97
Cash and cash equivalents at the end of the year	14 29.96	4 03.06
Comprising of		
Cash on Hand	0.40	29.55
Balance with Banks:		
-Current Accounts	12 99.35	91.28
-Term Deposits (with maturity less than twelve months)	1 30.21	2 82.23
Cash at bank	14 29.96	4 03.06

In terms of our report date attached.

For K Venkatachalam Aiyer & Co
Chartered Accountants
FRN 004610S
UDIN: 20232723AAABQ3007

Sd/-
Vishnu Mohan
Partner
Membership No. 232723
Place : Cochin
Date : 28.07.2020

Sd/-
Shyam Sunder Agrawal
Company Secretary

Sd/-
Alkesh Kumar Sharma
Managing Director
Place : Thiruvananthapuram
Date : 28.07.2020

Sd/-
Kumar K R
Director (Finance)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Corporate Information

Kochi Metro Rail Limited (hereinafter referred to as "the Company" or "KMRL"), incorporated under the Companies Act, 1956 on 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. The company 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, licensing/leasing of properties and advertisement spaces, and providing consultancy services to other organization.

1. Significant accounting policies

1.1 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:

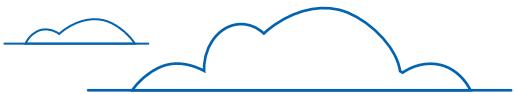
- a. financial assets and liabilities and contingent consideration measured at fair value;
- b. defined benefit plans - plan assets measured at fair value;

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.

1.2 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 1.20.

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) 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.

1.2.1 Estimation of uncertainties relating to the global health pandemic from COVID-19

Spread of COVID 19 pandemic has affected the economic activities across the Globe including India. Metro operations were suspended from 22nd March 2020 as per Central Government and State Government directive due to COVID-19 pandemic.

Company expects to resume operations as per the directions of Government of India/State Government. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In view of the uncertainties arising out of this pandemic, the company has reviewed and made judgement on its impact on the carrying values, as on the date of approval of these financial statement and has relied on the best practises adopted by other metros.

1.3 Functional and presentation currency

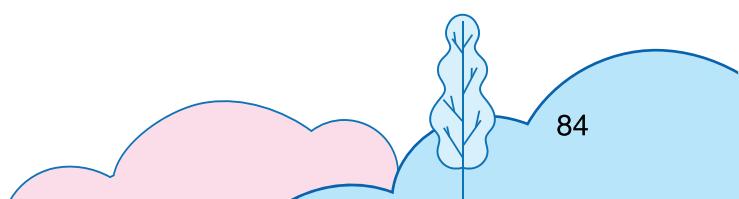
These financial statements are presented in Indian Rupees (₹), which is the company's functional currency.

1.4 Rounding of amounts

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

1.5 Revenue Recognition

- a) 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.





- b) Income from licensing of property /rental income from property is recognized in accordance with terms and conditions of the contract with the licensee/lessee and is accounted for on accrual basis over the licensing terms.
- c) 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.
- d) Interest income is recognized on accrual basis using effective interest rate method.
- e) 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.
- f) Other incomes are recognized on accrual basis.

1.6 Property, Plant and Equipment

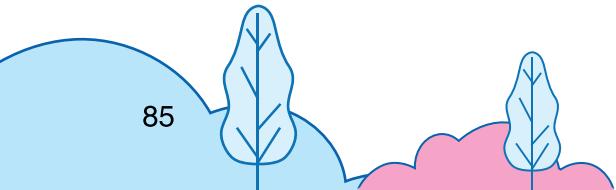
Property, Plant and Equipment (except freehold land) are stated at their acquisition cost / historical cost less accumulated depreciation and impairment, if any. The company is adopting the cost model for determining gross carrying amount.

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.





Capitalization of the assets for new section to be opened for public is done after ensuring completeness in all respects as per administrative formalities and as per requirements stipulated by "The Commissioner of Metro Railway Safety" for the opening of such section.

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.

1.7 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.

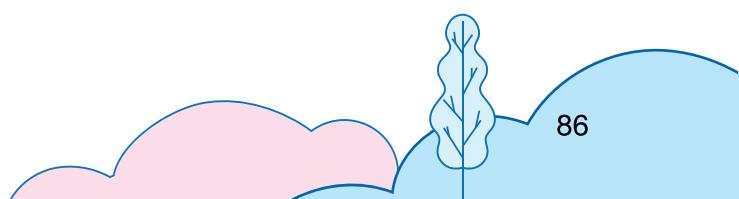
Amount paid to railways towards consideration for the right to use (permissions), being Way Leave Charges to Railways, is capitalized as intangible asset and amortized on a straight-line basis over a period of the license / right to use.

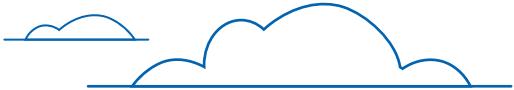
Cost of software which is not an integral part of the related hardware acquired for internal use is capitalized as intangible asset and amortized on a straight line basis over a period of five years.

1.8 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. Claims including price variation are accounted for on acceptances.

Work in progress for the projects executed as deposit works/contracts are recognized based on the expenditure statement received from the executing agency and in its absence on the basis of technical assessment of the work executed. Interest earned on surplus project funds is reduced from CWIP.





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.

Administrative and general overheads (net of income) directly attributable to project are allocated in the ratio of the cost of the assets capitalized to the total cost of CWIP as at the end of the month of commissioning.

1.9 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 and hence not ascertained.

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 the company, is recognized on the basis of Government Order and at market value of the land ,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 is treated as non-monetary grant as per Ind AS 20 at the time of handing over the possession of the land.

1.10 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 recognised based on acceptance of claims by the Insurance companies.

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.
- (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 assessment 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(less than Rs.5,000 per individual item)	1
Way leave charges to Railway *	70
Branding	5



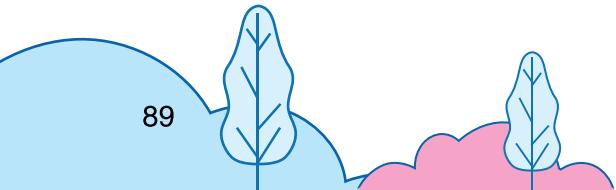
- (iv) Residual value of 5% has been retained for all Fixed Assets, which is in line with the provisions of Schedule II of the Companies Act, 2013.
- (v) Property, plant and equipment and Intangible assets (Low Value Assets) costing Rs. 5,000/- or less are depreciated / amortized fully in the year of 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 are recognized as intangible assets and amortized on straight-line method over the period for which Way Leave has been granted (*).
- (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 and 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 during 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 in the manner shown below;

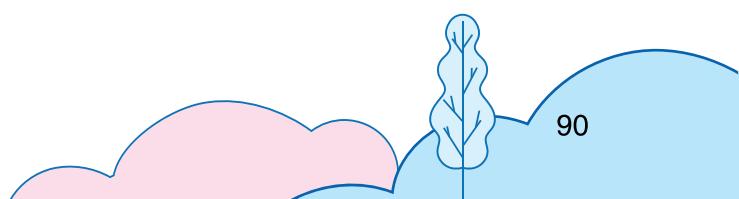
An asset shall be classified as current when it satisfies any of the following criteria:

- 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 equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:

- 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 shall be 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 realization 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

a) Initial recognition, measurement and de-recognition

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.

All financial assets and liabilities are measured initially at fair value adjusted by transaction 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.

b) Classification and subsequent measurement of Financial Assets

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

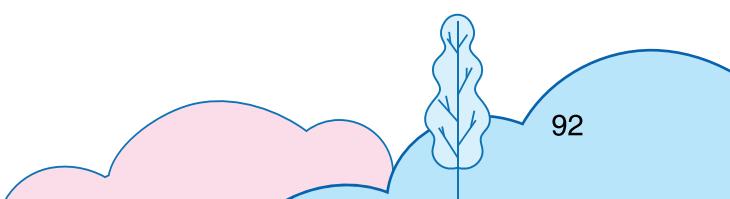
- To be measured at amortized cost and;
- To be measured subsequently at fair value (either through other comprehensive income or through Statement of Profit and Loss)

c) 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 only when,

- 
- 
- a) the company has a present obligation (legal or constructive) as a result of a past event.
 - b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
 - c) a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are not discounted to present value.

Contingent liabilities are disclosed in case of,

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are measured 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.

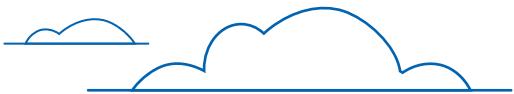
1.19 Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- a) Estimated value of contracts remaining to be executed on capital account and not provided for.
- b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

1.20 Taxation

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments/appeals.



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.

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

1.21 Foreign exchange transaction/translations

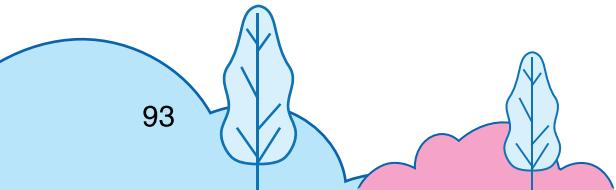
Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency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

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

1.22 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.

All eligible employees of the company under provident fund schemes are also covered under the provident fund's pension scheme.





Under the above provident fund's 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 made 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 to any place in India as per the approved policy. The related liability is recognized on the basis of actuarial valuation.

Employment Benefits to Employees on Deputation

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 is estimated and provided for.

Under Ind AS 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.

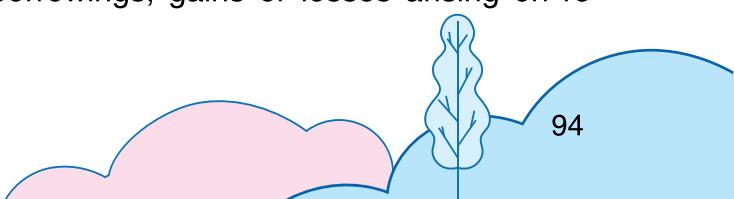
The present value of the said obligation is determined by discounting the estimated future cash outflows.

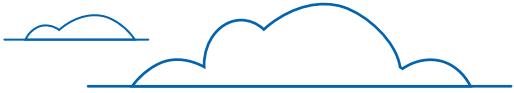
The interest income/ (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognized in the Statement of Profit and Loss.

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.

1.23 Finance cost

Finance costs comprise interest cost on borrowings, gains or losses arising on re-





measurement of financial assets at Fair Value through Statement of 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.

1.24 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 of the value of the commissioned assets to the value of qualifying Capital Work in Progress as at the end of the month of commissioning.

1.25 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 as 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 recognition of 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.

1.26 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.

1.27 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.

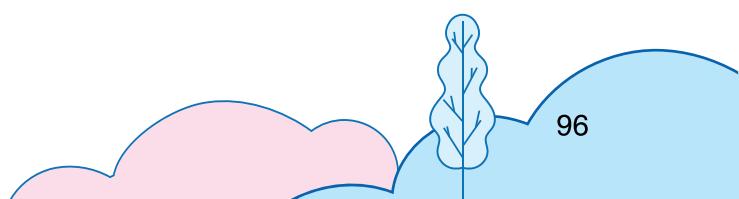
1.28 Cash Flow Statement

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

1.29 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.



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Amount (Rs.in Lakh)

Note 2.A : Property, Plant and Equipment

Particulars	Gross Block			Depreciation/ Amortisation/ Depletion			Net Block	
	As at 1st April 2019	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2020	As at 1st April 2019	For the year	Impairment Deductions / Adjustments	As at 31st March 2020
Land (Freehold) (Refer Note 2.1)	849 47.86	29 44.87	-	878 92.73	-	-	-	878 92.73
Building	834 21.81	381 38.76	80.67	1214 79.90	25 26.15	17 80.23	71.44	42 34.94
Temporaray structures	6.89	-	.00	6.89	1.06	2.25	-	3.31
Viaduct, Bridges, Tunnel & Culverts	1282 73.20	725 08.49	18.03	2007 63.66	69 94.38	53 85.13	18.03	123 61.48
Plant and Machinery	65 51.04	14 15.84	7 63.32	72 03.56	12 23.15	3 97.77	6 24.68	9 96.24
Rolling Stock	522 14.22	244 79.12	25 35.90	741 57.44	51 34.07	23 69.06	25 35.90	49 67.23
Escalators & elevators	82 51.74	25 35.79	-	107 87.53	5 69.95	4 08.09	-	9 78.04
Signalling & Telecom Equipments	138 11.15	52 73.75	27 56.78	163 28.12	41 17.14	10 06.77	27 56.78	23 67.13
Roads	12 24.80	21.95	-	12 46.75	2 18.30	1 23.22	-	3 41.52
Fences, wells, tube wells	2 50.43	1 18.50	1 85.96	1 82.97	2 07.01	25.36	-	1 85.96
Computers	53 80.36	12 85.85	8 62.77	58 03.44	29 03.01	13 27.79	-	8 61.73
Electrical Appliance	231 66.08	94 65.33	12 34.33	313 97.08	47 99.01	25 74.84	-	12 29.75
Cables & Ducts	74 52.98	21 20.33	.20	95 73.11	6 82.25	4 52.81	.20	11 34.86
Switching Centres	18 85.95	9 98.16	2 73.84	26 10.27	4 70.67	1 58.91	-	2 73.84
Furniture and Fixtures	6 28.29	7 54.98	45.65	13 37.62	1 96.67	69.06	-	41.71
Office Equipment	23 28.68	16 51.41	42.21	39 37.88	4 94.52	3 65.37	-	41.95
Low Value Assets	5 61.49	36.77	-	5 98.26	5 61.09	37.17	-	5 98.26
Vehicles	95.02	-	-	95.02	28.96	11.35	-	-
Total	4204 51.99	1637 49.90	87 99.66	5754 02.23	311 27.39	164 95.18	-	86 41.97
Previous year (Restated)	3807 98.05	398 82.27	2 28.33	4204 51.99	101 98.83	131 87.35	77 72.47	31.26
								311 27.39
								3893 24.60
								3705 99.22

Note 2.B : Capital work-in-progress

Particulars	As at 1st April 2019	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2020	
Kochi metro rail project- phase 1 (Refer Note No. 30.4)	1233 64.93	577 45.93 (1 96.54) 43 82.84 (22.24)	1811 10.86 5 41.01 45 80.80 83.01	1586 84.40 -	224 26.46	
Phase II (Extension) (Refer Note No. 30.4)	7 37.55				5 41.01	
Phase 1A & 1B (Extension)	1 97.96				45 80.80	
Phase III (Aluva to Angamaly with Airport Link)	1 05.25				-	83.01
Total	1244 05.69	619 09.99	1863 15.68	1586 84.40	276 31.28	
Previous year (Restated)	718 23.83	690 59.00	1408 82.83	164 77.14	1244 05.69	

Amount (Rs.in Lakh)

Particulars		Gross Block		Depreciation/ Amortisation/ Depletion		Net Block	
	As at 1st April 2019	As at Additions/ disposals during the year	As at 31st March 2020	As at 1st April 2019	For the year	Depreciations / Adjustments	As at 31st March 2020
Computer software Branding- Kochi Metro Way leave charges to Railway	14 15.10 61.60	1 97.72 -	170.65 14 42.17 61.60	14 42.17 7 05.85 44.06	2 57.80 12.33 39.66	1 70.65 -	7 93.00 56.39 5.21
Total	42 52.92	1 97.72	1 70.65	42 79.99	9 24.00	3 09.79	10 63.14
Previous year (Restated)	41 59.56	93.42	0.06	42 52.92	4 92.79	3 04.57	1 26.65
						0.02	9 24.00
						(2.59)	33 28.92
						3.17	36 66.77

Note 3.B : Intangible assets under development

Particulars	As at 1st April 2019	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2020
HRMS Module Taxation	.58		1 97.72	.58	1 97.72
Total	.58		1 97.72	.58	.58
Previous year	10.26		(7.09)	3.17	(2.59)
					.58

Notes:

- 2.1. The Company has taken over possession of 34.7076 hectares of private Land till 31st March 2020 (previous year 34.1460 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 3.0642 hectares with a value of Rs.191,84.58 lakhs. 19.9895 hectares of land with a value of Rs. 213,41.85 lakhs is taken over by passing an award.
- 2.4. The Government of Kerala vide G.O. (Ms) No. 140/2019/RD dated 22nd May 2019 has assigned on registry 17.430 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.139,30.43 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 value 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 Acres 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. Adjustments during the year for Gross block and Depreciation/Amortisation/Depletion includes Rs.86,02.12 Lakhs relating to adjustment on account of impairment of assets during the year FY 2018-19
- 2.9. In case of mobile phone, grouped under office equipment, the useful life is estimated at three years.
- 2.10. During the year, the Company capitalised tangible and other intangible assets valuing Rs. 16,39,47.64 lakhs.

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Note 4 : Other Non Current Assets- Financial Assets	As at 31.03.2020	As at 31.03.2019
Receivable from Government of Kerala		
- Receivable against the Loan taken from The Kerala State Cooperative Bank (Refer Note No.30.5, 30.9 & 30.13)	281 90.10	328 90.10
- Interest Receivable towards the The Kerala State Cooperative Bank Loan (Refer Note No. 30.5, 30.9 & 30.13)	60 43.42	70 50.88
Security Deposit (Unsecured and Considered Good)	1 47.08	1 50.84
Total	343 80.60	400 91.82

Amount (Rs.in Lakh)

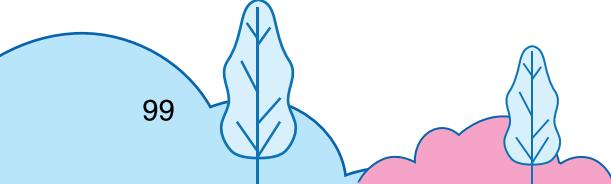
Note 5 : Other Non Current Assets	As at 31.03.2020	As at 31.03.2019
Capital advances - For Project (Unsecured and Considered good);		
- District Collector-Land Acquisition	59 59.86	73 11.78
- District Collector-Land Acquisition-Petta to SN	41 25.35	58 11.00
Capital advances - For Preparatory works (Unsecured and Considered good);		
- District Collector-Land Aquisition(Petta extension) (Refer Note No. 30.9)	9.90	9.90
- District Collector-Land Acquisition-Phase II (Refer Note No. 30.14)	96 72.00	-
- District Collector-Land Acquisition-Chambakkara Bridge (Refer Note No. 30.23)	3 71.98	-
- District Collector-Land Acquisition- Seaport - Airport Road (Refer Note No. 30.28)	4 01.00	-
Prepaid Expenses	1 36.63	81.66
Income Tax Refund Receivable (Net of provisions)	6 20.35	6 50.99
Total	212 97.07	138 65.33

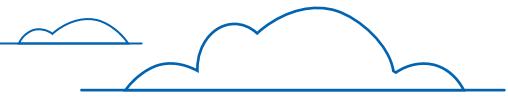
Amount (Rs.in Lakh)

Note 6 : Trade Receivables [Current] Financial Assets	As at 31.03.2020	As at 31.03.2019
Unsecured- Considered Good		
Trade Customers	15 12.25	7 11.19
Less: Trade receivable - credit impaired	(1 59.53)	-
Total	13 52.72	7 11.19

Amount (Rs.in Lakh)

Note 7 : Cash and Cash equivalents [Current]	As at 31.03.2020	As at 31.03.2019
Cash on hand	.40	29.55
Balance with Banks (In current accounts)	12 99.35	91.28
Term Deposits with banks (with maturity period less than twelve months)	1 30.21	2 82.23
Total	14 29.96	4 03.06




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Note 8 : Other Bank balances	As at 31.03.2020	As at 31.03.2019
Earmarked Balances with Banks *	33 40.15	85.60
Total	33 40.15	85.60

* Fixed Deposits with banks pledged with MILMA /Department of Telecommunications/Debt Service Reserve Account

Amount (Rs.in Lakh)

Note 9 : Other Financial Assets [Current]	As at 31.03.2020	As at 31.03.2019
Current & Due		
Receivable from Government of Kerala		
- Receivable against the Loan taken from The Kerala State Cooperative Bank (Refer Note No. 30.5 , 30.9 & 30.13)	47 00.00	-
- Interest Receivable towards The Kerala State Cooperative Bank Loan (Refer Note No.30.5, 30.9 & 30.13)	57 34.28	-
Current & Not Due		
Receivable from Government of Kerala		
- Receivable against the Loan taken from The Kerala State Cooperative Bank (Refer Note No. 30.5 , 30.9 & 30.13)	47 00.00	47 00.00
- Interest Receivable towards the The Kerala State Cooperative Bank Loan (Refer Note No. 30.5, 30.9 & 30.13)	10 07.45	10 07.45
- For Preparatory Works (Refer Note. 30.14, 30.23, 30.26 & 30.28)	14 76.62	3 21.13
- State Tax Reimbursement Receivable	11 41.00	167 44.15
- Operating Cash Loss Receivable	3 80.00	53 00.00
UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED		
- Interest Accrued	12.20	20.17
- Income accrued and due	28.11	3.99
- Security Deposits	13 65.16	1 50.98
- Other Employee Advance	9.45	16.79
- Others (include financial assistance from GoK - Refer Note No. 30.11)	82.80	45.43
Total	206 37.07	283 10.09

Amount (Rs.in Lakh)

Note 10 : Other Current Assets	As at 31.03.2020	As at 31.03.2019
Advance Paid	74 43.18	2 42.76
Prepaid Expenses	2 94.21	64.33
Work Deposits	8.01	5.21
Stock of Tools	2 57.40	18.57
GST Input Credit	3 11.90	27.66
Total	83 14.70	3 58.53

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Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	Amount (Rs. in lakhs)	Number of Shares	Amount (Rs. in lakhs)
Authorised Equity Shares of Rs.100 each	20 00 00 000	2000 00.00	20 00 00 000	2000 00.00
Issued, Subscribed and Fully paid up Equity shares of Rs.100 each fully paid up	15 07 46 000	1507 46.00	15 07 46 000	1507 46.00

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	Amount (Rs. in lakhs)	Number of Shares	Amount (Rs. in lakhs)
Equity Shares outstanding at the beginning of the year	15 07 46 000	1507 46.00	15 07 46 000	1507 46.00
Add : Shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	15 07 46 000	1507 46.00	15 07 46 000	1507 46.00

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

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	% of holding	Number of Shares	% 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.



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Amount (Rs.in Lakh)

Note 12 : Other Equity	As at 31.03.2020	As at 31.03.2019
Deferred Income		
Monetary Grants		
Interest Free Sub Debt (Refer Note No. 30.5)		
Government Of India	209 63.09	213 24.86
Government Of Kerala	1047 81.50	886 70.82
Government of Kerala - Reimbursement of State Taxes (Refer Note No. 30.6)	221 57.19	171 04.72
	1479 01.78	1271 00.40
Non Monetary Grants		
Government of Kerala - Freehold land (Refer Note No. 30.7)	139 30.43	138 38.52
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(490 08.71)	(202 10.91)
Add: Changes in accounting policy or prior period errors	20.69	(3 09.37)
Add :Total comprehensive income for the current year	(309 80.19)	(284 88.43)
Balance as at the end of the year	(799 68.21)	(490 08.71)
Other Comprehensive income		
Balance as at the beginning of the year	(27.99)	2.00
Add :Total comprehensive income for the current year	(21.64)	(29.99)
Less : Prior period adjustments to opening balance		
Balance as at the end of the year	(49.63)	(27.99)
Total	818 14.37	919 02.22

Amount (Rs.in Lakh)

Note 13 : Borrowings [Non current]	As at 31.03.2020	As at 31.03.2019
Term Loans (Secured)		
From Banks;		
Canara Bank (Refer Note No. 30.12)	1386 28.86	1116 82.39
The Kerala State Cooperative Bank (Land acquisition) (Refer Note No. 30.13)	219 60.00	256 20.00
The Kerala State Cooperative Bank (Vytilla - Petta land acquisition for road widening) (Refer Note No. 30.9 and 30.13)	62 40.00	72 80.00
Term Loans (Unsecured)		
Pass Through Assistance - Government of India (Refer Note No. 30.15) [from AgenceFrancaise De Development (AFD)]	1194 39.69	1260 75.23
HUDCO Loan taken towards Preparatory works (Refer Note No. 30.14)	130 00.00	-
Interest Free Sub Ordinate Debt (Unsecured) (Refer Note No. 30.5 and 30.8)		
Government of India	38 86.91	35 25.14
Government of Kerala	197 31.51	145 15.19
Total	3228 86.97	2886 97.95

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Amount (Rs.in Lakh)

Note 14 : Other Financial liabilities [Non current]	As at 31.03.2020	As at 31.03.2019
Retention	1 18.98	99.20
Security Deposits	21 54.58	19 07.15
Interest payable on The Kerala State Cooperative Bank loan	60 43.42	70 50.88
Total	83 16.98	90 57.23

Amount (Rs.in Lakh)

Note 15 : Provisions [Non current]	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits (Refer Note No. 30.16 & 30.17)		
Provision for gratuity	4 49.31	2 87.18
Provision for earned leave	5 83.78	3 78.68
Provision for half pay leave	1 86.29	1 20.43
Provision for leave travel concession	21.81	40.63
Total	12 41.19	8 26.92

Amount (Rs.in Lakh)

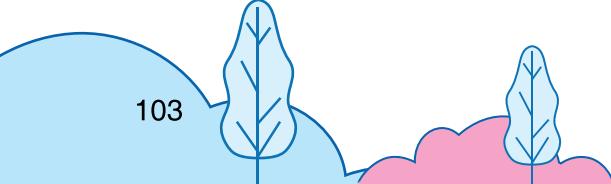
Note 16 : Deferred Tax Liabilities [Non current]	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities (Refer Note No. 30.18)		
On difference between book balance and tax balance of fixed assets	-	-
Deferred Tax Asset (Refer Note No. 30.18)		
Unabsorbed Depreciation and Loss	-	-
Total	-	-

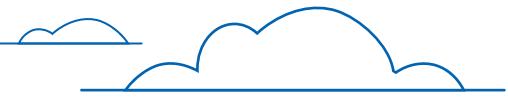
Amount (Rs.in Lakh)

Note 17 : Other Non Current Liabilities	As at 31.03.2020	As at 31.03.2019
Advance received from Customers	5 96.64	1 04.33
Deferred Fair valuation -Gain (Security Deposit)	3 52.76	5 74.70
Total	9 49.40	6 79.03

Amount (Rs.in Lakh)

Note 18 : Borrowings [Current] - Financial Liabilities	As at 31.03.2020	As at 31.03.2019
Working Capital Loan - Canara Bank	85 30.08	-
Total	85 30.08	-




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Amount (Rs.in Lakh)

Note 19 : Other Financial Liabilities [Current]	As at 31.03.2020	As at 31.03.2019
Current & Due:		
Current Maturity of Term Loan from Banks;		
The Kerala State Coopertive Bank (Land Acquisition) (Refer Note No.30.9 and 30.13)*	47 00.00	-
Interest payable on The Kerala State Coopertive Bank loan*	57 34.28	-
* <i>The Company has received moratorium for repayment of loan installment</i>		
Current & Not Due:		
Current Maturity of Term Loan from Banks;		
The Kerala State Coopertive Bank (Land Acquisition) (Refer Note No.30.9 and 30.13)	47 00.00	47 00.00
From Others;		
Pass Through Assistance - Government of India (Refer Note No. 30.15) [from AgenceFrancaise De Development (AFD)]	66 35.54	66 35.54
Interest accrued but not due on borrowing	20 80.88	18 82.47
Unsecured		
- Trade / Security Deposit Received	8 54.53	3 57.66
- Land Acquisition and Structural Valuation	96 91.64	98 58.36
- Others;		
- Project related liabilities	189 19.13	184 62.33
- Government of Kerala**	136 64.33	108 42.39
- PTA amount due and payable to GOI	66 35.54	
- Delhi Metro Rail Corporation	9 27.90	10 38.77
- Others	16 02.31	16 26.47
Total	761 46.08	554 03.99
** Refer note 30.9, 30.20, 30.21, 30.22, 30.23, 30.25, 30.26,30.27 & 30.28.		

Amount (Rs.in Lakh)

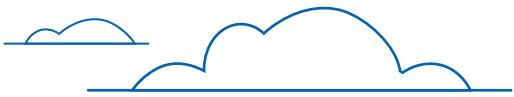
Note 20 : Other Current Liabilities	As at 31.03.2020	As at 31.03.2019
Statutory Payments	8 03.10	2 96.76
Advance received from Customers	12 99.67	10 11.29
Deferred Fair valuation Gain (Security Deposit)	1 61.89	1 84.80
Insurance claim received in advance	50 00.00	20 00.00
Total	72 64.66	34 92.85

Amount (Rs.in Lakh)

Note 21 : Provisions [Current]	As at 31.03.2020	As at 31.03.2019
Provision for Employee benefits (Refer Note No. 30.16 and 30.17)		
Provision for Gratuity	19.80	17.69
Provision for earned leave	62.68	28.61
Provision for half pay leave	18.96	9.12
Provision for leave travel concession	25.44	23.80
Total	1 26.88	79.22

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Amount (in Rs. Lakh)

Note 22 : Revenue from operations	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue from Train Operations being Fare Collections	56 77.13	41 03.88
Non fare box revenue	37 25.85	39 05.36
Total	94 02.98	80 09.24

Amount (in Rs. Lakh)

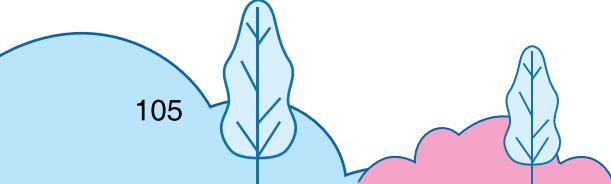
Note 23 : Other Income	For the year ended 31.03.2020	For the year ended 31.03.2019
Government Grants (Benefit against the interest free subordinate Debts from Government of India and Government of Kerala)	20 00.18	15 65.47
Government Grants (Benefit against the reimbursement of state taxes from Government of Kerala)	8 36.90	4 39.87
Consultancy Income	5 38.52	1 08.17
Interest on bank deposits	42.57	33.92
Insurance claim	-	12.96
Other non-operative income (Refer Note 23.1)	1 61.21	1 02.96
Income from Unwinding of security Deposits	5 12.69	1 75.40
Total	40 92.07	24 38.75
23.1 Other Non operating income :		
Application/tender processing fees	14.62	14.62
Other Interest	38.88	38.88
Others	1 07.71	49.46
Total	1 61.21	1 02.96

Amount (in Rs. Lakh)

Note 24 : Operating Expenses	For the year ended 31.03.2020	For the year ended 31.03.2019
Customer Facilitation Expenses	13 93.20	13 15.37
Electricity & water Charges	15 64.80	11 56.66
Security Expenses	10 27.33	4 40.69
Commission	2 67.95	1 93.70
External Project Consultancy	1 51.36	1 21.31
Other Operating Expenses	1 06.45	50.83
Total	45 11.09	32 78.56

Amount (in Rs. Lakh)

Note 25 : Employee Benefits Expense	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries and wages	36 14.15	31 59.67
Contribution to Provident Fund and other funds	2 79.38	2 46.57
Gratuity Expenses (Refer Note No. 30.16 and 30.17)	1 16.32	82.20
Staff welfare expenses	2 10.53	3 18.22
Total	42 20.38	38 06.66



Amount (in Rs. Lakh)

Note 26 : Finance Costs	For the year ended 31.03.2020	For the year ended 31.03.2019
a) Interest on Pass through Assistance - Government of India (Refer Note No. 30.14)		
Gross Interest (A)	17 67.15	19 19.72
Less: Expense during construction (B)	(38.39)	(5 61.05)
Total transfer to Statement of Profit and Loss (A-B)	17 28.76	13 58.67
b) Interest on Canara Bank loan (Refer Note No. 30.12)		
Gross Interest (A)	124 02.74	89 91.73
Less: Expense during construction (B)	(8 53.32)	(45 84.26)
Total transfer to the Statement of Profit and Loss (A-B)	115 49.42	44 07.47
c) Interest on Union Bank Loan (Refer Note No. 30.12)		
Gross Interest (A)	13.83	-
Less: Expense during construction (B)	(13.83)	-
Total transfer to the Statement of Profit and Loss (A-B)	-	-
d) Interest on Working Capital loan (Refer Note No. 30.12)	3 18.15	-
e) Interest on Subordinate debt (Refer Note No. 30.5)		
Unwinding of Interest expense on subordinate debt (A)	20 00.18	15 65.47
Less: Expense during Construction (B)	-	-
Total transfer to the Statement of Profit and Loss (A-B)	20 00.18	15 65.47
f) Interest on Retention Money Deposit		
Unwinding of Interest Expense on Retention Money Deposit (A)	9.32	14.66
Less: Expense during Construction (B)	(.87)	(7.90)
Less: Payable to GOK (C)	(5.29)	(3.02)
Total transfer to the Statement of Profit and Loss (A-B-C)	3.16	3.74
g) Interest on Security Deposit		
Unwinding of Interest Expense on Security Deposit(A)	4 93.40	1 75.54
Total transfer to the Statement of Profit and Loss (A)	4 93.40	1 75.54
Grand Total- Transfer to the Statement of Profit and Loss	160 93.07	75 10.89

Amount (in Rs. Lakh)

Note 27 : Depreciation and Amortisation Expense	For the year ended 31.03.2020	For the year ended 31.03.2019
Depreciation on tangible assets (Refer Note No.1.13 and 2A)	164 95.18	131 87.35
Amortisation of intangible asset (Refer Note No. 1.13 and 3A)	3 09.79	3 04.57
Total	168 04.97	134 91.92

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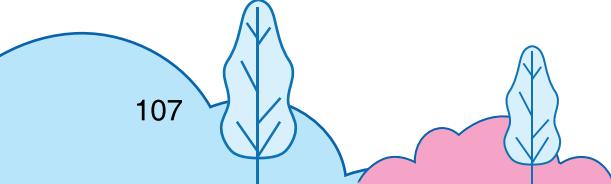
Amount (in Rs. Lakh)

Note 28 : Other Expenses	For the year ended 31.03.2020	For the year ended 31.03.2019
Road Works/Station Oriented Works	39.12	12 09.77
Rent,Rates and taxes	91.53	1 98.27
Expected credit loss on Trade Receivables	1 59.53	-
Repairs and maintenance	4 68.33	2 37.79
Advertisement and Promotional Expenses	2 07.83	1 61.53
Legal and Professional	3 59.40	1 34.50
Travelling and conveyance expenses	1 04.51	89.21
Office and other Miscellaneous expenses	1 81.02	1 43.61
Insurance	8 88.26	1 12.81
Payment to Auditors (Refer Note No. 28.1)	8.74	9.45
Bank charges & Guarnatee Commission	1 46.47	5.55
Post flood restoration expenses	1 90.99	6 46.79
Total	28 45.73	29 49.28

Amount (in Rs. Lakh)

28.1 Payment to Auditors	For the year ended 31.03.2020	For the year ended 31.03.2019
Audit fees	6.49	6.20
Other Services	2.05	3.13
Reimbursement of Expenses	.20	.12
Total	8.74	9.45

Note 29 : Earnings per Equity Share	For the year ended 31.03.2020	For the year ended 31.03.2019
Net Profit/ (Loss) after tax (In Rs. Lakh)	(310 01.83)	(285 18.42)
Number of Equity Shares	1507460 00.00	1507460 00.00
Basic and Diluted Earnings Per Share (EPS) (In Rs.) (Refer Note No. 30.30)	(20.57)	(18.92)





NOTE NO. 30 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

30.1 Expenditure in Foreign Currency

Amount (Rs. In Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Tours and Travels	4.82	8.57
Expenditure by DMRC on contracts (see note below)	43,88.39	25,62.25

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

30.2 Foreign exchange rate variation

The Pass Through Assistance (PTA) provided to the company by Government of India, is based on the credit facility agreement for 180 Million Euro between Agence Francaise De Development (AFD), as lender and Government of India(GoI), as the borrower. The PTA funds were released by GoI to the company through budgetary provisions in INR. The entire loan proceeds of Rs. 13,27,10.77 lakhs (equivalent to 180 Million Euro) was transferred to the company in INR as PTA in several tranches. The liability of the company is towards GoI and repayment obligation of the company is limited to the INR equivalent of the amount of PTA received. Accordingly, the Company did not recognize foreign exchange rate variation losses/gains as at the Balance Sheet date related to the PTA received from GoI.

Moreover, vide clause 12.1 of the Memorandum of Understanding dated 4th November 2013 entered into between the Government of India, the Government of Kerala and the company, exchange rate variations shall be met /arranged by GoK. Further, vide Rule 273 of General Financial Rules 2017, GoI will recognize the foreign exchange rate variations, once the loan is fully repaid and not during the loan tenure and such accounting of exchange rate variation shall be adjusted/written off to "8680 Miscellaneous Government Accounts". The difference on account of such exchange rate variation shall be settled by GoK in accordance with the MoU. Accordingly, the difference between the amount repaid by GoI and the amount paid by the company to GoI in INR, shall be borne by GoK, when settlement of exchange variation is carried out by GoI. Accordingly, in the balance sheet the liability under PTA is recognised at Rs 13,27,10.77 lakhs, being the principal amount of PTA received from GoI in INR.

30.3 Capitalization of assets from CWIP

During the year, the company has capitalized operational assets taken over from DMRC valuing Rs.16,02,40.00 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 dated 23rd May 2013.



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

a) Review of contracts and contractors' bill

The company 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 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.

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 as at end of the year	Borrowing costs capitalized during the year	Borrowing costs charged off to statement of profit and loss	Borrowing cost grouped under CWIP
Current year	145,01.87	8,74.07	135,96.33	31.47
Previous year	149,00.44	5,55.99	57,66.13	85,78.32

The interest earned on short-term deposits made out of Pass Through Assistance (PTA) funds received from GoI 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
	0	20.58

The Ministry of Finance, Department of Expenditure, vide their letter F.No.30(03)/PFC.II /2019 dated 15th April 2020 has recommended for implementation the proposal of Kochi Metro Rail Project – Phase II.



Expenditure towards preparation of the detailed project report, traffic study and other related expenditure undertaken by the company for extensions is grouped under CWIP-Phase II.

The proposal for Phase III project i.e from Aluva to Angamaly (with Airport Link) is being considered as part of the Kochi metro extension works.

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 the company 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, the company availed a term loan from The Kerala State Cooperative Bank formerly known as 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. The revised administrative sanction is issued vide GO. (MS)No.36/2019/Trans dated 15.7.2019 for an amount of Rs. 710,92 lakhs. An amount of Rs 58,11 lakhs was released by GoK directly to Special Thahasildar LA towards land acquisition vide G O (MS) No.63/2018/TRANS dated 23.10.2018.

The amount of Rs. 366,00 lakhs and Rs. 58,11 lakhs of Subordinated Debt as stated above 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. 237,33.00 lakhs 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 2020, an amount of Rs. 225,92.52 lakhs was released by 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. During the year 2019-20, an amount of Rs. 214,92.52 lakhs was received towards state tax reimbursement vide GO(RT) No.241/2019/Trans dated 03.6.2019, GO(RT) No.340/2019/Trans dated 25.07.2019 and GO(RT) No. 531/2019/Trans dated 22.11.2019.

Further, Government order GO(RT) No 114/2020/Trans dated 18.3.2020 was issued for release of Rs 11,41 lakhs which is recognised as receivable from Government of Kerala as on 31.3.2020.

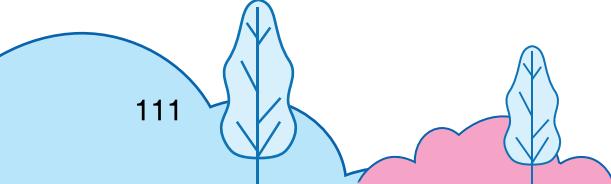
30.7 Transfer of land at Kakkanad

Government of Kerala vide G.O.(Ms) No. 140/2019/RD dated 22nd May 2019 has accorded approval to assign on registry, land under the possession of Public Works Department (PWD) to KMRL at free of cost, for undertaking property development on the said land. The land admeasuring 17.430 acres was assigned on registry to the company in March 2020. 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 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 29thMar 2019 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 ordinary debt as decided and resolved in the meeting of the Board of Directors held on 09.08.2019. The funds were 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.

An amount of Rs. 59,87 lakhs was released to finance the cash loss incurred during the year 2018-19 vide GO (RT) No 531/2019/Trans dated 22.11.2019. Further, Government



order GO(RT) No 114/2020/Trans dated 18.3.2020 was issued for release of balance amount of Rs 3,80 lakhs.

Accordingly, the company has recognized upto March 31, 2020, an amount of Rs 116,67 lakhs as the Subordinate debt from Government of Kerala towards reimbursement of Cash Loss.

30.9 Vytilla-Petta Road widening

Government of Kerala, vide G.O (Ms) No. 13/2015/Trans dated 10/03/2015 accorded administrative sanction for widening of 1.5 KM of Vytilla-Petta Road from Kunnara park to Petta. Government released an amount of Rs. 22,35 lakhs for undertaking these works. An amount of Rs. 2.55 lakhs has been incurred by KMRL during the financial year 2019-20 (during previous year Rs. 330.00 lakhs). The total cost incurred towards this preparatory work till 31.03.2020 is Rs. 19,41.86 lakhs (till 31.03.2019 Rs. 19,35.67 lakhs).

Vide order No. G.O.(Ms)No.24/2015/Trans dated 30.04.2015, the Government of Kerala accorded approval for availing term loan of Rs.104,00 lakhs from The Kerala State Cooperative Bank formerly known as Ernakulam District Co-operative Bank Ltd (EDCB) towards land acquisition for widening of Vytilla- Petta Road. Accordingly, the company 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 31.03.2020, 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 Edappally Flyover

Government of Kerala vide order No. G.O (Rt) No.714/2013/PWD dated 13/05/2013 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), by DMRC towards flyover construction is Rs. 31,91.21 lakhs (up to previous year Rs. 33, 08.66 lakhs) out of funds transferred by KMRL.



Till 31st March 2020, KMRL incurred an expenditure for an amount of Rs. 3,53.90 lakhs (March 31,2019 Rs. 4,04.71 lakhs) which includes claim towards administrative charges.

The total expenditure on the Edappally flyover amounts to Rs. 35,45.11 lakhs (March 31,2019 Rs. 37,13.37 lakhs) and balance funds are yet to be released by Kerala Road Fund Board.

30.11 Central Financial Assistance (CFA) from Ministry of Housing and Urban Affairs (MoHUA) 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 2020, MoHUA has released an amount of Rs. 1,81.38 lakhs till 31st March 2020. An amount of Rs. 45.35 lakhs is receivable from GoK, being their share of financial assistance.

30.12 Borrowings from Banks

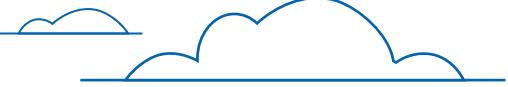
a) For Phase I of Kochi Metro Rail Project

i) Borrowing from Canara Bank.

The Company has entered into a term loan agreement with Canara Bank for an amount of Rs.1170,00 lakhs. As requested by KMRL, the moratorium for interest servicing was approved for a period of six months from March 2020 onwards. Accordingly, the interest so accrued on the term loan was capitalized and the tenure of the term loan was extended from second quarter of 2023-2024 to fourth quarter of 2023-24, under COVID-19 assistance. The loan shall be repaid in fifty-two quarterly installments, ending on third quarter of 2036-37. The rate of interest applicable is one-year MCLR (marginal cost of funds based on lending rates) plus 0.95% with annual resets and secured by paripassu charge on all assets of the company. During the year the company has drawn an amount of Rs.52,99.06 lakhs (previous year Rs. 353,43.10 lakhs) against the term loan.

ii) Additional borrowing from Canara Bank for Phase I of Kochi Metro Rail Project.

The Company has entered into term loan agreement with Canara Bank on 18.7.2019 for an amount of Rs.179,00 lakhs for meeting the cost escalation of Phase I of Kochi Metro Rail Project. Govt of Kerala issued guarantee for repayment of the principal and interest of this loan vide GO (RT) No. 323/2019/Trans dated 18.7.2019. As requested by KMRL, the moratorium for interest servicing was



approved for a period of six months from March 2020 onwards. Accordingly, the interest so accrued on the term loan was capitalized and the tenure of the term loan is extended from second quarter of 2023-2024 to fourth quarter of 2023-24, under COVID-19 assistance allowed to borrowers by RBI. The loan shall be repaid in fifty-two quarterly installments, ending on third quarter of 2036-37. 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 and state government guarantee for payment of interest and principal. During the year the company has drawn an amount of Rs.166,34 lakhs (previous year NIL) against the term loan.

The company paid interest of Rs. 122,08.83 lakhs during the year (previous year Rs. 87,07.49 lakhs) and the sum Rs. 318,66.24 lakhs, cumulatively, till 31st March 2020 (till previous year Rs. 196,57.41 lakhs).

b) For Phase IA & IB of Kochi Metro Rail Project

The Company initially entered into a term loan agreement for an amount of Rs. 730 crores with Union Bank of India, for the Phase I extension of Kochi metro rail project, with State Government guarantee for payment of interest and principal. The applicable interest rate was 8.85%p.a. During the year the company has drawn an amount of Rs.30,00 lakhs (previous year NIL) against the term loan.

Subsequently, Canara Bank also sanctioned a term loan of Rs. 730.67 crores for funding the Phase IA & IB project. Accordingly, it was decided to form a consortium between Canara Bank and Union Bank of India, with Canara Bank being the Lead Banker, to fund the Phase IA & IB project, with the term loan of Rs.730.67 lakhs to be shared in the ratio of Rs.430,00 lakhs by Canara Bank and Rs.300,67 lakhs by Union Bank of India, at the first consortium meeting held on 05.03.2020. Accordingly, the term loan agreement was entered into on 07.3.2020 with Canara Bank on the same terms as the consortium arrangement until the final consortium loan agreement is signed. The consortium loan agreement was signed on 25.05.2020 with the applicable interest rate of 8.85% p.a

During the year the company has drawn an amount of Rs.49,75 lakhs (previous year NIL) against the term loan and a sum of Rs. 30,00 lakhs was utilized to settle the loan due to Union Bank of India. The interest accrued but not due as on 31.3.2020, is Rs. 17.64 lakhs

c) Fund based and Non fund based working capital facilities from Canara Bank.

Secured Overdraft Limited: The Company entered into a Fund based working capital facility with Syndicate Bank on 17.07.2019 for an amount of Rs.30,00 lakhs. The rate of interest applicable was one-year MCLR (marginal cost of funds based on lending rates) plus 3.50%. Canara Bank, the existing lender, offered to take over the working capital



facility of Rs. 30,00 lakhs with Syndicate Bank and offered a total working capital facility for an amount of Rs. 90,00 lakhs. Accordingly, the Company entered into a Fund based working capital facility with Canara Bank on 30.9.2020 for an amount of Rs.90,00 lakhs and Non Fund based BG limit of Rs 5 crore. The rate of interest applicable is one-year MCLR (marginal cost of funds based on lending rates) plus 1.40% with annual rests and secured by paripassu charge on all assets of the company. Present applicable rate of interest is 9.80% p.a . The working capital loan of Rs. 90,00 lakhs from Syndicate Bank was taken over by Canara Bank and the facility was closed on 19.12.2019.

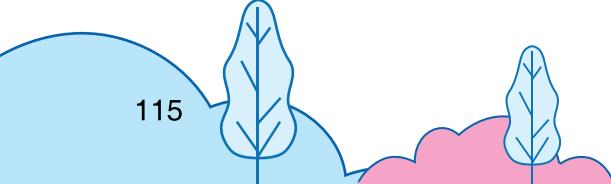
The company has paid interest for an aggregate amount of Rs. 3,18.15 lakhs, during the year (previous year Nil) on the working capital facilities availed from Syndicate Bank initially and subsequently taken over by Canara Bank.

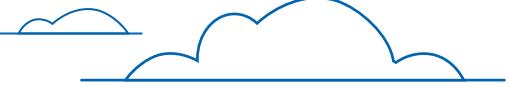
30.13 Borrowings from The Kerala State Cooperative Bank (formerly known as Ernakulam District Cooperative Bank (EDCB)

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 an amount of Rs. 306,25 lakhs till 31st March 2017. For the balance amount, Government of Kerala decided that KMRL shall avail loan on behalf of Government of Kerala towards the balance amount of Rs.366,00 lakhs sub debt contribution to be provided by Government of Kerala.

Government of Kerala vide G.O.(Ms)No.20/2015/Trans dated 25.03.2015, accorded approval for availing a term loan of Rs. 366,00 lakhs from Ernakulam District Co-operative Bank Ltd (EDCB) towards land acquisition. Accordingly, the company has entered into term loan agreement with EDCB as approved in its 19th Board meeting dated 20th January 2015. Total tenure of the loan shall be 12 years with two year moratorium and repayment shall be in ten years on annuity basis secured by paripassu charge on all assets of the company. The rate of interest shall be 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 drawn the entire loan amount of Rs. 366,00 lakhs during the year 2014-15 as per the directions of the Government of Kerala.

Further, Government of Kerala vide G.O.(Ms)No.24/2015/Trans dated 30.04.2015 accorded approval for availing term loan of Rs. 104,00 lakhs from Ernakulam District Co-operative Bank Ltd (EDCB) to meet the cost of land acquisition for widening of Vytilla-





Petta road. Accordingly, the company entered into term loan agreement with EDCB as approved in its 19th Board meeting dated 20th January 2015. Total tenure of the loan shall be 12 years with two years moratorium and repayment in ten years on annuity basis secured by pari passu charge on all assets of the company. The rate of interest shall be 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 together with interest has been undertaken by the Government of Kerala on back-to-back basis. The company has drawn the entire loan amount of Rs. 104,00 lakhs during the year 2015-16 as per the directions of the Government of Kerala.

The Kerala State Cooperative Bank has given moratorium for payment of instalment due on 31.3.2020 under COVID-19 assistance. The third instalment was paid in April 2020.

30.14 Borrowings from HUDCO

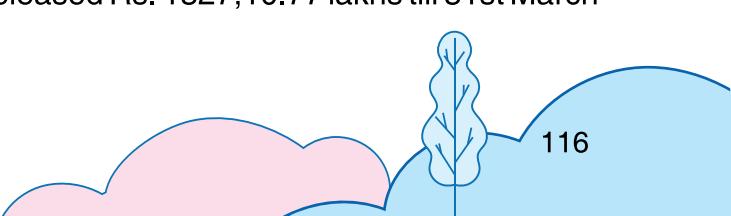
The Company has entered into a term loan agreement with HUDCO for an amount of Rs 589,82.00 lakhs on 19.3.2020 for land acquisition and preparatory works for Phase I, Phase IA, Phase IB and Phase II of Kochi Metro Rail Project. Moratorium for repayment of the principal amount is up to February 2022. The loan shall be repaid in fifty-two quarterly installments. The rate of interest applicable is 9.75% p a on the loan amount pertaining to the land acquisition and 9.25% on the loan amount pertaining to preparatory works. The loan is secured by Government guarantee for payment of interest and principal. Govt. of Kerala issued guarantee payment of the loan vide GO (RT) no. 112/2020/Trans dated 17.3.2020. During the year 2019-20, the company has drawn an amount of Rs.130,00 lakhs.

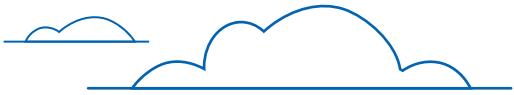
The interest accrued but not due as on 31.3.2020 is Rs. 3.44 lakhs (previous year NIL).

30.15 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, as lender 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 2020. The funds were disbursed to KMRL in several tranches as per budgetary provisions of Government of India. GoI has released Rs. 1327,10.77 lakhs till 31st March 2020.





During the year 2019-20, Gol has repaid Euro 9 million on the due dates. To the extent of the loan repaid by Gol, the Company's liability towards PTA was reduced by Rs. 66,35.54 lakhs and is shown as payable to Gol as on 31.3.2020.

30.16 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 salary 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 scheme. Under the above pension scheme, contribution is not 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.

30.17 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 2020.

Amount(Rs.in lakhs)

Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Benefit obligations at the beginning of year	304.87	165.52	407.28	232.20	129.54	76.80	64.43	64.45
Current service cost	121.38	94.33	173.16	137.44	51.20	40.13	24.85	23.81
Interest Cost	21.20	12.55	27.32	16.60	9.07	5.91	4.67	5.00
Benefits paid / provision withdrawn	-3.99	-5.12	-33.98	-33.07	0.00	0.00	-8.50	-8.57
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	40.24	5.42	44.60	2.02	14.20	0.65	0.50	1.26
Actuarial (gain) /loss on obligations - Due to Experience Adjustments	-14.59	32.17	28.08	52.09	1.24	6.05	-38.70	-21.52
Benefit obligations at the end of year	469.11	304.87	646.46	407.28	205.25	129.54	47.25	64.43



The amounts for the year ended March 31, 2020 recognised in the Statement of Profit and Loss under Employee benefit Expense, are as follows:

Amount(Rs.in lakhs)

Particulars	Gratuity entitlement (Unfunded)			Earned Leave Encashment (Unfunded)			Half pay Leave Encashment (Unfunded)			Leave travel concession (Unfunded)		
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Current service cost	121.38	94.33	173.15	137.44	51.20	40.13	24.85	23.81				
Interest cost	21.20	12.55	27.32	16.60	9.06	5.91	4.67	5.00				
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Reimbursement Service cost	0.00	(3.88)	0.00	(7.20)	0.00	(3.88)	0.00	0.00				
Interest income	(0.72)		(0.43)		(.22)							
Remeasurement			73.11	54.11	15.67	6.70	(38.20)	(20.26)				
Total	141.86	103.00	273.15	200.95	75.71	48.86	(8.68)	8.55				
Less: Actuarial (Gain)/ Loss transferred to CWIP	25.54	20.80	49.17	40.59	13.63	9.87	(1.56)	1.73				
Expenses recognized in statement of profit and loss	116.32	82.20	223.98	160.36	62.08	38.99	(7.12)	6.82				

Amount(Rs.in lakhs)

The amounts for the year ended March 31, 2020 recognised in the Statement of Other Comprehensive income , are as follows

Particulars	Gratuity entitlement (Unfunded)	
	As at 31/03/2020	As at 31/03/2019
Re measurements of the net defined benefit liability/ (asset)		
Actuarial (gains)/ losses from changes in Financial Assumptions	40.96	5.42
Actuarial (gains)/ losses- Due to Experience Adjustments	-14.59	32.17
Total Re measurements in OCI	26.38	37.59
Less: Actuarial (Gain)/ Loss transferred to CWIP	4.74	7.60
Expenses recognized in statement of OCI	21.64	29.99

The principal assumptions used to determine Gratuity, Earned leave encashment, Half Pay leave Encashment and LTC benefit obligations as of March 31, 2020, March 31, 2019 are as follows :

Particulars	As at 31/03/2020	As at 31/03/2019
Discount rate	7%	7.70%(7.25% for LTC)
Salary escalation rate - First 5 Years	6.00%	6.00%

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								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 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Present value of the obligation	469.11	304.87	646.46	407.28	205.25	129.54	47.25	64.43
Fair value of plan assets		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Difference	469.11	304.87	646.46	407.28	205.25	129.54	47.25	64.43
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	469.11	304.87	646.46	407.28	205.25	129.54	47.25	64.43

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

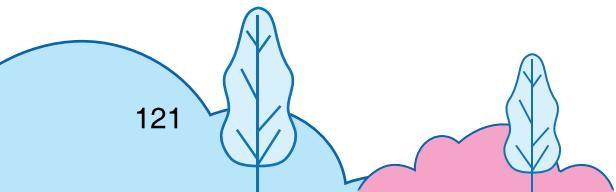
The Company has a deferred tax asset of Rs. 372,56.05 lakhs (previous year Rs. 216,37.06 lakhs) as on 31.03.2020 owing to the existence of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2020 is Rs. 230,78.51 lakhs (previous year Rs. 132,45.37 lakhs).

The net deferred tax asset as on 31.03.2020 is Rs. 141,77.54 lakhs (Previous year Rs: 83,91.69 lakhs) and as a matter of prudence, the deferred tax asset is not recognized in the books of accounts.

Tax Deducted at Source has been recognised in financial statements based on 26 AS , as appearing in the CBDT portal of the Income Tax Department, Government of India,as on 01.07.2020 in respect of the Financial Year 2019-20.

30.19 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 installed 2.67 mw capacity and accordingly, 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. The amount so received has been grouped under "Other financial liabilities".

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 KMRL signed the PPA (Power Purchase Agreement) for 25 years.

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 , the company did not release any amount (Previous year Rs. 2,13.65 lakhs) to M/s Hero Solar Energy Private Limited towards their share of the subsidy amount.

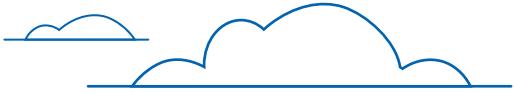
30.20 Preparatory works

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 the formation of Kochi Metro Rail Limited (KMRL), the funds for these works are routed through KMRL and hence the entire expenses incurred 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 dated 07-12-2013, 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 31.03.2020, the GoK released an amount of Rs.220,45.27 lakhs(till 31.03.2019, Rs. 218,67.19 lakhs) towards the preparatory and other miscellaneous works. The total expenditure till 31.03.2020 on these preparatory works including funds transferred to DMRC is Rs. 204,66.59 lakhs (till 31.03.2019, Rs. 202,41.52 lakhs).

**30.21 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 entrusted the work of construction of Pachalam ROB to KMRL through DMRC, for reducing the traffic congestion due to civil construction from Aluva to Petta, with an approved cost of Rs. 52,59 lakhs.

Government of Kerala released the entire funds to KMRL. Out of the funds received, an amount of Rs. 8,81.00 lakhs was paid to District Collector towards the cost of land acquisition and an amount of Rs.15,90.68 lakhs to DMRC and others towards project fund till 31st March 2020.

DMRC 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 2020.

30.22 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 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 extent 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 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.

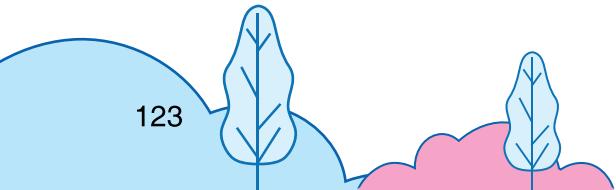
During the year 2019-20, GoK did not release any amount (Previous year -Rs 10,00 lakhs) and KfW released an amount of Rs.57,03.88 lakhs (Previous year - Rs. 5,64.49 lakhs). Cumulative fund released up to 31.3.2020 is Rs.87,37.10 lakhs (GoK - Rs 20,00 lakhs and KfW –Rs. 67,37.10 lakhs).

All financial and operational risks 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 for an amount of Rs.49,72.79 lakhs (till previous year Rs. 27,24.50 lakhs) had been incurred till 31.03.2020 on this account. An amount of Rs. 51,70.67 lakhs was paid as advance to contractors as on 31.3.2020.

30.23 Construction of the Chembakkara 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 Chembakkara Bridge as a preparatory work of Kochi Metro Rail Limited for Rs.33,66.44 lakhs. Government has released an amount of Rs.27,00 lakhs upto 31.03.2020 to the Treasury Savings Bank (TSB) Account of KMRL. The work is being executed through DMRC.

Government of Kerala, vide G.O(Ms) No. 64/2018/Trans dated 11/11/2018 has accorded administrative sanction for acquisition of land for the construction of Chembakkara bridge. GoK, vide GO(Rt) No. 112/2020/Trans dated 17.03.2020,



accorded approval for availing loan from HUDCO to meet the cost of land acquisition of this project.

Accordingly, an amount of Rs. 32,43.05 lakhs has been expended for works carried out and the cost of land acquisition (including DMRC remuneration) up to 31.3.2020 (till previous year ended 31.03.2019, Rs. 16,75.90 lakhs).

30.24 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. The project shall be funded by the French development agency- "*Agence Francaise De Development (AFD)*". Revised administrative approval was given for an amount of Rs 239,00 lakhs, vide GO (MS) No.36/2019/Trans dated 15.07.2019, with funding by GoI as PTA of Rs. 202,54.00 lakhs and GoKs share of Rs. 36,46.00 lakhs. NMT plan includes station-oriented development, major junction improvements & urban place making pedestrianization project

Accordingly, the Credit Facility Agreement was signed between Govt of India and AFD for Euro 27 million for funding the NMT initiatives of Kochi metro rail on 27.12.2019. The funds shall be made available to the KMRL by GoI in INR as part of the development assistances to the States of India. The project agreement was signed between KMRL (final beneficiary) and AFD on 05.02.2020.

Interest is due on each payment date i.e. on 31st May and 30th November of each year. Repayment of the principal amount shall be in twenty equal half yearly installments and the first installment is due on 31st May, 2025 and the last installment shall be payable on 30th November 2034 by GoK.

The first drawdown request, being reimbursement of eligible expenses, was sent by KMRL on 26th May 2020 for an amount of Rs 24,46.67 lakhs and the funds were released to GoK through the Department of Economic Affairs and is pending for reimbursement to KMRL by GoK.

30.25 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.15,60.85 lakhs was incurred by KMRL up to 31.3.2020 (March 31,2019 Rs. 17,00.57 lakhs).

30.26 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 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 released an amount of Rs. 50,00 lakhs to the Treasury Savings Bank (TSB) Account of KMRL during the year 2018-19, vide GO(RT) No.518/2018/Trans dated 23.11.2018.

Disbursements of Rs.11,20 lakhs and Rs.40,00 lakhs were made by GoK and KMRL respectively to the Special Tahsildar LA towards the cost of land acquisition.

Cumulative expenditure incurred till 31.3.2020 on account of land acquisition and works carried out Rs. 59,15.76 lakhs (till previous year ended March 31, 2019 ,Rs. 51,21.91 lakhs).

30.27 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.

GoK, vide GO(Rt) No. 112/2020/Trans dated 17.03.2020, has accorded approval for availing loan from HUDCO to meet the cost of land acquisition. Cumulative expenditure till 31.3.2020 is Rs 97,22.00 lakhs (till previous year ended March 31, 2019 - Rs. 50.00 lakhs).

30.28 Widening of Seaport Airport as a preparatory works of the new metro line from Jawaharlal Nehru Stadium to Kakkanad via Info park

Government of Kerala, vide G.O(Ms) No. 73/2018/Trans dated 17/12/2018 accorded administrative sanction for widening of Seaport Airport as a preparatory works of Phase II i.e from Jawaharlal Nehru Stadium to Kakkanad via Info park at a total cost of Rs.74,07.00 lakhs.

GoK, vide GO(Rt) No. 112/2020/Trans dated 17.03.2020, has accorded approval for availing loan from HUDCO to meet the cost of construction and the cost of land acquisition. Accordingly, an amount of Rs. 4,01.00 lakhs was drawn from HUDCO loan and transferred to Special Tahsildar towards land acquisition.

Cumulative expenditure incurred till 31.3.2020 is Rs 7,81.23 lakhs (till previous year ended March 31, 2019 - Nil) including amount paid for land acquisition and advance paid to the contractor.

30.29 Disclosure as per the requirements of IND AS-23, “Borrowing costs”

During the year, an amount of Rs.94,52.39 lakhs (previous year Rs.5,55.99 Lakhs) was capitalized out of the borrowing cost and an amount of Rs. 135,96.33 lakhs (previous year Rs.57,66.13 Lakhs) has been charged to revenue in line with the accounting policy on “Borrowing cost”.



30.30 Disclosure as per the requirements of IND AS- 33, “Earnings per Share”.

Particulars	2019-20	2018-19
Net Profit /(Loss) for the year (Rs. in Lakhs)	(310,01.83)	(285,18.42)
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.)	(20.57)	(18.92)
Dilutive Earnings Per Share (Face value of Rs. 100/-per share) (Rs)	(20.57)	(18.92)

30.31 Disclosure in respect of IND AS-1, “Presentation of financial statements”, IND AS,” Accounting policies, Changes in Accounting Estimates and Errors.

a. Capital Management

Amount (Rs. in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Total Debt	35,40,88.13	30,00,33.49
(b) Total Capital	23,25,60.37	24,26,48.22
(c) Debt/ Equity ratio (a/b)	1.52	1.23

For the purpose of computation of company's capital management, capital includes Issued Capital and Other Equity.

Debt includes long term loans and subordinate debt.

b. Due to restatement of previous year financials

There were updatings in the value of operational assets taken over from DMRC pertaining to previous years, on account of final settlement of claims of the contractors of DMRC. Due to this, the financial statements of the previous year were restated. The net impact of such restatements are summarized below,

Particulars	Net Impact
(Increase) in Property, Plant and Equipment	73,06.52
(Decrease) in Capital Work-In-Progress	(79,93.57)
(Increase) in Other Intangible Assets	23.59
(Increase) in Depreciation for the year 2017-18	2,68.34
(Increase) in Depreciation for the year 2018-19	3,95.12
(Decrease) in Other Equity	6,63.46
(Decrease) in Earnings per Equity share	0.26



30.32 Disclosure in respect of IND AS-116, "Leases"

30.32.1 The company has taken on lease/rent certain premises for the benefit of the 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. 41.86 Lakhs (P.Y. Rs. 62.67 Lakhs) and the lease rent so paid is included under the head Expenditure-Salaries & Wages.

Further, the company had entered into an agreement with Kerala State Housing Board for taking office building on lease. This lease agreement was terminated on 31.12.19. During the year the company paid lease rent amounting to Rs.73.73 Lakhs (P.Y. Rs. 124.11 Lakhs) and the lease rent so paid is included under the head Expenditure-Rent, Rates and taxes.

30.32.2 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 licensed out its various assets to parties on operating lease basis. Rental income from operating leases is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increase, such increases are recognized in the year in which such benefits accrue.

Future minimum licensing amounts receivable under operating lease are given below;

Amount (Rs. in lakh)

Operating Lease	As at 31st March 2020	As at 31st March 2019
Not later than one year	3,79.95	6,44.43
Later than one year and up to five years	17,13.70	32,41.50
Beyond five years	23,17.91	6,85.34

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

30.33.1 Key Management persons:

30.33.1.1 Shri. Alkesh Kumar Sharma (Managing Director) from 25th September, 2019

30.33.1.2 Shri. A P M Mohammed Hanish (Managing Director) upto 25th September, 2019

30.33.1.3 Shri. Kumar K R (Director-Finance)

30.33.1.4 Shri. D K Sinha (Director- System)

30.33.1.5 Shri. Thiruman Archunan(Director-Projects)

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

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

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

Amount (Rs. in lakh)

SI.No	Particulars	2019- 20	2018- 19
1	Salaries & Allowances	1,62.58	1,54.55
2	Contributions to Provident Fund and others	17.23	11.84
3	Other benefits	14.72	20.06
	Total (included in employee cost)	1 94.53	186.45

- a) The Managing Director, Shri. A P M Mohammed Hanish was on the payroll of KMRL till 25.09.2019.
- b) The Managing Director, Shri. Alkesh Kumar Sharma is on the payroll of KMRL from 25.09.2019.
- c) The whole time Directors have been allowed to use the Company vehicles for private journeys subject to recovery as per the Company's policy.
- d) 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.

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

Impairment loss on asset is recognized for an amount of Rs. NIL (previous year Rs. 78,99.11 lakhs) during the year (also refer note no. 30.41).

30.35 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 01.04.2019	Additions/transfer / utilization during the year	Closing balance as on 31.03.2020
Provisions	25,24.54	(20,95.92)	428.62
Contingent liabilities			
● Towards Kochi Metro Rail Project	511,31.36	(338,81.50)	172,49.87
● Towards preparatory works under taken by KMRL on behalf of Government of Kerala (GoK)	21,31.52	77,00.15	98,31.67
● Bank Guarantee	86.40	55.55	141.95
● Statutory Authorities	73.84	NIL	73.84
Contingent Asset	NIL	NIL	NIL



As on 31st March 2020, certain land acquisition cases pertaining to the projects are pending with the Sub-court Ernakulam and Additional District Court Ernakulam. The estimated additional liability on account of enhanced compensation, where claim statements have been filed by the petitioners, is estimated at Rs. 110,48.54 lakhs. This is included under contingent liabilities.

Further, the land 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 liability of Rs. 97,08.70 lakhs is 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.

30.36 Corporate Social Responsibility (CSR)

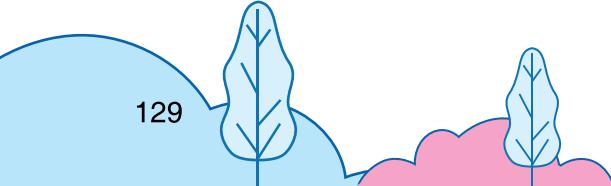
Companies Act 2013 mandates companies fulfilling criteria to spend /earmarked amount out of profits towards CSR expenses with effect from 01.04.2014. CSR provisions are also applicable to KMRL. The company did not spend any amount on CSR, owing to the losses incurred during the current year.

30.37 Disclosure in respect of Ind AS – 107 “Financial Instruments: Disclosures”

30.37.1 Financial Instruments by categories

Amount (Rs. in lakh)

Particulars	As at 31st March 2020			As at 31st March 2019		
	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI
Financial Assets						
Other financial assets (refer note no. 4& 9)	550,17.67	-	-	684,01.91	-	-
Trade receivables	13,52.72	-	-	7,11.19	-	-
Total	563,70.39	-	-	691,13.10	-	-
Financial Liabilities						
Borrowings (refer note no. 13 & 18)	3,314,17.05	-	-	2,886,97.95	-	-
Other financial liabilities (refer note no. 14 & 19)	844,63.06	-	-	644,61.22	-	-
Total	4,158,80.11	-	-	3,531,59.17	-	-





30.37.2 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The company's financial assets 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, receivables 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.

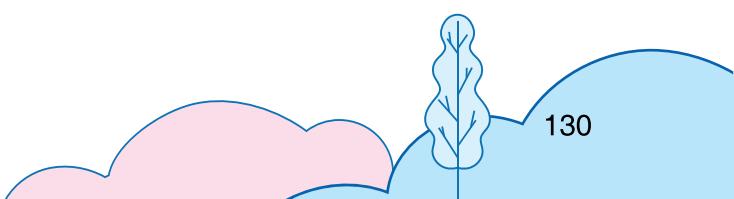
- Trade receivables
- Other financial assets measured at amortized cost

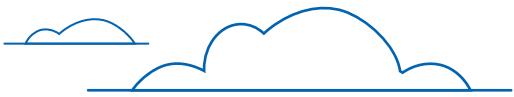
The company continuously monitors defaults of customers and other counter parties, identified either individually or by the company, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counter 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, 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, statutory 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 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.15,12.25 Lakhs and Rs. 7,11.19 Lakhs as of March 31, 2020 and March 31, 2019, 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.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The company is continuously monitoring any material changes in future economic conditions, since the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

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. The company has estimated an amount of Rs.159.53 lakhs towards expected credit loss on trade receivables.

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

Amount (Rs. in lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Gross	Impairment	Gross	Impairment
Not past due	2,99.27	-	89.15	-
Past due less than three months	4,89.16	-	4,65.66	-
Past due more than three months not more than six months	4,23.22	-	44.20	-
Past due more than six months	3,00.60	1,59.53	1,12.18	-
Total	15,12.25	1,59.53	7,11.19	-

Other financial assets are measured at amortized cost.

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. An amount of Rs.159.53 lakhs is provided towards doubtful debts against dues relating to contract under arbitration.

In addition to the historical pattern of credit loss, the company also considered the emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers in respect of whom amounts are receivable.

Based on the type of assets, the management is of the opinion that there is no potential impact on the carrying value of the assets other than as stated above. The company considers all the above financial assets as at the reporting dates to be of good credit quality. Accordingly, there are no other impairment provisions as at reporting date against these financial assets. The company will continue to review and, as and when any need arises, provision for impairment shall be considered at that point of time.

30.38 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.



30.39 Disclosure in respect of Capital and other commitments

Amount (Rs. in lakh)

Capital and other commitments	As at 31.03.2020	As at 31.03.2019
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.	192,71.80	431,07.98
Estimated amount of contracts entered into by KMRL contracts (net of advances) remaining to be executed and not provided for		
a.Tangible asset	289,20.16	33,22.14
Total	481,91.96	464,30.12

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

30.40 Dues to micro enterprises and small enterprises

As at March 31, 2020, an amount of Rs. 7,19.44 lakhs is outstanding but not due 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)

Particulars	As at March 31, 2020	As at March 31, 2019
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	NIL	201.00
Interest due on above	NIL	NIL
	NIL	201.00
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.

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

During the period 2018-19, 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 in the nature of repairs and replacement to the damaged Properties, Plant and Equipment, are being undertaken through DMRC. KMRL had recognised the impairment loss to the extent identifiable, for an amount of Rs. 78,99.11 lakhs during the year 2018-19.

The restoration works are under progress and assets to the extent, which have been restored are capitalized in the books during the current year, pending finalization of the claim settlement, KMRL has received an interim payment of Rs. 30,00 lakhs from the insurance company during the current year (previous year Rs. 20,00 lakhs), totaling the amount to Rs.50,00 lakhs as at March 31, 2020. Pending the settlement of the claim by the Insurance company, the sum of Rs.50,00 lakhs received by KMRL as on March 31, 2020 is treated as a liability, shown under Note No. 20 'Other Current Liabilities' in the Balance Sheet.

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.

30.42 Recent accounting pronouncements.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2020.

30.43 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 K.Venkatachalam Aiyer & Co*
Chartered Accountants
FRN: 004610S
UDIN: 20232723AAAABQ3007

Sd/-
Vishnu Mohan
Partner
Membership No.: 232723

Place: Kochi
Date : 28.07.2020

For and on behalf of the Board of Directors*

Sd/-
Alkesh Kumar Sharma
Managing Director

Sd/-
Kumar K. R
Director (Finance)

Sd/-
Shyam Sunder Agrawal
Company Secretary

Place: Thiruvananthapuram
Date : 28.07.2020

