



KOCHI METRO RAIL LIMITED

# Kochi Metro Rail Limited

A joint venture of Government of India  
and Government of Kerala

**Annual Report**  
**2021-2022**



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## REGISTERED OFFICE

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[www.kochimetro.org](http://www.kochimetro.org)

## STATUTORY AUDITORS

**M/s. G. Joseph & Associates.**

Chartered Accountants,

37/2038, 1<sup>st</sup> Floor, Muttathil Lane,

Kadavanthra, Cochin 682 020, Kerala

## SECRETARIAL AUDITORS

**M/s. Vivek Sarath & Naufal**

Practicing Company Secretaries,

Door No. 43/4194A, First Floor, Span Heigte, Appollo Road,

Thammanam, Cochin, Kerala – 682032

## INTERNAL AUDITORS

**M/s. C. K. Prusty and Associates**

Chartered Accountants

49/550F, Prasanthi Lane,

Elamakkara, Kochi 682026

## COMPANY SECRETARY

**Shyam Sunder Agrawal**

## OUR BANKS

Canara Bank | Union Bank of India | Axis Bank Ltd.

IDBI Bank Ltd. | State Bank of India | Indian Bank

The Kerala State Cooperative Bank



## BOARD OF DIRECTORS

(As on 27<sup>th</sup> July 2022)

- Shri. Manoj Joshi** : Chairman, Kochi Metro Rail Limited. Secretary, Ministry of Housing and Urban Affairs, Room No.122 C, Nirman Bhawan, New Delhi. - 110011
- Shri. Jaideep** : OSD (UT) & Ex-Officio Joint Secretary, Ministry of Housing and Urban Affairs, Nirman Bhawan, New Delhi. - 110011
- Smt. Namita Mehrotra** : Director Finance, NCRTC, GatiShakti Bhawan, INA New Delhi - 110023
- Shri. D.K Saini** : Director Projects, Delhi Metro Rail Corporation, Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi. - 110011
- Shri. Bhupender Singh Bodh** : SAG/IRSEE ED/RE, Railway Board, Sem-B,1008,Shipra Srishti, Indirapuram, Ghaziabad, U.P - 201014
- Dr. V. P. Joy** : Chief Secretary, Government of Kerala, Government Secretariat, Thiruvananthapuram. - 695001
- Shri. Rajesh Kumar Singh** : Addl. Chief Secretary (Finance) Government of Kerala, Government Secretariat, Thiruvananthapuram - 695001
- Shri. K.R. Jyothilal** : Principal Secretary (Transport), Government of Kerala, Government Secretariat, Thiruvananthapuram - 695001
- Shri. Jafar Malik** : District Collector, Collectorate, Ernakulam, Kakkanad, Kochi - 682032
- Shri. Loknath Behera** : Managing Director, Kochi Metro Rail Ltd., JLN Metro Station, 4<sup>th</sup> Floor, Kaloor, Kochi - 682017.
- Shri. D. K. Sinha** : Director (Systems), Kochi Metro Rail Ltd., JLN Metro Station, 4<sup>th</sup> Floor, Kaloor, Kochi - 682017.
- Smt. Annapoorani S.** : Director (Finance), Kochi Metro Rail Ltd., JLN Metro Station, 4<sup>th</sup> Floor, Kaloor, Kochi - 682017.
- Dr. M. P. Ramnavas** : Director (Projects), Kochi Metro Rail Ltd., JLN Metro Station, 4<sup>th</sup> Floor, Kaloor, Kochi - 682017.



## Chairman's Message



(Shri Manoj Joshi)  
Chairman, KMRL  
Secretary, Ministry of Housing and Urban Affairs  
Government of India

Dear Shareholders,

I have great pleasure in extending a gracious and hearty welcome to the Eleventh Annual General Meeting of your Company and to present the 11<sup>th</sup> Annual Report. The Board's Report and the Audited Annual Accounts of the Company for the Financial Year 2021-22, the Statutory Auditors' Report as well as comments of Comptroller and Auditor General (C&AG) of India on the Supplementary Audit have already been circulated to you and with your permission, I take them as read.

### Operational Stretch

The successful completion of Kochi Metro, Phase IA is indeed a prestigious matter and fulfilment for all of us at KMRL. It is a matter of pride that Phase IA (Petta to S N Junction) was also inaugurated by Hon'ble Prime Minister, Shri Narendra Modi in the august presence of Shri Arif Mohammed Khan, Governor of Kerala, Shri Pinarayi Vijayan, Chief Minister of Kerala and other dignitaries, on 1<sup>st</sup> September, 2022. The stretch is now operational for people. It's also a matter of delight and pleasure that the Hon'ble Prime Minister, Shri Narendra Modi has also laid the foundation stone of Phase II Kochi Metro Rail project, from JLN stadium to Infopark via Kakkanad on the same day. The project was included in the union budget for the FY 2021-22 and also got the approval of the Union Cabinet at its meeting held on 7<sup>th</sup> September, 2022.

I believe that these much awaited events will raise new energy & enthusiasm in completing the projects and also in achieving the organisation's objectives.



With regard to Phase IB, from S.N. Junction to Thripunithura, the land acquisition has been completed. The work for the stretch is in progress and expected to be commissioned by mid 2023.

### **Financial performance**

The Financial Year 2021-22 has been a year of recovery, and it made us learn, how to confront the pandemic and to progress despite the economic distress. The second wave of COVID – 19 pandemic affected the businesses of the Company adversely, on both ridership as well as on alternate revenue activities. Metro Services were ceased from 8<sup>th</sup> May, 2021 until 30<sup>th</sup> June, 2021 as per the Government directives. Amidst the restrictions posed by the pandemic, KMRL team has been working tirelessly for restoring the services / ridership to pre-pandemic levels. The number of passengers travelled during the financial year 2021-22 was 9694014 generating a fare box revenue of ₹ 30.78 crore.

During this challenging period, KMRL had embarked upon various proactive measures to combat the adverse situation, namely offering off peak hour discounts, introduction of feeder bus service using pollution free e-buses for the first and last mile connectivity, offering free Wi-Fi internet services to the commuters on the selected metro train etc.

With respect to Non-fare box revenue, KMRL has been resilient and striving hard to increase the reach to the market to get new customers for various retail kiosks and office spaces. These efforts have yielded good results. Further spaces suitable for advertisements were also identified at stations in order to boost alternate revenue generation.

The detailed financial performance of your company in 2021-22 is also covered in Board's Report.

### **Kochi Water Metro project**

Kochi Water Metro is a unique kind of project envisaged for the creation of modern water transport infrastructure, connecting islands in the Greater Kochi region.

Kochi Water Metro Limited has been incorporated on 14<sup>th</sup> July 2021, to give effect to this project and is an associate company of Kochi Metro Rail Limited.

The Project is envisaged to connect 38 Jetties covering a route length of 76 km with 78 Nos of battery operated electric-hybrid boats. It provides freight or passengers to use the combination of Jetties, Bus terminals, and Metro Rail networks. The project is owned by the Government of Kerala.

Speaking of the progress of the project, order has been placed for 23 Nos 100 Passenger boats with Cochin Shipyard Ltd, in September 2019 and four boats have been received so far. Construction of 14 terminals are under progress. Associated components like Floating Pontoons, Integrated Traffic Management Systems (ITMS), Passenger Control System (PCS), Dredging etc are progressing in parallel. Tender for 50 passenger boats have already been published.

KMRL have recruited sufficient manpower like boat crew, terminal controllers etc. already. The inauguration of Water Metro is planned in the High-Court- Vypin, High Court- Bolgatty, Vytilla-Kakkanad routes tentatively in October 2022.



## Other Initiatives

KMRL has taken up the redevelopment of Kunnara park and connectivity with Thykoodam Metro station as part of the Urban Place making initiatives under NMT and the project is completed. Further, as part of the NMT initiatives KMRL has taken up the walk way construction and improvement works from Aluva to Edappally and from Manorama Junction to SN junction.

On 17<sup>th</sup> June 2017, the Honourable Prime Minister of India in the August presence of the honourable Governor of Kerala, the Honourable Chief Minister, the Honourable Union Minister of Urban Development and other dignitaries, dedicated Kochi Metro to the people of Kochi / Kerala. Since this being the most memorable day in the history of Kochi Metro, the Board declared June 17<sup>th</sup> as Kerala Metro Rail Day.

On 17.06.2022, KMRL celebrated the Kerala Metro Day for the first time and Honourable Governor of Kerala, graced the function virtually as Chief Guest and other dignitaries were also present.

## Acknowledgement

I wish to express my deep gratitude and gratefulness towards our most admired commuters, citizens of Kochi and the people of Kerala for their unwavering trust and patronage. I also thank, various departments of Government of India and Government of Kerala, all the stakeholders, Board of Directors, banks, shareholders, labour union, print, audio-visual and social media etc. for their generous support to KMRL.

I take this opportunity to appreciate the dedication and efforts of KMRL's Managing Director, Directors and other employees for providing endless support. We, will always endeavour to increase the quality of public transport in Kochi, in a safer, comfortable and affordable way for a hassle free life, work and travel.

Thanking you,

Sd/-  
**(Manoj Joshi)**  
Chairman, KMRL  
Secretary, Ministry of Housing and Urban Affairs  
Government of India





## BOARD'S REPORT 2021-22

Dear Members,

Directors of your Company are pleased to present the Eleventh Annual Report on the business and operations of the Company, along with the Audited Financial Statements, Auditor's Report and comments of Comptroller and Auditor General of India thereon for the financial year ending 31<sup>st</sup> March 2022.

### 1.0 Status of Revenue Operation

During the year under review, the total revenue generated was Rs.142.31 crore as against Rs.167.46 crore in the previous year includes fare box revenue from metro train operations covering a total distance of 25.2 km from Aluva to Petta, non-fare box revenue, external projects, insurance claim etc.

The total expenditure incurred during the year was Rs. 118.35 crore (previous year Rs. 111.95 crore) giving a profit before Depreciation and amortization expenses, Finance cost, other comprehensive income and tax expenses amounting to Rs. 23.97 crore as against Rs. 55.51 crore in the previous year. Not considering the insurance claim recovery of Rs. 10.92 crore against the flood loss pertaining to the financial year 2018-19, the total profit was 13.05 crore. [Previous year loss 16.23 crore]

After adjustment of Depreciation and amortization expenses, Finance cost, other comprehensive income and tax expenses, a loss amounting to Rs. 339.55 crore (previous year Rs. 334.90 crore) was incurred during the year.

A snapshot of the financial result is given below:

Rs. In lakh

Particulars	2021-22	2020-21
Gross Income	14230.79	16746.07
Operating Expenses	11834.93	11194.58
Profit/(Loss) before Interest and Depreciation	2395.86	5551.49
Finance Charges	(18854.68)	(18787.03)
Gross Profit/(Loss)	(16458.82)	(13235.55)
Other Comprehensive Income	17.84	(23.03)
Provision for Depreciation	(17513.84)	(20231.25)
Net Profit/(Loss) before Tax	(33954.82)	(33489.82)
Provision for Tax	-	-
Net Profit/(Loss) after Tax	(33954.82)	(33489.82)

### 1.1 Share Capital and Subordinate debts.

The total paid up Share Capital of KMRL as on 31<sup>st</sup> March 2022 is Rs. 1507.46 crore (previous



year Rs. 1507.46 crore). Your Company has received 100% of the approved equity-funding share from the Government of India and the Government of Kerala.

The Government of India and Government of Kerala have released their entire share of sub debt towards central taxes amounting to Rs. 248.50 crore each. Government of Kerala released Rs. 237.33 crore towards reimbursement of state taxes and Rs. 672.25 crore towards land acquisition, out of which Rs 366 crore is arranged as back to back loan from The Kerala State Cooperative Bank Limited on behalf of Government of Kerala.

An amount of Rs.666.88 crores was received by your company under various heads of expenditure as Subordinate Debt.

## 1.2 Dividend

In view of non-availability of distributable profits, your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2022.

## 1.3 Transfer to Reserves

Your Directors do not propose any amount to be transferred to the Reserves for the year ended 31<sup>st</sup> March, 2022.

## 1.4 Term Loans & Working Capital Loan

The total loan outstanding as on 31<sup>st</sup> March, 2022 is Rs. 1152.51 crore and Rs. 1372.78 crore from AFD and Canara Bank respectively for Phase I. The total loan outstanding as on 31<sup>st</sup> March, 2022 for the Phase I extension from the consortium of Canara Bank & Union bank of India amounts to Rs 395.23 crore.

In addition to above, term loans are availed from the Kerala State Cooperative Bank Ltd and HUDCO towards land acquisition for project works, preparatory works, and cost escalation for Phase I project, guaranteed by the State Government towards interest servicing and loan repayment. The amounts outstanding as on 31.03.2022 is Rs.235 crore and Rs 605.05 crore from Kerala State Cooperative Bank and HUDCO respectively.

An amount of Rs. 34.83 crore as working capital loan including working capital demand loan as part of COVID assistance from Canara Bank is outstanding as on 31.03.2022.

Your company is rated IND A-/ Stable by M/s India Rating & Research Private Limited towards Bank loan facility to the tune of INR 2079.67 Cr and Working capital Loan of INR 90 Cr.

## 2.0 The Project progress

### 2.1.1 Phase 1A and Phase 1B

#### a) Phase 1A (Petta to SN Junction)

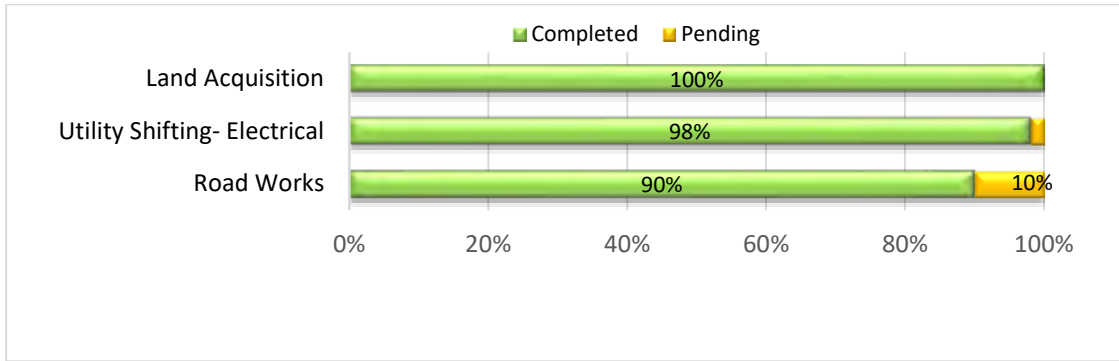
The approved cost of Phase IA is Rs. 710.93 crore. This stretch consists of viaduct of 1.80 km of 2 stations SN Junction and Vadakkekotta. CMRS (Commissioner for Metro Rail Safety) inspection for the Phase 1A stretch was conducted on 9<sup>th</sup> to 11<sup>th</sup> June 2022 and accordingly CMRS issued authorisation letter for commercial operation of stretch. The stretch is ready for commissioning.



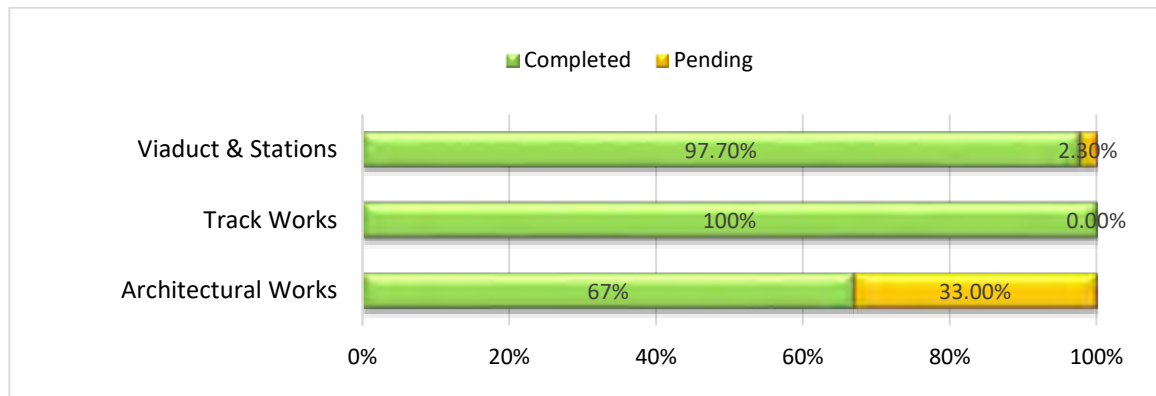
**Work Status**

The key elements of progress are given below:

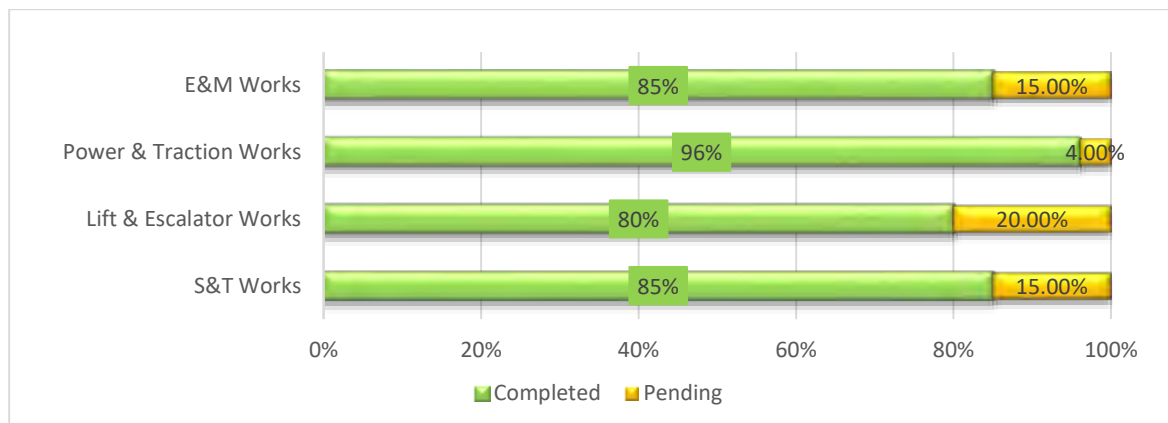
**i) Preparatory Works**



**ii) Civil and Architectural Works**



**iii) System Works**



Overall Physical Progress of Phase 1A as on 30/06/2022, is 94% while the financial progress is 68%.



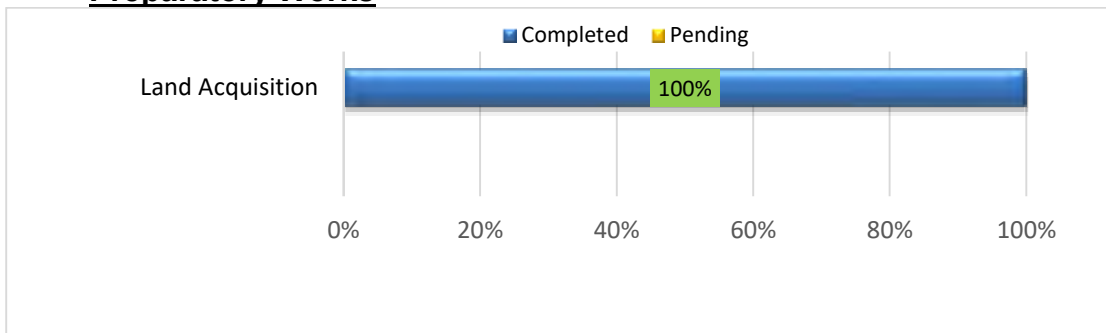
**b) Phase- IB (SN Junction to Trippunithura Terminal)**

Phase IB leads to Trippunithura Terminal station for a length of 1.20 km from SN Junction metro station, with one station. The revised project cost is Rs 448.33 Cr. The land acquisition of Phase 1B has been completed. The work for the stretch is in progress and expected to be commissioned by September 2023.

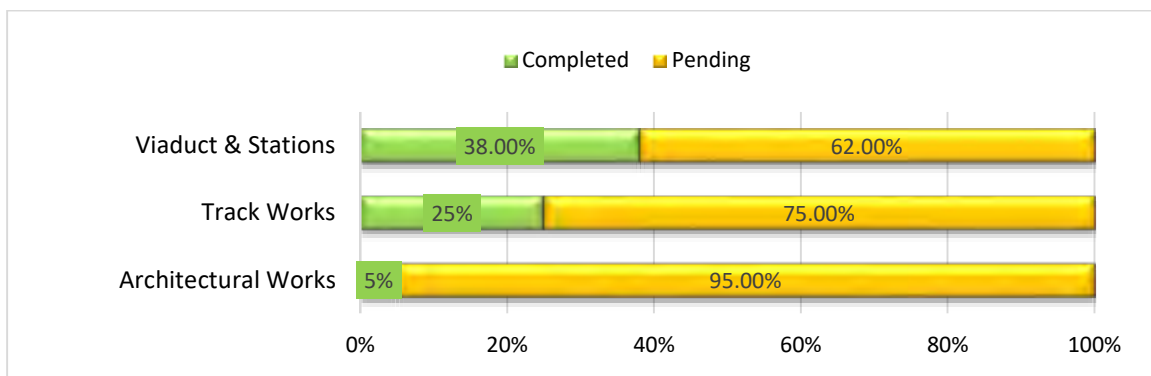
**2.2. Work Status**

The key elements of progress are given below:

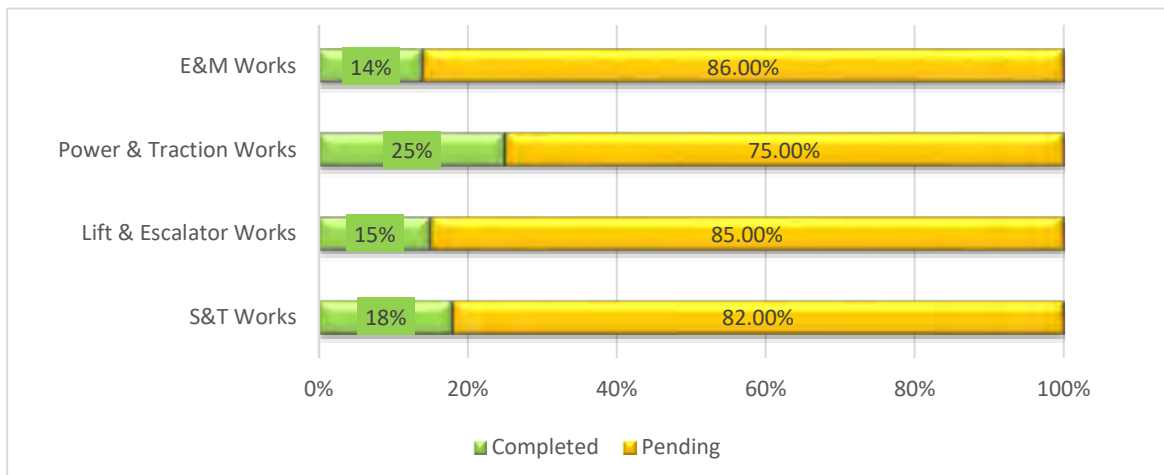
**I. Preparatory Works**



**II. Civil and Architectural Works**



**III. System Works**



The overall Physical Progress of Phase 1B as on 30/06/2022 is 30.50%, while the financial progress is 48.95%.

### 2.3.0 Project status of Phase II

Department of Expenditure, Government of India has accorded 'In principle' approval for the Phase II of Kochi Metro Rail Project from JLN Stadium to Infopark via Kakkanad for a cost of Rs. 1957.05 crore; communicated vide MoHUA Letter No F.No.K-14011/08/2015-MRTS-IV dated 26<sup>th</sup> February 2019. The proposal has been considered in the Public Investment Board (PIB) meeting held on 13.03.2020. The project was included in the union budget for the FY 2021-22.

During the year, two representation/ queries were preferred by MoHUA which was replied. At present, the project is awaiting the approval of the Union Cabinet.

#### 2.3.1 Status of various associated works for Phase II are as follows:

(a) Preparatory Works Part-I: Government of Kerala has accorded administrative sanction of Rs 291.53 crores for the preparatory works of Phase II. The Land Acquisition procedures for the same is in progress and the land taken possession progress is 40%. Preparatory work from JLN Stadium to Kunnumpuram (4.5km) is in progress and expected completion on Dec 2022. Physical progress of preparatory works from JLN stadium to Kunnumpuram is 17% while financial progress is 17% as on 30/06/2022.

(b) Preparatory Works Part-II: Government of Kerala had issued Administrative Sanction for an amount of Rs. 74.07 Crore vide G.O.(Ms) 73/2018/TRANS as a preparatory works package of Phase II for widening 2.5 km of Seaport-Airport Road. The road widening along metro corridor for a 2.5 km stretch of Seaport-Airport Road from Kakkanad signal junction to Infopark expressway is progressing. Physical progress of the same is 50% and financial progress is 48.8% as on 30/06/2022.

### 3.0 Bliss City

Government of Kerala has allotted 17.43 Acre of land to Kochi Metro Rail Limited for monetising and to generate non-fare box revenue vide Government order in the year 2013. KMRL has requested for an additional 14 acres (approx.) of land in the same vicinity. Accordingly, Government of Kerala as per G.O (MS) No: 169/2022/RD dated 24/06/2022 accorded for handing over of 14 acres land to KMRL in the same vicinity. The procedure for handing over of 14 acres of land is under progress by the District Collector. The consultant appointed for the feasibility study has submitted their final detailed project report for the entire 31.43 Acre (approx.) of land which is under consideration. Meanwhile, KMRL intends for a mixed use development project with Entertainment, IT, Health, Medical Tourism, Education sectors etc. An Expression of Interest followed by RFP will be floated towards finalising the concessionaire or developer based on the business model proposed.



## 4.0 Integrated Water Transport Project (Water Metro Project)

### 4.1 General

Kochi Water Metro is a unique kind of project envisaged for the creation of modern water transport infrastructure, connecting islands in the Greater Kochi region. The Project is envisaged to connect 38 Jetties covering a route length of 76 km with 78 Nos of battery operated electric-hybrid boats. It provides freight or passengers to use the combination of Jetties, Bus terminals, and Metro networks. The project is owned by Government of Kerala. The approved project cost is Rs 682.01 crore (excluding cost of 1/3<sup>rd</sup> of the boats), of which 579.71 Crores is being funded by KfW. A cost escalation request is being processed with KfW through DEA. GoK accorded approval for the revised project cost in June 2021, Rs 1064.83 crore.

### 4.2 The progress update:

Order has been placed for 23 Nos 100 Passenger boats with Cochin Shipyard Ltd, in Sept 2019 and two boats have been received so far. It is expected that three more boats will be delivered by Aug / Sept 2022. Construction of 14 terminals are under progress, of which 6 will be ready by end of July 2022. Associated components like Floating Pontoons, Integrated Traffic Management Systems (ITMS), Passenger Control System (PCS), Dredging etc are progressing in parallel. Tender for 50 passenger boats have already been published (15 Nos with an option to increase to 30).

AFC work for Water Metro is completed at 2 jetties while work is progressing as per plan at additional 06 jetties.

KMRL have recruited sufficient manpower like boat crew, terminal controllers etc. already. The inauguration of Water Metro is planned in the High-Court- Vypin, High Court- Bolgatty- South Chittoor, Vyttila- Kakkanad routes tentatively in September 2022.

## 5.0 Integrated Urban Regeneration and Water Transport System (IURWTS) Project

For executing the project, your company has submitted Land Acquisition Proposal for an area of 41.27 hectares of private land and 2.79 hectares of Govt. land. Revenue Department has already accorded sanction for acquisition of the requisite land and the land acquisition is in progress with the District administration. Land demarcation and SIA studies are in Progress in each of the 5 canals.

All the statutory clearances for the start of the execution have been obtained and all preliminary studies have been completed.

Your company has completed the preliminary cleaning of the Market canal and has obtained approval from the funding agency for the tender for Market canal and the same has been floated.

## 6.0 System Contracts

### A. Signalling & Telecom

The work for Automatic Train Protection in Muttom depot has been completed. The Signalling & Telecommunication works for Phase 1A has been completed and received CMRS authorisation. All the telecom equipment like CCTV, PIDS, PAS, FOTS and Tetra has been commissioned to



meet the metro telecom needs of the passenger. The Signalling & Telecommunication works for Phase 1B up to Thripunithura Terminal is in progress.

### **B. Power Supply & Traction and Electrical & Mechanical**

Power Supply and Traction works of Phase IA project containing one auxiliary substation and one auxiliary + traction substation have been successfully completed and CMRS inspection completed and authorisation obtained for revenue service.

All E&M works of the Phase-IA project has been completed. The system contains LV switchboards, lighting, Fire system and HVAC systems of two stations. Fire certification of two stations and CMRS authorisation of two stations are obtained for revenue service. Phase-IA section of 2 stations containing 7 Nos escalators and 7 Nos lifts are commissioned and obtained all statutory clearance for passenger operation.

### **C. Solar Plant**

KMRL has been continuously endeavouring for increased use of solar energy.

KMRL has already commissioned 5.389MWp of solar plants. During the last year, 4.5 MWp (up to July 2022) has been added to the installed capacity. This has taken the energy neutrality to 54%. Further 655 kWp capacity is under advance state of commissioning, completion of which will take the energy neutrality to 57%.

In the next phase, KMRL will develop station roof top of Ph I extension, parking roofs, additional location inside depot for commissioning solar. KMRL has also initiated steps to develop off-site solar plants so as to achieve the vision for 100% energy neutrality.

### **D. Automated Fare Collection System**

The ticketing facility in the Automatic Fare Collection system was enhanced during the year through addition of 24 number Ticket Vending Machines (TVMs) across different stations. The AFC system enhancement work for providing peak/ off-peak fare, discount to various categories of users were completed.

The AFC work for Phase 1A (Vadakkekkotta and SN junction) was completed and CMRS sanction was obtained. The work for Ph IB is progressing, as per plan.

### **E. IT Initiatives**

- **Payroll software:** Customization of new Payroll software SARAL was completed and is operational since Jun 2021.
- **Cyber Security Audit:** Security and Cyber Security audit was successfully conducted by state intelligence agency in Sep 2021.
- **Visitor Management System:** An in-house Visitor management system was developed and is functioning satisfactorily since Sep 2021 at corporate office.



## 7.0 Operation and Maintenance

### 7.1 Operations

Train Operations during the year got interrupted due to Covid and the services were suspended from 8<sup>th</sup> May-2021 until 30<sup>th</sup> June -2021.

The number of passengers travelled during the year was 9694014 generating a fare box revenue of Rs 30.78 crore. During the year 62311 trips were run, clocking 1475721 kilometres with an average punctuality of 99.96%.

### 7.2 Steps for increasing ridership

To increase the patronage of commuters, a number of measures were taken during the year. Some of the important ones are listed as under:

a) **Discount in fare:** Kochi Metro offered 50% Discounts on Train Fare to all Commuters during off peak hours i.e. 06:00 to 08:00 hrs & 20:00 to 22:50 hrs. KMRL introduced this offer for all modes of tickets. Discounts for different categories of users viz Students, Covid Frontline Warriors (Medical / police / support staff), physically challenged and mentally challenged, were introduced.

b) **E-Bus**

Kochi Metro has started feeder bus service using pollution free e-buses for the first and last mile connectivity to their passengers. License were given to Kleen Smart Bus Limited (KSBL) for operating 10 no. E-Buses as feeder; out of which 7 have started operations. The e-bus connects Angamaly, Airport, Infopark, North Paravur to different metro station.

c) **Wi-Fi on trains**

Kochi Metro has initiated a pilot project by offering free internet services to its commuters on one of the metro train in earmarked areas inside the train. If the project attracts sufficient users, the services will be extended to other metro trains.

d) **Public complaint, feedback and suggestion handling**

For continued patronage of our existing commuters, KMRL Customer Relationship Cell reaches out to the commuters through various means. During the year, WhatsApp service support platform was introduced for the benefit of the commuters.

During the year, a total number of 22277 passenger queries were received. (93% enquiries, 3% public complaints, 3% lost & found queries and 1 % of suggestions).

Telephonic survey was started with 75549 passenger contact numbers, available with KMRL Customer Care and 42718 passengers were contacted and feedback received for enhancing various aspects of the services.

### 7.3 Enhancement of non-fare revenue:

During the year, unused areas at stations suitable for kiosk and office spaces were identified and public auction was conducted for renting out the space. Spaces suitable for advertisements were also identified at stations as part of alternate revenue generation.





#### **7.4 Safety Management:**

As part of the Internal Safety Audit Plan for 2022, KMRL undertook a review of all Departments, for ensuring the safety of staff, and all the stake holders. The areas were audited for the second time since its inception.

Further, to keep the operations staff abreast of safety procedures 13 mock drills and 1096 various night drills were conducted during the year 2021-22. Safety week was celebrated with various safety related activities.

#### **7.5 Training:**

During the year, psychological examination was conducted online for new SC/TOs using CBT classroom facilities. Orientation training for newly appointed outsourced staff was also conducted in the initial months. A brief training for staff of Customer Relationship Cell was also conducted.

During the lockdown period, a special online training program was arranged for the executives of KMRL to enhance the knowledge on various topics related to day to day activities.

Training was conducted for two batches of Maha Mumbai Metro Operation Corporation Limited (MMMOCL). In the first batch, 17 controllers participated in the OCC controllers training for 18 days and successfully completed it. In the second batch, 15 signalling staff from MMOCL participated in the training for Signalling and Train Control System for 34 days and successfully completed it.

#### **7.6 Innovations and New Practices**

##### **7.6.1 Operation and Maintenance Management System.**

A Web portal is developed for meeting the E-governance requirement of operation and maintenance activities of the O&M department. The portal is made available at URL <https://omms.kochimetro.org>. The portal enables various departments under O&M to manage their operational and maintenance program on a web-based dashboard thereby saving considerable time and money by properly managing the stations, depot, OCC, assets, and occupants more efficiently and effectively. Modules so far developed are deployed under production and departments under O&M are actively using it. The application is completely developed by an in-house team and hosted on an available hardware, leveraging on best convenient open-source technologies.

##### **7.6.2 AUTO RAIL LUBRICATION SYSTEM**

Auto Rail Lubrication System was installed in all check rail curve locations of the track. This provision helped in operating the system during revenue time with train movement which was not possible earlier.

##### **7.6.3 E-Bus Charging Provision in 5 Stations:**

E-bus charging stations were installed at ALVA, KLMT, EDAP, KALR and VYTA stations. This has facilitated effective running of feeder e-buses.



#### **7.6.4 Assigning unique name identity for Trains**

As a part of Kochi Metro's promotional campaign, unique names were assigned to individual KMRL trains. Train names were displayed on train external LED displays (Front Destination Indicator (FDI) and Side Destination Indicator (SDI)).

#### **7.6.5 Access to depot stabling lines**

The access pathway for approaching the trains in stabling lines was shifted to the rear end of Stabling Bay Lines (SBLs) considering the safety of Train operators. In connection with this, existing Buffer stop signals were removed which were infringing with the personnel movement. New modified signals designed to fit on physical Buffer Stops were fabricated, installed & commissioned.

### **8.0 Conservation of Energy and Technology Absorption**

#### **8.1 Conservation of Energy**

Energy efficient LED lighting is utilised in all the metro stations, offices, Depot areas, viaduct, parking areas, property development areas, interior and exterior of the trains and wherever the lighting is required, thereby saving energy in the lighting in newly constructed Phase-IA section.

Energy saving is enhanced by Enabling Energy saving mode in escalators in Phase-I extension stations.

VVVF (Variable Voltage Variable Frequency) drive have been used for the lifts & escalators, which provides sleep mode for the lifts and idling or slow speed mode escalators when passengers are not detected. Same is provided in Phase-I extension stations.

#### **8.2 Use of alternate source of energy**

KMRL has adopted Solar Energy Policy and striving to achieve full energy neutrality. KMRL has already commissioned two phases of solar power projects viz, 2670 kWp Roof Top solar power project and 2719 kWp Ground mounted type, both together taking the total Power Capacity to 5389 kWp.

The area targeted in the 3<sup>rd</sup> Phase of Solar Project is Muttom depot track location, open stabling lines, etc. along with structure for mounting the solar plant. The 3<sup>rd</sup> Phase of Solar Project is in completion stage with the capacity of 5202kWp out of which 4547kWp is commissioned.

#### **8.3 Capital investment on energy conservation equipment**

Efforts for modernisation and improvement in the technology has been a goal for the organisation and investment in those lines and done wherever it is required. The solar power projects are implemented on a RESCO model, in which the capital investment from KMRL is NIL.



## 8.4 Technology Absorption

(i) The efforts made towards technology absorption:

- (a) Telecom item like PIDS (Passenger Information Display System) on platforms and concourse are kept automatically switched off during non-revenue hours to achieve power saving in Phase-I extension
- (b) Occupancy sensor-based lighting in restrooms and Lighting control system in public areas are installed in Phase-I extension stations to cut the wastage of power during unused time slots or empty areas.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

KMRL has already commissioned two phases of solar power projects viz, 2670 kWp Roof Top solar power project and 2719 kWp Ground mounted type, both together taking the total Power Capacity to 5389 kWp.

The area targeted in the 3<sup>rd</sup> Phase of Solar Project is Muttom depot track location, open stabling lines etc along with structure for mounting the solar plant and the recently commissioned metro stations and entry exit building roofs. The 3<sup>rd</sup> Phase of Solar Project is in completion stage with the capacity of 5202kWp out of which 4547kWp is commissioned.

The active filters and shunt reactors are provided in the KMRL Phase-I and Phase-IA electrical network for

- (a) Maintaining the system power factor at unity,
- (b) Keep the system harmonics within the permissible limits of IEEE – 519
- (c) Reduce the losses in the system.

The provision of Active filters and Shunt reactors helped KMRL to improve the PF from 0.4 -0.5 to 0.9 - unity range. Provision of reactive power compensation system helped KMRL reduce the losses and demand charges.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Efforts for modernisation and improvement in the technology has been a goal for the organisation and investment in those lines and done wherever it is required. The solar power projects are implemented on a RESCO model, in which the capital investment from KMRL is NIL.

(A) The details of technology imported:

At the contracting stage of Phase-I extension project itself necessary provisions have been used for technology absorption and accordingly the Elevators & Escalators for the KMRL have been manufactured in India with a local content of about 80% and 51% respectively, which has substantially reduced the cost of the elevators and escalator. Efforts for indigenisation of spare parts and components are ongoing.



- (B) The year of import: 2021-2022 (Only Spare parts)
- (C) Whether the technology been fully absorbed: There are certain components which are still dependent on import.
- (D) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Non-availability of manufacturers
- (iv) The expenditure incurred on Research and Development: Not applicable

## 9.0 Human Resource

- I. Role of Human Resources Department of KMRL is to strike the right balance between business needs of the Company and individual aspirations. Staying true to the Mission and Vision of KMRL, the Company follows the value – ‘Employee Empowerment’ and focuses on improving the work culture, employee engagement, productivity, efficiency and effectiveness.
- II. In view of the ongoing project activities – Metro Rail as well as Water Transport and revenue operations, the intake of manpower and competency building of employees is ongoing. As on 31<sup>st</sup> March 2022, KMRL has a team of dedicated personnel comprising of 97 in the Projects wing, 378 in the Operation & Maintenance wing and 15 in the Water Transport wing.
- III. Co-partnering with Kudumbashree (A Kerala Government initiative towards poverty eradication & women upliftment mission), KMRL is managing the Metro rail stations as “Women Operated Centres of Excellence”, by women from economically weaker sections (EWS) including from Transgender community, thereby ensuring women empowerment, gender equality and inclusive growth. Women constitute over 60 percent of the workforce of Kochi Metro. Kochi Metro has presence of women across the organization in different levels of the management hierarchy till shop floor.
- IV. From Train Operators to those manning the ticket counters, from overall control of stations to housekeeping, from security personnel to engineers, the presence of women here has crossed boundaries making Kochi Metro a shining example of an icon of empowerment.
- V. With the deployment of members from transgender community in Kochi Metro, this is the first time that transgender community have been included in the mainstream workforce.
- VI. KMRL had followed all the Government directives, protocols and precautionary measures for preventing the spread of Covid-19.

## 9.1 Employment of Reserved Category

The guidelines issued by the Gol from time to time with regard to reservation of services for SCs/STs/PH/OBCs etc. are being adhered to. As on 31<sup>st</sup> March 2022, Company has employed 61 Scheduled Caste, 5 Scheduled Tribe, 245 Other Backward Class, 9 Ex-Servicemen and 5 differently abled persons.



The Management of KMRL always feel that a motivated, content and satisfied workforce is the key for the successful achievement of the organizational goals. Keeping this objective in view, the Company continues to work for human resource development and realization of its potential. The employer-employee relationship continues to be cordial throughout the year and KMRL could meet the targets well in time.

### **10.0 Kerala Metro Day Celebration**

On 17<sup>th</sup> June 2017 by the Honourable Prime Minister of India in the August presence of the honourable Governor of Kerala, the honourable Chief Minister, the Honourable Union Minister of Urban Development and other dignitaries, Kochi Metro was dedicated to the people of Kochi / Kerala.

Since this being the most memorable day in the history of Kochi Metro, the Board declared June 17<sup>th</sup> as Kerala Metro Rail Day.

On 17.06.2022, KMRL celebrated the Kerala Metro Day for the first time and Honourable Governor of Kerala, graced the function virtually as Chief Guest and other dignitaries were also present.

### **11.0 Vigil Mechanism**

During the year under review, no complaint was received under Vigil Mechanism. Your Board in its 23<sup>rd</sup> meeting held on 18<sup>th</sup> January 2016, has put in place a vigil mechanism/whistle blower policy in line with Section 177(9) of the Companies Act 2013.

### **12.0 Right to Information**

Your Company has implemented the Right to Information Act, 2005 (hereinafter referred to as “RTI Act”), which empowers the citizens by providing access to information with a view to enlighten them on the accountability and transparency practised in the Company. Appropriate officials have been designated as Public Information Officer (PIO), Assistant Public Information Officer (APIO), and First Appellate Authority to ensure that various enabling provisions of the RTI Act are implemented in letter and spirit. During the FY 2021-22 a total number of 100 RTI Applications, as well as 7 First Appeals, were received by the Company. All the above referred RTI Applications, as well as First Appeals, were disposed of by the concerned officials in strict compliance with the provisions of the RTI Act. One Second Appeal was filed against the Company before the State Information Commission (SIC).

### **13.0 Particulars of loans, guarantees and investments**

During the year under Report, your Company has not –

- a. given any loan to any person or other body corporate;
- b. given any guarantee or provided security in connection with any loan to any other body corporate or person; and
- c. acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under section 186 of the Companies Act, 2013.



#### **14.0 Related Party Transactions**

The company has entered into an agreement with Kochi Water Metro Limited (KWML), for the leasing of property, for a period of 5 years. The license fees earned for the year 2021-22, is Rs. 0.091 lakhs.

#### **15.0 Material changes and commitments**

There have been no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the Report.

#### **16.0 Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government.**

The Statutory Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made there under.

#### **17.0 Fixed Deposits**

Your Company has not accepted any fixed deposits from the public under Chapter V of the Companies Act, 2013.

#### **18.0 Foreign Exchange Earnings and Outgo**

During the year, there was no foreign exchange earnings. No amount was incurred towards foreign travel during the year. However, an amount equivalent to Rs.30.91 crore was incurred towards payment to contractors in foreign currency.

#### **19.0 Risk Management Policy**

Your Company is committed to identify potential risks before they occur so that the risk management activities may be planned and invoked as and when needed across the life of the project and to mitigate its adverse impacts on achieving the larger objectives.

Keeping this in view, your Company has identified the following specific objectives:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed on time;
2. To ensure that high priority risks are aggressively managed and eliminated;
3. To ensure that all risks are cost-effectively managed throughout the project;
4. To promote information sharing at all levels of the management to make informed decisions on issues critical to the success of the project;
5. To ensure compliance with the appropriate regulations, wherever applicable.

Your Company has adopted the following measures to achieve and improve the specific objectives:

- The Risk Management Policy is prepared by IIM Kozhikode for the Company.



- Conducting quarterly internal audit by independent auditors; their observations are reviewed by the Audit Committee and corrective actions taken wherever found appropriate.
- Physical verification of assets at regular intervals by a team constituted for the purpose and by the internal auditors.
- Use of data encryption technology for communication and storage of data which ensures safety and data security.

## 20.0 Corporate Social Responsibility and Sustainability Initiatives

Since your Company is not earning profit therefore pursuant to provisions of section 135 of Companies Act 2013 and Rules / schedule made thereunder, it is not obliged to spend on CSR, hence expenditure under this head is Nil. However, being a responsible corporate citizen, your Company is committed to its stakeholder's viz., the shareholders, the employees, the management, the suppliers, the customers and the community at large. As an environment friendly metro organisation, your Company has been undertaking initiatives from its inception to improve the standard of living and to enhance the quality of life of the people in Kochi, acknowledging the Company's responsibility towards the society.

On voluntarily basis your company has constituted a Corporate Social Responsibility Committee comprising of 5 (five) directors in compliance of relevant provisions. The composition of CSR Committee is detailed in Corporate Governance Report, which forms part of this report.

## 21.0 Alternate Revenue Initiatives: Office & Retail Space Allocation

The impact of Covid – 19 pandemic affected businesses including the alternate revenue activities resulting in extending waivers during the lockdown period and some of the clients vacating premises and payment defaults. However, during this challenging period your company increased the reach to the market and acquired new customers for various retail kiosks and office space by a new process of physical auction process for allotment of space during this financial year. The physical auction yielded good results and KMRL was able to license out a total of 12,109 sq feet of Kiosks spaces through 133 licensees. Also a total of 51,814 sq ft of office space was licensed out through 10 licensees across metro stations.

## 22.0 Board of Directors

As on 31.03.2022 the Board of your Company comprises of 12 Directors, of whom 5 Directors are nominees of the Government of India, 5 Directors are nominees of the Government of Kerala and 2 are Functional Directors. The Secretary, Ministry of Housing and Urban Affairs, Government of India is the Chairman, while the Managing Director is a nominee of Government of Kerala. A detailed note on the Board of Directors is provided under the 'Corporate Governance Report'.



## 22.1 Number of Meetings of the Board

During the financial year 2021-22, the Board of Directors of your Company met four times, on 5<sup>th</sup> August 2021, 22<sup>nd</sup> November 2021, 16<sup>th</sup> February 2022 and 30<sup>th</sup> March 2022.

## 22.2 Directors and Key Managerial Personnel

During the year under review, the following Directors were appointed in the place of the named Directors who retired/superannuated:

Directorial changes that occurred up to 31<sup>st</sup> March, 2022:

- Shri Alkesh Kumar Sharma IAS, Managing Director, ceased to be the Managing Director of KMRL, with effect from 7<sup>th</sup> April 2021, and Shri K.R. Jyothilal IAS, Nominee Director (GoK) was given additional charge of Managing Director.
- GoK, vide G.O dated 29<sup>th</sup> April 2021, appointed Dr. V.P. Joy IAS, as Nominee Director, on behalf of Government of Kerala, in place of Dr. Vishwas Mehta IAS, who has been superannuated.
- Shri Thiruman Archunan, Director (Projects) tendered resignation with effect from 1<sup>st</sup> June 2021 on account of his appointment as Director (Projects) in Chennai Metro Rail Limited.
- GoK, vide G.O dated 2<sup>nd</sup> August 2021, appointed Shri Jafar Malik IAS, as Nominee Director, on behalf of Government of Kerala, in place of Shri S. Suhas, IAS.
- GoK, vide G.O dated 27<sup>th</sup> August 2021, appointed Shri Loknath Behera (Retd. IPS), as Managing Director.
- Government of India, vide G.O dated 10<sup>th</sup> January 2022, appointed Shri Manoj Joshi, IAS, Secretary, MoHUA, as Director and Ex-officio Chairman of Kochi Metro Rail Limited in place of Shri Durga Shanker Mishra IAS, who ceased to be the Chairman consequent upon superannuation.

The office of the following Directors remained unaltered during the financial year:

- Shri D.K. Saini
- Smt Sujatha Jayaraj
- Shri Jaideep
- Shri Rajesh Kumar Singh, IAS
- Shri K. R. Jyothilal, IAS
- Shri Kumar K.R.
- Shri D.K. Sinha
- Shri Bhupender Singh Bodh

## 22.3 Changes in Directorship after 31<sup>st</sup> March 2022 and up to the date of this report:

- Smt. Sujatha Jayaraj – Nominee Director (GoI) superannuated from services on 16<sup>th</sup> May 2022.





- Smt. Namita Mehrotra Director (Finance), National Capital Region Transport Corporation (NRCTC) has been nominated as Nominee Director (GOI), on 30<sup>th</sup> May 2022.
- Shri. Kumar K.R. – Director (Finance) has been superannuated on 31<sup>st</sup> May 2022.
- Smt. Annapoorani S. has been appointed as Director (Finance) with effect from 13<sup>th</sup> June, 2022.
- Dr. M.P. Ramnavas has been appointed as Director (Projects) with effect from 28<sup>th</sup> June 2022.

Board placed on record its appreciation of the services of Dr. Vishwas Mehta, Shri Alkesh Kumar Sharma, Shri Durga Shanker Mishra, Shri Thiruman Archunan, Shri S. Suhas, Smt. Sujatha Jayaraj and Kumar K.R. during their tenure as Directors.

Your Company has the following Key Managerial Personnel as on date:

- Shri Loknath Behera – Managing Director
- Smt Annapoorani S. – Director, Finance cum CFO
- Shri D.K. Sinha – Director, Systems
- Dr. M.P. Ramnavas – Director, Projects
- Shri Shyam Sunder Agrawal – Company Secretary

#### **22.4 Performance appraisal of Directors**

Company conducts performance appraisals of all three of its Functional Directors on a yearly basis. In the year under review, all the three Functional Directors performed well in their respective fields. In the case of nominee Directors, the performance appraisal is undertaken by the respective governments, they are nominated by.

#### **23.0 Details of Subsidiary, Joint Venture and Associate Companies**

Your Company has one associate company as per Section 2(6) (a) of the Companies Act 2013 by means of having “significant influence” i.e. control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement. Kochi Water Metro Limited (KWML) has become an associate company with effect from 14<sup>th</sup> July 2021 and KMRL holds 26% of equity in KWML.

#### **24.0 Significant and Material orders**

No significant and material orders were passed by the regulators or any courts or tribunals impacting the going-concern status of the Company and affecting its operations.

#### **25.0 Extract of Annual Return**

In terms of provisions of section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 in form MGT-9 is placed on company’s website [www.kochimetro.org](http://www.kochimetro.org).



## 26.0 Internal Financial Control

The Board has adopted robust policies and procedures to ensure the orderly and efficient conduct of your Company's business by safeguarding its assets, preventing and detecting errors and frauds, ensuring the accuracy and completeness of the accounting records and the timely preparation and submission of reliable financial statements.

## 27.0 Corporate Governance

Your Company adheres to Corporate Governance standards and pursues transparency, integrity and accountability in all its activities. A separate section entitled 'Corporate Governance Report' has been annexed to this report.

## 28.0 Auditors

### 28.1 Statutory Auditor

Pursuant to Section 139 of the Companies Act, 2013 M/s. G. Joseph & Associates., Chartered Accountants were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG) who shall continue in office till the conclusion of the Annual General Meeting.

The Report of the Statutory Auditors, being a part of the Annual Report, has been annexed herewith.

### 28.2 Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, M/s. Vivek Sarath & Naufal, Firm of Practising Company Secretaries, was appointed to conduct the secretarial audit of your Company for the year 2021-22. The report from the secretarial auditor and the comments to every observation/qualification made by the Company Secretary in practice in his secretarial audit report is annexed to this Report.

### 28.3 Internal Auditor

M/s C.K. Prusty & Associates Chartered Accountants, Kochi, were appointed as the Internal Auditors of your Company to conduct internal audit and oversee the duties of the internal auditors of the Company and their report is reviewed by the Audit Committee from time to time.

## 29.0 Directors' Responsibility Statement

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other Accounting Principles generally accepted in India and under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values.

The Company has adopted all the applicable Ind AS 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.



In compliance with section 134(5) of the Companies Act, 2013, the Directors state that:

- In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanations for material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss of your Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going-concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

### 30.0 Change in nature of Business

During the year under review, there has been no change in the nature of business of the Company.

### 31.0 Explanation or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by Auditors.

No qualification, reservation or adverse remark received from Auditors for the period under review.

### 32.0 Other Disclosures – Prevention of Sexual Harassment in the Workplace

The Company has a policy on prevention of sexual harassment at the workplace. The Company has constituted an Internal Complaints Committee in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into the cases pertaining to sexual harassment of women and to facilitate a safe working environment.

There were “NIL” cases of sexual harassment reported during the year under review.

Composition of the Internal Complaints Committee:

- |  |   |                   |
|--|---|-------------------|
| • Ms. Seeni Alex Kuruvilla, AGM (F&A)                                | - | Presiding Officer |
| • Dr Lizamma Koshy, Retd. HoD (Chem)<br>Maharajas College, Ernakulam | - | External Member   |
| • Ms. Lilly Kutty Raju , ES to MD                                    | - | Member            |
| • Ms Mini Chhabra GM (HR, Admn & Trg)                                | - | Member & Convener |



### 33.0 Acknowledgement

Your Directors wish to place on record their sincere appreciation of the assistance rendered by the Central/State Government and local authorities, Office of the C&AG, Statutory Auditors, Secretarial Auditors, Internal Auditors, AFD, KfW, Canara Bank, Union Bank of India, The Kerala State Cooperative Bank, HUDCO and other Commercial Banks, both the print and the visual media, contractors, suppliers, vendors, advisors, consultants, customers and various stakeholders connected with the affairs of the Company and thank each one of them. The Board also places on record its sincere appreciation of the commitment and the whole-hearted co-operation extended by the officers and other staff members of your Company.

For and on Behalf of the Board of Directors,

(Sd/-)  
Chairman

Place: Kochi

Date: 27.07.2022



## Corporate Governance Report

Corporate Governance is the combination of rules, processes or laws by which corporates are operated, regulated or controlled. It includes the internal and external factors that affect the interests of company's stakeholders including shareholders, suppliers, customers, government regulators and management. In other word, corporate governance is the structure of rules, practices and processes used to direct and manage a Company.

This report describes the corporate governance practices that the Company has adopted and how the Company has applied the principles and practices of good corporate governance.

### Board of Directors

As per the Articles of Association of the Company, strength of the Board shall not be less than 3 Directors and not more than the number as stipulated under Section 149 of the Companies Act, 2013, keeping in view the exemptions applicable to Government Companies. These directors may be either Nominee Directors, or Whole Time functional Directors.

### Composition of Board of Directors

As on date of this report, the Board of Directors of KMRL comprises of 13 Directors, of whom 5 Directors are nominees of the Government of India, 5 Directors are nominees of the Government of Kerala, and 3 are Functional Directors. The Chairman is the Secretary, Ministry of Housing and Urban Affairs, Government of India, and the Managing Director is a nominee of Government of Kerala.

The Board of Directors of the Company comprises of professionals with proven administrative and execution capabilities, committed to the objectives of the Company and who also collectively direct the Company's affairs.

Attendance record of Directors:

SL. No.	Name of the Director	Meetings held in 2021-22 during the tenure of their directorship	Meetings attended	Attended AGM
1.	Shri Durga Shanker Mishra	2	2	Yes
2.	Shri Manoj Joshi	2	2	No
3.	Dr. V.P. Joy	4	4	Yes
4.	Shri Bhupender Singh Bodh	4	3	Yes
5.	Shri Jaideep	4	4	Yes
6.	Smt Sujatha Jayaraj	4	4	Yes
7.	Shri D.K. Saini	4	4	Yes
8.	Shri Loknath Behera	3	3	Yes
9.	Shri Rajesh Kumar Singh	4	3	No
10.	Shri K.R. Jyothilal	4	4	Yes



11.	Shri Kumar K.R	4	4	Yes
12.	Shri D.K. Sinha	4	3	Yes
13.	Shri Jafar Malik	4	4	Yes

### Information supplied to the Board

The Board is presented with relevant information and proposals, before each meeting which require the Board's consideration in various matters related to the working of the Company, especially those require deliberations at the highest level. Presentations are also made to the Board by the functional directors on the progress of the project, legal compliance and other important matters from time to time.

### Board procedures

Board Meetings are conducted for critical evaluation and review of the performance of the Company and for ensuring effective implementation of management decisions. During the financial year 2021-22, the Board of Directors of the Company met four times; on 5<sup>th</sup> August 2021, 22<sup>nd</sup> November 2021, 16<sup>th</sup> February 2022 and 30<sup>th</sup> March 2022.

The Company has streamlined a procedure for holding the Board and the Board Sub-Committee Meetings, as explained below:

#### a) Institutionalised decision making process

With a view to institutionalise all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion and decision making by the Board, the Company has well defined procedures for conducting meetings of the Board of Directors and Committees thereof, whereby it is ensured that the information is disseminated in an informed and efficient manner.

#### b) Scheduling and selection of Agenda items for Board/Board Sub-Committee Meetings

- The meetings are convened by giving appropriate notice, after obtaining the approval of the Chairman of the Board. To address specific urgent needs, meetings are also called at shorter notice. The Board also passes resolutions by circulation, but only for such matters, which are of utmost urgency and which are permissible in terms of the provisions of the Companies Act, 2013; in the relevant year one resolution was approved by circulation.
- The agenda papers are prepared by the Heads of Departments concerned and, after obtaining the concurrence of respective Functional Director, are submitted to the Managing Director for approval. Duly approved detailed agenda notes, management reports and other explanatory statements, backed by comprehensive background information, are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions at the meetings;
- Where it is not desirable to attach any document or if the agenda is of sensitive nature,



the same is placed on the table at the meeting with the approval of the Managing Director and the Chairman. In special and exceptional circumstances, additional or supplementary item(s), which are not on the agenda, are taken up for discussion with the permission of the Chair;

- The Board is also informed of major events/items and approvals taken whenever necessary. The Managing Director keeps the Board apprised of the overall performance of the Company at the Board Meetings;
- Action Taken Report, review of the status of actions taken on the directives of the Board in earlier meetings, physical and financial progress, minutes of Committee Meetings also forms part of the Agenda;
- The members of the Board have complete access to all the information of the Company;
- The Board meetings are generally conducted in line with the applicable Secretarial Standards.

#### **c) Briefing by the Managing Director**

At the beginning of each meeting of the Board, the Managing Director briefs the Board members about the key developments, including the status of the project and other important achievements/developments relating to the Company in various areas.

#### **d) Recording minutes of proceedings at the Board meeting**

Minutes of the proceedings of each Board are recorded and entered in the Minutes Book. The minutes of the meetings are circulated in accordance with the provisions of the Companies Act, 2013 and the applicable Secretarial Standards. The minutes of the Board Meetings are submitted for confirmation at its next meeting, after these are signed by the Chairman. The minutes of the meetings of the Sub-committees of the Board are also placed before the Board for information.

#### **e) Compliance**

The Heads of Departments, while preparing agenda notes ensure adherence to all the applicable statutory requirements, including the provisions of the Companies Act, 2013, Articles of Association and the CVC guidelines.

The employees of the Company pursue the tenets of the Code of Conduct approved and adopted by the Company, while discharging the duties and responsibilities entrusted to them. They always maintain high moral standards and values in contributing towards corporate functioning and the appropriate and timely guidance from the management helps them ensure better governance practices.

#### **Information placed before the Board inter alia includes:**

- Detailed Budget Estimates and status of revenue operation.
- Annual Financial Statements and Board's Report.



- Decisions/Minutes of meetings of Sub Committees of the Board.
- New proposals/projects including updated status of Phase I, Phase IA, Phase IB, Phase II, Phase III, Integrated Water Transport Project, IURWTS, etc.
- All proposals which involve change in technology/technology parameters other than those contemplated in DPR.
- Any significant development in Human Resources, significant Property Development matters.
- Availing of term loans and working capital loans, other financial assistance.
- Appointment of Internal Auditors, Statutory Auditors and Secretarial Auditors.
- Information relating to major legal disputes.
- Other materially important information.
- Other matters as directed/advised by the Board from time to time.

### **Committees of the Board**

The Board has constituted eight sub-committees, which are commensurate with the size and nature of the operation of the Company. These are:

- i. Audit Committee
- ii. Corporate Social Responsibility Committee
- iii. Human Resource Development and Nomination and Remuneration Committee
- iv. Operation and Maintenance Committee
- v. Project Management Committee
- vi. Investment Committee
- vii. Procurement Committee
- viii. Property Development Committee

Each of these committees have clearly spelt out Terms of Reference, duly approved by the Board. These Committees meet according to the requirements of the Company from time to time. The details regarding the Board sub-committees are given below:

#### **1. Audit Committee**

Composition as on 31<sup>st</sup> March, 2022:

1. Shri R.K. Singh - Chairman
2. Shri Jaideep - Member
3. Smt. Sujatha Jayaraj - Member
4. Shri K.R. Jyothilal - Member





During 2021-22, the Audit Committee met twice viz., 5<sup>th</sup> August 2021 and 20<sup>th</sup> November 2021. In addition to the members of the Audit Committee, these meetings were attended by the Director, Finance and those executives who were considered necessary for providing inputs to the Committee. The Terms of Reference of the Audit Committee, as approved by the Board are in accordance with the Companies Act, 2013.

The Company Secretary acted as the Secretary to the Audit Committee.

Attendance record of Members:

Sl. No.	Name of the Member	Meetings held in 2021-22 during the tenure of their Membership	Meetings attended
1.	Shri Rajesh Kumar Singh	2	2
2.	Shri Jaideep	2	1
3.	Smt Sujatha Jayaraj	2	2
4.	Shri K.R. Jyothilal	2	2

Taking into consideration the changes in the board composition, the Board in its 45<sup>th</sup> meeting reconstituted the Board Sub Committees also; the composition of reconstituted committee is explained below:

Composition of Audit Committee after reconstitution as on 27.07.2022:

1. Shri R.K. Singh - Chairman
2. Shri Jaideep - Member
3. Smt. Namita Mehrotra - Member
4. Shri K.R. Jyothilal - Member

## 2. Corporate Social Responsibility (CSR) Committee

Composition as on 31<sup>st</sup> March, 2022:

1. Shri Loknath Behera - Chairman
2. Shri Jafar Malik - Member
3. Shri Kumar K.R. - Member
4. Shri D.K. Sinha - Member

Taking into consideration the changes in the board composition, the Board in its 45<sup>th</sup> meeting reconstituted the Board Sub Committees also; the composition of reconstituted committee is explained below:



Composition of CSR Committee after reconstitution as on 27.07.2022:

1. Shri Loknath Behera - Chairman
2. Shri Jafar Malik - Member
3. Smt S. Annapoorani - Member
4. Shri D.K. Sinha - Member
5. Dr. M.P. Ramnavas - Member

Since your company is not earning profit, it is not mandatory to make expenditure under CSR activities, hence no meetings of the CSR Committee were held during the year.

### 3. Project Management Committee

Composition as on 31<sup>st</sup> March, 2022:

1. Shri Loknath Behera - Chairman
2. Shri Jaideep - Member
3. Shri Kumar K.R. - Member

Taking into consideration the changes in the board composition, the Board in its 45<sup>th</sup> meeting reconstituted the Board Sub Committees also; the composition of reconstituted committee is explained below:

Composition as on 27.07.2022:

1. Shri Loknath Behera - Chairman
2. Shri Jaideep - Member
3. Smt. S. Annapoorani - Member
4. Dr. M. P. Ramnavas - Member

No meetings of the Project Management Committee were held during the year.

### 4. Investment Committee

Composition as on 31<sup>st</sup> March, 2022:

1. Shri R.K. Singh - Chairman
2. Shri Loknath Behera - Member
3. Shri K.R. Jyothilal - Member
4. Shri Kumar K.R. - Member

Taking into consideration the changes in the board composition, the Board in its 45<sup>th</sup> meeting reconstituted the Board Sub Committees also; the composition of reconstituted committee is explained below.



Composition as on 27.07.2022.:

- |    |                     |   |          |
|----|---------------------|---|----------|
| 1. | Shri R.K. Singh     | - | Chairman |
| 2. | Shri Loknath Behera | - | Member   |
| 3. | Shri K.R. Jyothilal | - | Member   |
| 4. | Smt. S. Annapoorani | - | Member   |

No meetings of the Investment Committee were held during the year.

## 5. Procurement Committee

Composition as on 31<sup>st</sup> March, 2022:

- |    |                     |   |          |
|----|---------------------|---|----------|
| 1. | Shri Loknath Behera | - | Chairman |
| 2. | Shri Jafar Malik    | - | Member   |
| 3. | Shri Kumar K.R.     | - | Member   |
| 4. | Shri D.K. Sinha     | - | Member   |

Taking into consideration the changes in the board composition, the Board in its 45<sup>th</sup> meeting reconstituted the Board Sub Committees also; the composition of reconstituted committee is explained below

Composition as on 27.07.2022:

- |    |                     |   |          |
|----|---------------------|---|----------|
| 1. | Shri Loknath Behera | - | Chairman |
| 2. | Shri Jafar Malik    | - | Member   |
| 3. | Smt. S. Annapoorani | - | Member   |
| 4. | Shri D.K. Sinha     | - | Member   |
| 5. | Dr. M.P. Ramnavas   | - | Member   |

The Committee met three times during the financial year, on 23<sup>rd</sup> July 2021, 4<sup>th</sup> December 2021 and 6<sup>th</sup> January 2022

Attendance record of Members:

Sl. No.	Name of the Member	Meetings held in 2021-22 during the tenure of their Membership	Meetings attended
1.	Shri Loknath Behera	2	2
2.	Shri S. Suhas	1	-
3.	Shri Jafar Malik	2	-
4.	Shri Kumar K.R.	3	3
5.	Shri D.K. Sinha	3	2



## 6. Operation and Maintenance Committee

Composition as on 31<sup>st</sup> March, 2022:

1. Shri Loknath Behera - Chairman
2. Smt Sujatha Jayaraj - Member
3. Shri Kumar K.R. - Member
4. Shri D.K. Sinha - Member

Taking into consideration the changes in the board composition, the Board in its 45<sup>th</sup> meeting reconstituted the Board Sub Committees also; the composition of reconstituted committee is explained below

Composition as on 27.07.2022:

1. Shri Loknath Behera - Chairman
2. Smt Namita Mehrotra - Member
3. Smt S. Annapoorani - Member
4. Shri D.K. Sinha - Member
5. Dr. M. P. Ramnavas - Member

No meetings of the Operation and Maintenance Committee were held during the year.

## 7. Property Development Committee

Composition as on 31<sup>st</sup> March, 2022:

1. Shri Loknath Behera - Chairman
2. Shri Jafar Malik - Member
3. Shri D.K. Sinha - Member
4. Shri Kumar K.R. - Member

Taking into consideration the changes in the board composition, the Board in its 45<sup>th</sup> meeting reconstituted the Board Sub Committees also; the composition of reconstituted committee is explained below.

Composition as on 27.07.2022:

1. Shri Loknath Behera - Chairman
2. Shri Jafar Malik - Member
3. Shri D.K. Sinha - Member
4. Smt S. Annapoorani - Member
5. Dr. M. P. Ramnavas - Member



No meetings of the Property Development Committee were held during the year.

## 8. Human Resources Development and Nomination and Remuneration Committee

Composition as on 31<sup>st</sup> March, 2022:

1. Shri Loknath Behera - Chairman
2. Shri K.R. Jyothilal - Member
3. Smt. Sujatha Jayaraj - Member
4. Shri Jafar Malik - Member
5. Shri Kumar K.R. - Member

Taking into consideration the changes in the board composition, the Board in its 45<sup>th</sup> meeting reconstituted the Board Sub Committees also; the composition of reconstituted committee is explained below.

Composition as on 27.07.2022:

1. Shri Loknath Behera - Chairman
2. Shri K.R. Jyothilal - Member
3. Smt Namita Mehrotra - Member
4. Shri Jafar Malik - Member
5. Smt S. Annapoorani - Member

The Committee met once during the financial year on 19<sup>th</sup> March, 2022.

Attendance record of Members:

SL. No.	Name of the Member	Meetings held in 2021-22 during the tenure of their Membership	Meetings attended
1.	Shri Loknath Behera	1	1
2.	Shri K.R. Jyothilal	1	1
3.	Smt Sujatha Jayaraj	1	1
4.	Shri Jafar Malik	1	1
5.	Shri Kumar K.R.	1	1



## 9. General Meetings:

General Meetings, held in the last three years:

AGM/ EGM	8 <sup>th</sup> AGM	9 <sup>th</sup> AGM	10 <sup>th</sup> AGM	3 <sup>rd</sup> EGM
<b>Date and Time</b>	30.09.2019 11:30 AM	28.09.2020 03.00 PM	29.09.2021 05.30 PM	01.02.2020 12:30 PM
<b>Venue</b>	Registered Office	Registered Office	Registered Office	Registered Office
<b>Special Resolution (if any)</b>	-	-		<ol style="list-style-type: none"> <li>1. Enhancement in the borrowing limit of the Company from Rs.5,000 crore to Rs.10,000 crore.</li> <li>2. Alteration in Clause III of MOA.</li> <li>3. Alteration in Clause IV of MOA.</li> <li>4. Adoption of new set of AOA.</li> <li>5. To approve the issue of domestic bonds up to a limit of Rs.1250 crore.</li> </ol>

## Company's Website

The Company's website is [www.kochimetro.org](http://www.kochimetro.org). All major information pertaining to the Company, including the project, Board of Directors, latest news updates, contracts, tenders, job recruitment processes etc., are published on the website. Moreover, the Company posts all its tenders on the website to disseminate timely information about all procurements of goods and services. The website also provides information on all important events, activities and progress of the Metro Rail Project and other significant developments, and is continuously updated.

Sd/-  
Chairman



Form No. MR - 3

**SECRETARIAL AUDIT REPORT**

**For the Financial Year ended 31<sup>st</sup> March, 2022**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

**The Members**

**Kochi Metro Rail Limited**

**CIN: U60100KL2011SGC029003**

**JLN Metro Station, 4<sup>th</sup> Floor, Kaloor, Kochi - 682017**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kochi Metro Rail Limited** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022** ('Audit Period') complied with the statutory provisions listed hereunder and also that the company has followed the Board processes and has the required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Kochi Metro Rail Limited** for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;  
**(The clause is not applicable as the company is an Unlisted Public Company).**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;  
**(The clause is not applicable as the company is a Unlisted Public Company)**

Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

**The clause is not applicable during the Audit period**



(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

**The company being an Unlisted Public Company, Clause (v) and its sub clauses (a) to (h) are not applicable**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined compliances with respect to:

(i) The Secretarial Standards - SS-1 and SS-2 issued by the Institute of Company Secretaries of India and as notified by the Ministry of Corporate Affairs, and report that the Company has generally complied with the said standards.

(ii) The Listing Agreements entered into by the company with BSE Limited, National Stock Exchange of India Limited and London Stock Exchange.

**(The Clause is not applicable as the company is an Unlisted Public Company)**

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above, subject to the following observation:

a) As per Section 177(2) of the Act and Rules framed thereunder, the Audit Committee shall comprise of three Directors with independent directors forming a majority and as per Section 178(1) of the Act and Rules framed thereunder, the Nomination and Remuneration Committee should comprise of three or more Non-Executive Directors, out of which, not less than one-half shall be Independent Directors.

Notification No. G.S.R 839(E) dated 05.07.2017 issued by the Ministry of Corporate Affairs, Government of India, has exempted unlisted public companies, which is a joint venture, from appointing Independent Directors on its Board. Hence the meetings of Audit Committee and





Human Resource Development and Nomination and Remuneration Committee are conducted without Independent Directors.

We, further report that based on the guidelines issued by the Institute of Company Secretaries of India, on the applicability of industry specific laws as applicable to the company, and as per the information received from the Management and records maintained, the company has in our opinion, generally complied with the provisions of the following industry specific laws to the extent applicable to it:

- (i) Income Tax Act, 1961;
- (ii) Goods and Service Tax Act, 2017;
- (iii) Provisions of following Labour legislations governing the Company's employees namely;
  - a) The Minimum Wages Act, 1948
  - b) Employees State Insurance Act, 1948
  - c) Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - d) The Payment of Wages Act, 1936
  - e) Employees Compensation Act, 1923
- (iv) Contract Labour (Regulation and Abolition) Act, 1970;
- (v) Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- (vi) Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- (vii) Right to Information Act, 2005;
- (viii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (ix) The Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013;
- (x) Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 and
- (xi) Indian Electricity Rules, 1956.

The relevant departments of the Company are following up with the respective Contractor(s) to ensure compliance of all the requirements including those under the environment protection laws and the rules made thereunder.

However, there were two instances of breach of provisions regarding Minimum wages to contract labour by two contractors for the period falling in the quarter ending 31.03.2022, and the Executing Departments followed up the matter and as on date the matter has been resolved.



**We further report that:**

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and a meeting of the Board was convened at a shorter notice during the period under review. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at Board Meetings are carried out and recorded in the Minutes of Meetings of Board of Directors.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the following action having a significant relevance on the company has taken place:

- (a) The Company has formed a Special Purpose vehicle viz. Kochi Water Metro Limited for the operations and maintenance of Water Metro project with an equity participation of 26%.
- (b) A License agreement has been entered with the Special Purpose vehicle viz. Kochi Water Metro Limited, which is an Associate Company of Kochi Metro Rail Ltd, for licensing out office space at JLN Metro Station, 4<sup>th</sup> Floor, for the purpose of establishing its registered office.
- (c) The Company has passed a Circular resolution during the period under review which has been taken note of in the subsequent Board meeting held on 16.02.2022

**Place : Cochin**  
**Date : 21.07.2022**  
**UDIN :F011592D000664981**

**For Vivek Sarath & Naufal**  
**Company Secretaries**

Sd/-  
**Sarath S**  
**Partner | M. No. F11592 | CP No. 17466**



**Annexure - A**

To,

**The Members**

**Kochi Metro Rail Limited**

**CIN: U60100KL2011SGC029003**

**JLN Metro Station, 4<sup>th</sup> Floor, Kaloor, Kochi - 682017**

The report of even date is to be read along with this Annexure.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices that were followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of any of the financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. We have presented our opinion on the basis of information/records produced by the company during the course of the audit and the reporting is limited to that extent.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place : Cochin**  
**Date : 21.07.2022**

**For Vivek Sarath & Naufal**  
**Company Secretaries**

Sd/-  
**Sarath S**  
**Partner | M. No. F11592 | CP No. 17466**



**FORM AOC – 2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship.	NA
(b)	Nature of contracts or arrangements or transactions.	NA
(c)	Duration of the contracts or arrangements or transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	NA
(e)	Justification for entering into such contracts or arrangements or transactions.	NA
(f)	Date of approval by the Board.	NA
(g)	Amount paid as advances, if any.	NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.	NA

2. Details of material contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship.	Kochi Water Metro Limited, nature of relationship is as per clause (viii) of Section 2(76) of Companies Act, 2013.
(b)	Nature of contracts or arrangements or transactions.	License agreement for leasing out property (office space).
(c)	Duration of the contracts or arrangements or transactions.	5 years.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	Material terms of the contract is as per License Agreement dated 09.08.2021. Value of contract is ₹ 60,000 excluding GST @ 18%.
(e)	Date of approval by the Board.	5 <sup>th</sup> August 2021.
(f)	Amount paid as advances, if any.	No.

For and on behalf of the Board of Directors

Place: Kochi

Kochi Metro Rail Limited

Date: 27.07.2022

Sd/-

Chairman



## INDEPENDENT AUDITORS' REPORT

**To the Members of KOCHI METRO RAIL LIMITED**

**Report on the Audit of Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of KOCHI METRO RAIL LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Ind AS) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the Standalone Financial Statements, in accordance with the Standard of Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### **Emphasis of Matters**

1. We draw attention to Note No.1.2.1 and Note No.32.41 of the Standalone Financial Statements with respect to the uncertainties arising out of the global pandemic from COVID-19, and the assessment made by the management on the operations and financials results of the Company for the year ended March 31, 2022. Due to the outbreak of second wave of COVID-19 pandemic, Metro Rail operations of the Company were suspended from 8<sup>th</sup> May, 2021 till 30<sup>th</sup> June, 2021, resulting in realisation of lower fare box, non-fare box revenue and other related revenue.



2. We draw attention to Note No.32.3 of the financial statements in respect of the capitalisation of the assets amounting to Rs.1,317.24 lakhs. Pending the certification by the internal auditors of Delhi Metro Rail Corporation Ltd ('DMRC') as per clause 6.1.20 of the Memorandum of Understanding between DMRC and the Company, the Company has relied on the statement submitted by DMRC for capitalising these assets.

Our opinion is not modified in respect of these matters.

### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditors report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

### **Management's responsibility for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Based on the verification of records of the Company and based on information and explanations given to us, we give in "Annexure B" a report on the directions issued by the Comptroller and Auditor General of India in terms of sub-section (5) of Section 143 of the Companies Act, 2013
3. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) Being a Government Company, Section 164 (2) of the Companies Act, 2013 pertaining





to disqualification of directors is not applicable to the Company, in pursuance of the Notification No. G.S.R 463 (E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs;

- f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in “Annexure C” to this report;
- g) Being a Government Company, section 197 of the Act regarding remuneration to directors is not applicable to the Company, in pursuance of the Notification No. G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs,. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32.29 to the standalone financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv)
    - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - c) Based on such audit procedures performed that have been considered



reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v) Since the Company has not declared or paid any dividend during the year, the question of commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 does not arise.

**For G Joseph & Associates**  
**Chartered Accountants**  
(Firm Reg. No. 006310S)

Sd/-  
**Umesh L Bhat**  
**Partner**

Place: Kochi  
Date: 27/07/2022

Membership No. 211364  
UDIN : 22211364ANYYZN1476



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT IN TERMS OF SECTION 143(11) OF THE COMPANIES ACT, 2013**

- (i) (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (ii) The Company has maintained proper records showing full particulars of Intangible Assets
- (b) As explained to us, the management is in the process of physical verification of property, plant and equipment's and has covered 50% of the verification as on the year ended 31st March, 2022, which in our opinion is reasonable having regard to the size of the company and nature of its assets. Discrepancies have been noticed on such verification. However as per the explanations given to us, material discrepancies on such verification can be reconciled only on completion of the entire physical verification process.
- (c) As per the explanations given to us and as per the note no. 2.3 of the financial statements, the Company recognizes land in its name on the basis of awards passed by the appropriate authority conferring ownership on such property. On the basis of such awards as well as the registered documents, in our opinion, the title deeds of all the immovable properties are held in the name of the Company except as given below:

Description of Property	Gross Carrying Value	Held in the Name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company. Also indicate if in dispute
Land	Rs.25,44,000	Ms.Farida Ahmed Moosa Patel	No	W.e.f 31-03-2021 to till date	The company took possession of the property, but the procedure for registration of title deed/award is not yet completed.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.



- (e) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)(a) Physical verification of inventory, being stock of tools has not been conducted by the management during the year.
  - (b) The Company has been sanctioned working capital limits in excess of five crores rupees in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. As per the information and explanations given to us and the sanction order, the Company is not required to submit quarterly statements with such banks and financial institutions and hence we do not have anything to report under this clause.
- (iii) The Company has made investments in one associate during the year. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clauses 3(iii)(a), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
  - (b) In respect of the investments, the terms and conditions under which investments were made are not prejudicial to the Company's interest.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- (v) The Company has not accepted any deposit from public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder. Accordingly, requirement to report on clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by the company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii)(a) According to the records of the Company, undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no statutory dues on the last day of the financial year outstanding for a period of more than six months from the date they became payable.



(b) As per the information given to us, the following statutory dues have not been deposited on account of any disputes:-

Nature of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	Rs.81,06,225	2013-14, 2014-15 & 2015-16	Commissioner, Central Tax and Central Excise(Appeals)
Finance Act, 1994	Interest on Service Tax	Rs.10,20,888	2015-16	Commissioner, Central Tax and Central Excise(Appeals)

(viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) (a) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any lender. The company has not issued any debenture till date.

(b) The company has not been declared a wilful defaulter by any bank, financial institution or other lender.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies



- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on the audit procedures performed we report that the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, clause 3(x)(b) of the Order is not applicable
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company noticed or reported during the year nor have been informed of any such cases by the management, that causes the financial statements to be materially mis-stated.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.
- (xii) The Company is not a Nidhi Company and therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv)(a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company, for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and therefore, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.



- (xvii) The company has incurred cash losses amounting to Rs.17,235.23 lakhs in the financial year and Rs.14,157.75 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly Clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and various government orders and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx)(a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For G Joseph & Associates**

**Chartered Accountants**

(Firm Reg. No. 006310S)

Sd/-

**Umesh L Bhat**

**Partner**

Membership No.211364

UDIN : 22211364ANYYZN1476

Place: Kochi

Date : 27/07/2022



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Paragraph 2 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of KOCHI METRO RAIL LIMITED on the accounts for the year ended 31st March, 2022

**Audit Report on the accounts for the year ended 31st March, 2022 as per directions of C&AG under section 143(5) of the Companies Act.2013.**

SL No	C&AG Directions	Comments of Statutory Auditor
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	In our opinion, the Company has a system in place to process all the accounting transactions through IT system. Based on the information and explanations given to us, and based on procedures performed by us, we are of the opinion that the Company has an adequate internal control system to prevent and detect processing of accounting transactions outside the IT system. As per information provided to us, there has been no such instances of processing of accounting transactions outside the IT systems.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on our examination of books of accounts and other documents and as per the information and explanation furnished, there has not been any restructuring of any existing loans or cases of waiver/write off of debts/loans/interest, etc. made by a lender to the Company, during the year.
3	Whether funds received/receivable for specific schemes from Central / State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	In our opinion, and based on the information and explanations given to us, the funds received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for in the books of accounts of the Company. In the case of utilization of funds received for specific schemes, we report that, since





	<p>the funds for specific schemes, except for the funds related to Integrated Water Metro Project, are received in a common bank account along with the other funds of the Company, we are unable to ascertain whether during the year, the funds received for specific schemes have been used for any other purpose for which the funds were sanctioned. However, as at the year end, the unutilised portion of funds received for specific schemes are represented by balance in the bank account. In the case of Integrated Water Metro Project, the funds are received in a separate bank account and are utilised as per terms and conditions of the sanction. As reported by the statutory auditor for the financial year 2020-21, an amount of Rs. 9,379.06 lakhs was utilised for the purpose other than specific projects as at 31/03/2021. This shortfall was made good during the current financial year.</p>
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**For G Joseph & Associates  
Chartered Accountants**

(Firm Reg. No. 006310S)

Sd/-

**Umesh L Bhat**

**Partner**

Membership No.211364

UDIN: 22211364ANYYZN1476

Place – Kochi

Date - 27/07/2022



## **ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KOCHI METRO RAIL LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KOCHI METRO RAIL LIMITED ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For G Joseph & Associates**  
**Chartered Accountants**  
(Firm Reg. No. 006310S)

Sd/-

**Umesh L Bhat**  
**Partner**

Membership No.211364

UDIN : 22211364ANYYZN1476

Place : Kochi

Date : 27/07/2022



KOCHI METRO RAIL LIMITED  
STANDALONE BALANCE SHEET AS AT 31st MARCH, 2022

Amount (Rs.in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>(I) Non- Current Assets</b>			
(a) Property, Plant and Equipment	2.A	5555 31.06	5618 35.38
(b) Capital Work-In-Progress	2.B	472 74.34	225 23.89
(c) Other Intangible Assets	3	33 62.94	31 60.29
(d) Intangible Assets Under Development		-	-
(e) Financial Assets			
(i) Investments	4	1 27.40	-
(ii) Other Financial Assets	5	734 71.76	693 56.93
(f) Other Non Current Assets	6	186 60.63	277 84.50
<b>Total Non - Current Assets (I)</b>		<b>6984 28.13</b>	<b>6846 60.99</b>
<b>(II) Current Assets</b>			
(a) Inventories	7	3 73.14	4 52.01
(b) Financial Assets			
(i) Trade Receivables	8	10 80.80	9 65.09
(ii) Cash and Cash Equivalents	9	243 15.70	158 87.70
(iii) Other Financial Assets	10	159 35.18	122 40.60
(c) Other Current Assets	11	4 19.39	6 12.22
<b>Total Current Assets (II)</b>		<b>421 24.21</b>	<b>301 57.62</b>
<b>Total Assets (I) +(II)</b>		<b>7405 52.34</b>	<b>7148 18.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(I) EQUITY</b>			
(a) Equity Share capital	12	1507 46.00	1507 46.00
(b) Other Equity	13	1044 41.60	1033 23.40
<b>Total Equity (I)</b>		<b>2551 87.60</b>	<b>2540 69.40</b>
<b>LIABILITIES</b>			
<b>(II) Non- Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14.A	4149 56.14	3900 70.92
(i) Lease Liabilities	14.B	14.57	19.11
(ii) Other financial liabilities	15	52 55.95	62 07.17
(b) Provisions	16	17 66.78	16 19.31
(c) Deferred Tax Liabilities	17	-	-
(d) Other Non-Current Liabilities	18	16 15.32	7 65.55
<b>Total Non - Current Liabilities (II)</b>		<b>4236 08.76</b>	<b>3986 82.06</b>
<b>(III) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19.A	220 46.93	178 38.96
(i) Lease Liabilities	19.B	4.54	4.15
(ii) Trade Payables	20	9 59.34	15 59.93
(iii) Other Financial Liabilities	21	371 55.89	406 74.49
(b) Other Current Liabilities	22	14 42.39	18 74.31
(c) Provisions	23	1 46.89	1 15.31
<b>Total Current Liabilities (III)</b>		<b>617 55.98</b>	<b>620 67.15</b>
<b>Total Equity and Liabilities (I) + (II) + (III)</b>		<b>7405 52.34</b>	<b>7148 18.61</b>

Significant accounting policies  
See accompanying notes to the financial statements

1  
2-32

In terms of our report of even date attached.  
For G Joseph & Associates  
Chartered Accountants  
FRN . 006310S  
UDIN:22211364ANYYZN1476

For and on behalf of the Board of Directors

Sd/-  
Umesh L Bhat  
Partner  
Membership No. 211364

Sd/-  
Loknath Behera  
Managing Director  
(DIN:09406020)

Sd/-  
Annapoorani S  
Director (Finance) and CFO  
(DIN:09662978)

Sd/-  
Shyam Sunder Agrawal  
Company Secretary

Place : Cochin  
Date : 27.07.2022

Place : Cochin  
Date : 27.07.2022

KOCHI METRO RAIL LIMITED  
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

Amount ( Rs. In Lakhs )

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I Revenue from Operations	24	66 70.83	39 96.98
II Other Income	25	75 59.96	127 49.09
III Total Income (I + II)		142 30.79	167 46.07
IV Expenses:			
Operating Expenses	26	42 83.99	40 68.62
Employee Benefits Expense	27	45 03.81	42 80.35
Finance Costs	28	188 54.68	187 87.03
Depreciation and Amortization Expense	29	175 13.84	202 31.25
Other Expenses	30	30 47.13	28 45.61
Total Expenses (IV)		482 03.45	502 12.86
V Profit/ (Loss) Before Tax (III - IV)		(339 72.66)	(334 66.79)
VI Tax expense:			
(1) Prior tax adjustment		-	-
(2) Deferred tax		-	-
VII Profit/ (Loss) for the period (V - VI)		(339 72.66)	(334 66.79)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Pre-measurements of post employment benefit obligations		17.84	( 23.03)
Income tax relating to items that will not be reclassified to profit or loss		-	-
		17.84	( 23.03)
IX Total Comprehensive Income for the year (VII+ VIII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)		(339 54.82)	(334 89.82)
X Earnings per equity share:	31		
(1) Basic and Dilutive		( 22.52)	( 22.22)
Significant accounting policies	1		
See accompanying notes to the financial statements	2-32		

In terms of our report of even date attached.

For G Joseph & Associates  
Chartered Accountants  
FRN . 006310S  
UDIN:22211364ANYYZN1476

For and on behalf of the Board of Directors

Sd/-  
Umesh L Bhat  
Partner  
Membership No. 211364

Sd/-  
Loknath Behera  
Managing Director  
(DIN:09406020)

Sd/-  
Annappoorani S  
Director (Finance) and CFO  
(DIN:09662978)

Sd/-  
Shyam Sunder Agrawal  
Company Secretary

Place : Cochin  
Date : 27.07.2022

Place : Cochin  
Date : 27.07.2022



KOCHI METRO RAIL LIMITED  
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

**A. EQUITY SHARE CAPITAL**

Particulars	As at 31st March	
	2022	As at 31st March 2021
Balance as at the beginning of the year	1507 46.00	1507 46.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	1507 46.00	1507 46.00
Changes in equity share capital during the current year	-	-
Balance as at the end of the year	1507 46.00	1507 46.00

**B. OTHER EQUITY**

	Amount (Rs.in Lakhs)							
	Interest Free Sub Debt -GOI	Interest Free Sub Debt -GOK	Reimbursement of State Taxes - Gok	Deferred Income - Monetary Grants	Deferred Income - Non Monetary Grants	Reserves and Surplus	Other Comprehensive Income	Total
Balance as at April 1, 2020	209 63.09	1047 81.50	221 57.20	-	139 30.43	(801 93.11)	( 49.63)	815 89.48
Changes in accounting policy or prior period errors	-	-	-	-	-	( 68.31)	-	(68.31)
Balance as at April 1, 2020 (Restated)	209 63.09	1047 81.50	221 57.20	-	139 30.43	(802 61.42)	( 49.63)	815 21.17
Add : Comprehensive income / ( Loss) restated for the year	-	-	-	-	-	(334 66.79)	( 23.03)	(334 89.82)
Add: Additions / Adjustments during the year	(3 98.95)	592 54.59	(9 21.45)	-	-	-	-	592 54.59
Less: Transfer to Income during the year	205 64.14	1613 93.95	212 35.75	-	139 30.43	(1137 28.21)	( 72.66)	1033 23.40
Balance as at March 31, 2021 (Restated)	205 64.14	1613 93.95	212 35.75	-	139 30.43	(1137 28.21)	( 72.66)	1033 23.40
Balance as at April 1, 2021 ( Restated)	205 64.14	1613 93.95	212 35.75	-	139 30.43	(1137 28.21)	( 72.66)	1033 23.40
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Add : Comprehensive income / ( Loss) for the year	-	-	-	-	-	(339 72.66)	17.84	(339 54.82)
Add: Additions / Adjustments during the year	(4 39.97)	402 82.90	(7 77.24)	-	-	-	-	402 82.90
Less: Transfer to Income during the year	201 24.17	1976 84.18	204 58.51	-	139 30.43	(1477 00.87)	( 54.82)	(52 09.88)
Balance as at March 31, 2022	201 24.17	1976 84.18	204 58.51	-	139 30.43	(1477 00.87)	( 54.82)	1044 41.60

For and on behalf of the Board of Directors

In terms of our report of even date attached.

For G Joseph & Associates  
Chartered Accountants  
FRN : 0063105  
UDIN:22211364ANYYZN1476

Sd/-  
Umesh L Bhat  
Partner  
Membership No. 211364  
Place : Cochin  
Date : 27.07.2022

Sd/-  
Loknath Behera  
Managing Director  
(DIN:09406020)

Sd/-  
Annapoorani S  
Director (Finance) and CFO  
(DIN:09662978)

Sd/-  
Shyam Sunder Agrawal  
Company Secretary

KOCHI METRO RAIL LIMITED  
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022

Amount ( Rs. In Lakhs )

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A. Cash Flow from Operating activities</b>		
Net Profit/(Loss) for the period	(339 54.82)	(334 89.82)
<b>Adjustment for</b>		
(Profit) / Loss on sale of asset ( net )	.03	4.56
Depreciation and amortization expense	175 13.84	202 31.25
Changes in Accounting policy or prior period errors	-	68.31
Expected Credit Loss on Trade Receivables	3.54	13.44
Interest income	(5 23.31)	(4 40.75)
Finance cost	143 19.31	155 28.59
Foreign Exchange Fluctuation	( 12.09)	8.20
Net Gain arising on financial assets measured at FVTPL	(7 72.26)	(9 20.93)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>(34 25.76)</b>	<b>10 02.85</b>
<b>Adjustments for (increase) / decrease in operating assets</b>		
(Increase)/ Decrease in Financial Assets	(177 66.58)	(71 56.74)
(Increase)/ Decrease in other non- current Assets	79 51.76	(9 55.71)
(Increase)/ Decrease in other Assets	2 71.70	(1 91.72)
(Increase)/ Decrease in Provisions	1 79.05	3 66.55
(Increase)/ Decrease in other Payables	(24 76.67)	6 36.57
<b>Net Cash flow from / ( used in ) Operating activities ( A )</b>	<b>(152 66.50)</b>	<b>(62 98.20)</b>
<b>B. Cash Flow from Investing activities</b>		
Payment to acquire property , plant and equipment and Intangible Assets	(117 54.82)	(73 30.17)
Payment for Capital WIP including capital advances	(211 39.41)	(434 22.90)
Investment in Kochi Water Metro Limited	(1 27.40)	.00
Interest income received	5 26.85	3 79.51
<b>Net Cash flow from / (used in) Investing activities ( B )</b>	<b>(324 94.78)</b>	<b>(503 73.56)</b>
<b>C. Cash flow from Financing activities</b>		
Proceeds being Long term loans from Banks and Financial Institutions	281 79.35	614 37.22
Proceeds being Pass through assistance from Government of India	.00	24 46.67
Proceeds from Government of Kerala	710 11.00	625 87.34
Proceeds being Working Capital loan from Bank	11 55.97	(64 52.66)
Payment of Lease Liabilities	( 4.15)	(1.35)
Finance Cost Paid	(274 96.27)	(249 14.92)
Loan repaid during the year	(166 56.62)	(273 12.95)
<b>Net Cash flow from / (used in) Financing activities ( C )</b>	<b>561 89.28</b>	<b>677 89.35</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>84 28.00</b>	<b>111 17.59</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>158 87.70</b>	<b>47 70.11</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>243 15.70</b>	<b>158 87.70</b>
<b>Comprising of</b>		
Cash on Hand	17.92	14.74
Balance with Banks:		
- Current and Sweep-in Accounts	125 00.17	83 43.46
- Term Deposits (with maturity less than twelve months)	89 54.00	41 90.00
-Earmarked Balances with Banks	28 43.61	33 39.50
<b>Total</b>	<b>243 15.70</b>	<b>158 87.70</b>

In terms of our report of even date attached.

For G Joseph & Associates  
Chartered Accountants  
FRN . 006310S  
UDIN:22211364ANYYZN1476

Sd/-  
Umesh L Bhat  
Partner  
Membership No. 211364

For and on behalf of the Board of Directors

Sd/-  
Loknath Behera  
Managing Director  
(DIN:09406020)

Sd/-  
Annapoorani S  
Director (Finance) and CFO  
(DIN:09662978)

Sd/-  
Shyam Sunder Agrawal  
Company Secretary

Place : Cochin  
Date : 27.07.2022

Place : Cochin  
Date : 27.07.2022



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### Corporate Information

Kochi Metro Rail Limited (*hereinafter referred to as “the Company” or “KMRL”*), incorporated under the provisions of Companies Act, 1956 on 2<sup>nd</sup> 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 of Kochi. The Company commenced commercial operations on 19.06.2017. The Revenue Streams of the Company include 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 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other Accounting Principles generally accepted in India

#### 1.1.a Basis of Preparation

These financial statements have been prepared on the historical cost convention on accrual 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 application of accounting policies and the reported amounts of assets, liabilities (including contingent liabilities) and disclosures as at the date of the financial statements 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 may be 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 judgements are involved in determining the elements of deferred tax items. The policy for the same has been explained under Note 1.24.

### c) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgements in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The classification of the leasing arrangement as a finance lease or an operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.



The policy for the same has been explained under Note 1.29.

**d) Recoverability of advances / receivables**

The Company makes provisions for expected credit loss based on an assessment of the recoverability of trade and other receivables. The identification requires use of judgement and estimates. At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**e) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of past events 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.

**f) 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 change in these assumptions may have a material impact on the resulting calculations.

**g) 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.

**h) 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 8<sup>th</sup> May 2021 till 30<sup>th</sup> June 2021, as per State Government directives due to COVID-19 pandemic.



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. A definitive assessment of the impact of Covid – 19 is dependent upon the circumstances as they evolve in future periods.

### 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 lakhs, 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. Amount disclosed as revenue are net of returns, trade allowances, rebates and discounts.
- 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, goods and service tax and amounts collected on behalf of third parties. The company recognizes revenue when the amount of revenue can be reliably measured and 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 on which 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 seventy years.

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



### **1.8 Capital work in Progress (CWIP) and intangible assets under development.**

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 deposit (other than from temporary deployment of funds received by way of equity and interest free subordinate debt), interest on mobilization advance to the contractor, 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.

### **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. 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending upon changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

### **1.11 Inventories**

Inventories, including loose tools, are valued at the lower of cost and net realisable value.

### **1.12 Provision for doubtful debts and advance**

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

### **1.13 Insurance claims**

The Insurance claims are recognised based on acceptance of claims by the Insurance company.

### **1.14 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) Right of Use assets are depreciated from the commencement date on a straight line basis, over the shorter of the end of the useful life of the Right Of Use asset or the end of the lease term
- (iii) 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.
- (iv) The estimated useful lives of the assets where the useful life is estimated on the basis of the technical assessment done, by DMRC while handing over the Phase I assets/ by the company, 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
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
Viaduct, Bridges,Tunnel & Culverts	60
CCTV	6
Solar Panel	25

(v) 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.

(vi) 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.

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

(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 of 70 years(\*).



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

(xii) 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.

### 1.15 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.

### 1.16 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.

### **1.17 Non-current assets held for sale**

Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to sell and presented separately in the financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re- measurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

### **1.18 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.

### **1.19 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 transactions costs, except for those financial assets and liabilities which are classified at Fair Value through Profit & Loss (FVTPL) at inception.

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

#### **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.

#### **1.20 Investments**

Investments that are readily realizable and intended to be held for not more than one year from the date on which they are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in the value of investments, other than temporary, is recognized in the Statement of Profit and Loss. Investment in Subsidiaries, Joint Ventures and Associates are measured at cost as per IND AS 27 – Separate Financial Statements.

#### **1.21 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. However, when realisation of income is virtually certain, related asset is recognised.

#### **1.22 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

c) non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

### **1.23 Prior period adjustment**

Prior period adjustments due to errors, having material impact on the financial affairs of the Company, are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position in the Statement of Changes in Equity.

### **1.24 Taxation**

#### **Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively

#### **Current tax**

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**

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 realised in future.

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.

### **1.25 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.

At the year end, monetary items denominated in foreign currencies and not covered by foreign exchange contracts are translated at “year-end exchange rates”, while those covered by forward exchange contracts are determined by their respective contracts. Any exchange difference, arising on translation/settlement of all foreign currency monetary items including long term foreign currency monetary items are recognized as income or expense in the Statement of Profit and Loss for the period in which they arise, except to the scope exclusion provided under IND AS 21 based on the voluntary exemption given in IND AS 101.

### 1.26 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.

### **1.27 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.

### **1.28 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.

### **1.29 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.

### **1.30 Segment reporting**

The Company has only one reportable business segment, which is developing, running and maintaining of metro rail system and operates in a single operating segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements are related to the Company's single business segment.

### **1.31 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.

### **1.32 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'.

### **1.33 Earnings per share**

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

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



Amount (Rs. in lakhs)

Particulars	Gross Block				Depreciation/ Amortisation/ Depletion			Net Block	
	As at 1st April 2021	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2022	As at 1st April 2021	For the year	Deductions/ Adjustments	As at 31st March 2022	As at 31st March 2021
Land (Freehold) (Refer Note 2.1)	954,58.23	87,10.95	-	1,041,69.18	-	-	-	1,041,69.18	954,58.23
Building	1,303,02.16	2,63.59	-	1,305,65.75	64,10.10	22,14.00	-	1,219,41.65	1,238,92.06
Temporary structures	6.89	-	-	6.89	5.57	1.19	-	.13	1.32
Viaduct, Bridges, Tunnel & Culverts	2,159,10.73	-	-	2,159,10.73	1,91,43.21	32,49.90	-	1,935,17.62	1,967,67.52
Plant and Machinery	84,32.21	2,72.85	-	87,05.06	15,61.22	11,93.42	-	59,50.42	68,70.99
Rolling Stock	767,31.49	-	-	767,31.49	79,35.31	27,94.59	-	660,01.59	687,96.18
Escalators & elevators	1,16,26.08	-	-	1,16,26.08	14,62.63	4,90.70	-	96,72.75	1,01,63.45
Signalling & Telecom Equipments	1,96,45.08	8,10.13	-	2,04,55.21	37,90.01	14,94.81	-	151,70.39	158,55.07
Roads	12,73.91	6.82	-	12,80.73	4,61.54	1,24.88	-	6,94.31	8,12.37
Fences, wells, tube wells	1,84.44	6.14	-	1,90.58	81.36	36.11	-	73.11	1,03.08
Computers	64,13.45	4,90.18	7.73	68,95.90	42,37.50	8,10.45	7.05	18,55.00	21,75.95
Electrical Appliance	355,47.79	2,05.12	-	357,52.91	96,20.70	33,86.51	-	227,45.70	259,27.09
Cables & Ducts	103,17.61	2.54	-	103,20.15	16,45.67	5,45.73	-	81,28.75	86,71.94
Switching Centres	28,99.74	-	-	28,99.74	5,60.30	2,11.91	-	21,27.53	23,39.44
Furniture and Fixtures	13,34.69	78.52	-	14,13.21	3,49.16	1,26.12	-	4,75.28	9,85.53
Office Equipment	42,19.41	23.78	-	42,43.19	12,72.02	4,78.96	-	24,92.21	29,47.39
Low Value Assets	6,01.51	3.32	-	6,04.83	6,01.51	3.32	-	-	-
Vehicles	95.02	-	-	95.02	50.60	9.96	-	34.46	44.42
Right of Use	25.08	-	-	25.08	1.73	5.02	-	18.33	23.35
<b>Total</b>	<b>6,210,25.52</b>	<b>1,08,73.94</b>	<b>7.73</b>	<b>6,318,91.73</b>	<b>591,90.14</b>	<b>1,71,77.58</b>	<b>7.05</b>	<b>5,555,31.06</b>	<b>5,618,35.38</b>
<b>Previous year ( Restated)</b>	<b>5,788,69.90</b>	<b>4,22,00.60</b>	<b>44.98</b>	<b>6,210,25.52</b>	<b>3,93,32.28</b>	<b>1,98,94.07</b>	<b>36.21</b>	<b>5,618,35.38</b>	<b>5,396,05.94</b>

Note 2.B : Capital work -in -progress

Particulars	As at 1st April 2021	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2022
Phase 1A & 1B	1,94,41.51	263,10.97	4,57,52.48	-	45,752.48
Phase II (Refer Note No. 32.4)	5,60.36	6.70	5,67.06	-	567.06
Others	25,22.02	4,11.04	29,33.06	19,78.26	9,54.80
<b>Total</b>	<b>2,25,23.89</b>	<b>267,28.71</b>	<b>4,92,52.60</b>	<b>19,78.26</b>	<b>472,74.34</b>
<b>Previous year ( Restated)</b>	<b>1,244,05.69</b>	<b>5,68,02.60</b>	<b>1,812,08.29</b>	<b>1,586,84.40</b>	<b>2,25,23.89</b>



Amount (Rs.in lakhs)

Particulars	Gross Block				Depreciation / Amortisation/ Depletion			Net Block	
	As at 1st April 2021	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2022	As at 1st April 2021	For the year	Deductions / Adjustments	As at 31st March 2022	As at 31st March 2021
	Computer software	17,29.99	33.13	-	17,63.12	10,92.51	2,95.87	-	13,88.38
Branding- Kochi Metro	61.60	-	-	61.60	61.60	-	-	61.60	-
Way leave charges to Railway	27,76.22	5,05.78	-	32,82.00	2,53.41	40.39	-	2,93.80	25,22.81
<b>Total</b>	<b>45,67.81</b>	<b>5,38.91</b>	<b>-</b>	<b>51,06.72</b>	<b>14,07.52</b>	<b>3,36.26</b>	<b>-</b>	<b>17,43.78</b>	<b>31,60.29</b>
<b>Previous year (Restated)</b>	<b>42,52.92</b>	<b>4,85.54</b>	<b>170.65</b>	<b>45,67.81</b>	<b>12,40.99</b>	<b>3,37.18</b>	<b>170.65</b>	<b>14,07.52</b>	<b>33,28.92</b>

**Notes:**

- 2.1. The Company has taken over possession of 38.133 hectares of private Land till 31st March 2022 ( previous year 36.0227 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 2.686 hectares with a value of Rs.186,33.47 lakhs. 23,389 hectares of land with a value of Rs. 385,11.07 lakhs is taken over by passing an award.
- 2.4. The Government of Kerala vide G.O.(Ms) No. 140/2020/RD dated 22nd May 2020 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 5,753 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 a formal agreement.
- 2.7. The Company paid an amount of Rs. 5.06 crores during the financial year 2021-22 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 2021-22. 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. 5.06 crores paid to Railways is shown under intangible asset and amortized for a period of 70 years.
- 2.8. Recovery, if any, based on the revaluation certificate of building (part) taken over from Chairman, Gandhi Bhavan committee, will be given effect to, on receipt of revised valuation statement of land from the Land Acquisition department. The tentative reduction in value of land amounts to Rs. 49.93 lakh.
- 2.9. Title deeds in respect of land parcel to an extent of 3.33 Ares are erroneously registered in the name of the company and is not included in the fixed assets of the Company. The land has been taken over by the Land acquisition unit for undertaking the preparatory works of the Kochi metro rail project and the cost is being met from the preparatory funds of GoK.
- 2.10. During the year, the Company capitalised tangible and other intangible assets valuing Rs. 114,12.82 lakhs.
- 2.11. Gok while according approval for the combined comprehensive administrative sanction for the Phase I, Phase IA and Phase IB, it was indicated that, all assets for Phase IA and Phase IB may be vested with State Government. It is informed by GoK vide letter no. Trans-C2/43/2020-Trans dated 24.05.2022, the condition shall be amended after receipt of grant from GoI.



	<i>Amount ( Rs.in lakhs)</i>	
	As at 31st March 2022	As at 31st March 2021
<b>Note 4 : Other Non Current Assets- Investments</b>		
Equity instruments in Kochi Water Metro Limited (Unquoted) (Refer Note No.32.36)	1 27.40	.00
1,27,400 equity shares of Rs. 100 each, fully paid up ; Previous Year - Nil		
<b>Total</b>	<b>1 27.40</b>	<b>.00</b>
<b>Note 5 : Other Non Current Assets- Financial Assets</b>		
Receivable from Government of Kerala against the Loan taken from Banks and Financial Institutions (Refer Note No.32.11)	733 19.01	691 91.84
Security Deposit (Unsecured and Considered Good)	1 52.75	1 65.09
<b>Total</b>	<b>734 71.76</b>	<b>693 56.93</b>
<b>Note 6 : Other Non Current Assets</b>		
Capital advances - For Project (Unsecured and Considered good) ;		
- Project Advance to Delhi Metro Rail Corporation	.00	5 23.81
- District Collector for Land Acquisition (Refer Note No. 32.8)	72 02.35	58 21.81
- Capital Advances	73 12.98	93 41.82
Capital advances - For Preparatory works (Unsecured and Considered good) ;		
- District Collector for Land Aquisition (Refer Note No. 32.8)	35 70.93	115 94.06
Prepaid Expenses	71.44	75.42
Tax Refund Receivable	4 85.49	4 10.14
MAT Credit Receivable	17.44	17.44
<b>Total</b>	<b>186 60.63</b>	<b>277 84.50</b>
<b>Note 7 : Inventories</b>		
Stock of Tools	452.00	473.90
Less: Provision for diminution in value	(78.86)	(21.89)
<b>Total</b>	<b>3 73.14</b>	<b>4 52.01</b>
<b>Note 8 : Trade Receivables [Current] Financial Assets</b>		
Unsecured- Considered Good ( Refer Note No. 32.31.2.e)		
Trade Customers	12 53.77	11 38.06
Less: Trade receivable - credit impaired	(1 72.97)	(1 72.97)
<b>Total</b>	<b>10 80.80</b>	<b>9 65.09</b>
<b>Note 9 : Cash and Cash equivalents [Current]</b>		
Cash on hand	17.92	14.74
Balance with Banks (In current and sweep in accounts)	125 00.17	83 43.46
Term Deposits with banks (with maturity period less than twelve months)	89 54.00	41 90.00
Earmarked Balances with Banks *	28 43.61	33 39.50
<b>Total</b>	<b>243 15.70</b>	<b>158 87.70</b>
* Fixed Deposits with banks pledged with Kerala Commercial Taxes /Debt Service Reserve Account		
<b>Note 10 : Other Financial Assets [Current]</b>		
Receivable from Government of Kerala		
- Against the Loan taken from Banks and Financial Institutions (Refer Note No. 32.11)	144 20.51	104 74.19
- For Preparatory and Other Works	84.69	95.71
<b>UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED</b>		
- Interest Accrued	69.91	73.45
- Income accrued but not due	27.19	14.38
- Security Deposits	13 19.88	13 04.32
- Other Employee Advance	5.46	8.83
- Others (includes financial assistance from GoK - Refer Note No. 32.18)	7.54	2 69.72
<b>Total</b>	<b>159 35.18</b>	<b>122 40.60</b>
<b>Note 11 : Other Current Assets</b>		
Prepaid Expenses	266.21	253.82
Other Advances	9.09	8.37
GST Input Credit	144.09	350.03
<b>Total</b>	<b>4 19.39</b>	<b>6 12.22</b>



**Note 12 : Equity Share Capital**

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)
<b>Authorised</b> Equity Shares of Rs.100 each	20 00 00 000	2000 00.00	20 00 00 000	2000 00.00
<b>Issued, Subscribed and Fully paid up</b> Equity shares of Rs.100 each fully paid up	15 07 46 000	1507 46.00	15 07 46 000	1507 46.00

**Reconciliation of number of shares and amounts outstanding**

Particulars	As at 31st March 2022		As at 31st March 2021	
	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	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>15 07 46 000</b>	<b>1507 46.00</b>	<b>15 07 46 000</b>	<b>1507 46.00</b>

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

Name of Shareholder	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	% of holding	Number of Shares	% of holding
President of India	7 53 73 000	50.00	7 53 73 000	50.00
Governor of Kerala	7 53 73 000	50.00	7 53 73 000	50.00

**12.2** 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 five and five nominee directors respectively.

	<i>Amount ( Rs.in lakhs)</i>	
	As at 31st March 2022	As at 31st March 2021
<b>Note 13 : Other Equity</b>		
<b>Deferred Income</b>		
<b>Monetary Grants</b>		
Interest Free Sub Debt (Refer Note No. 32.5)		
Government Of India	201 24.17	205 64.14
Government Of Kerala	1976 84.18	1613 93.95
Government of Kerala - Reimbursement of State Taxes (Refer Note No. 32.6)	204 58.51	212 35.75
	<u>2382 66.86</u>	<u>2031 93.84</u>
<b>Non Monetary Grants</b>		
Government of Kerala - Freehold land (Refer Note No. 32.7)	139 30.43	139 30.43
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(1137 28.21)	(801 93.11)
Add: Changes in accounting policy or prior period errors	-	( 68.31)
Add :Total comprehensive income for the current year	(339 72.66)	(334 66.79)
Balance as at the end of the year	<u>(1477 00.87)</u>	<u>(1137 28.21)</u>
<b>Other Comperhensive income</b>		
Balance as at the beginning of the year	( 72.66)	( 49.63)
Add :Total comprehensive income for the current year	17.84	( 23.03)
Balance as at the end of the year	<u>( 54.82)</u>	<u>( 72.66)</u>
<b>Total</b>	<u>1044 41.60</u>	<u>1033 23.40</u>
<b>Note 14.A : Borrowings [Non current]</b>		
<b>Term Loans (Secured)</b>		
From Banks ( Refer Note No. 32.10)	1955 84.20	1831 45.18
<b>Term Loans (Unsecured)</b>		
From Financial Institutions ( Refer Note No. 32.10)	532 77.00	506 08.00
Pass Through Assistance - Government of India (Refer Note No. 32.12)	1086 15.28	1152 50.82
<b>Interest Free Sub Ordinate Debt (Unsecured)</b> (Refer Note No. 32.5)		
Government of India	47 25.83	42 85.86
Government of Kerala	527 53.83	367 81.06
<b>Total</b>	<u>4149 56.14</u>	<u>3900 70.92</u>
<b>Note 14.B : Lease Liabilities [Non current]</b>		
Lease Liability ( Refer Note No. 32.26.1)	14.57	19.11
	<u>14.57</u>	<u>19.11</u>
<b>Note 15 : Other Financial liabilities [Non current]</b>		
Retention	3 57.14	1 16.78
Security Deposits	8 69.00	10 53.13
Interest payable on The Kerala State Coopertive Bank loan	40 29.81	50 37.26
<b>Total</b>	<u>52 55.95</u>	<u>62 07.17</u>
<b>Note 16 : Provisions [Non current]</b>		
<b>Provision for employee benefits (Refer Note No. 32.13 and 32.14)</b>		
Provision for gratuity	6 97.42	6 15.65
Provision for earned leave	7 73.25	7 12.19
Provision for half pay leave	2 17.87	2 16.32
Provision for leave travel concession	78.24	75.15
<b>Total</b>	<u>17 66.78</u>	<u>16 19.31</u>
<b>Note 17 : Deferred Tax Liabilities [Non current]</b>		
<b>Deferred Tax Liabilities (Refer Note No. 32.19)</b>		
On difference between book balance and tax balance of Property, Plant and Equipment and Intangible Assets	-	-
<b>Deferred Tax Asset (Refer Note No. 32.19)</b>		
Unabsorbed Depreciation and Loss	-	-
<b>Total</b>	<u>-</u>	<u>-</u>



Note 18 : Other Non Current Liabilities	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Advance received from Customers	4 76.08	5 38.29
Deferred Fair valuation -Gain ( Security Deposit)	11 39.24	2 27.26
<b>Total</b>	<b>16 15.32</b>	<b>7 65.55</b>

Note 19.A : Borrowings [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Term Loans (Secured)</b>		
From Banks ( Refer Note No. 32.10)	49 50.00	53 00.00
<b>Term Loans (Unsecured)</b>		
From Financial Institutions ( Refer Note No. 32.10)	72 28.00	38 26.00
Pass Through Assistance - Government of India (Refer Note No. 32.12)	66 35.54	66 35.54
Working Capital Loan - Canara Bank (Secured) ( Refer Note No. 32.10)	32 33.39	20 77.42
<b>Total</b>	<b>220 46.93</b>	<b>178 38.96</b>

Note 19.B : Lease Liabilities [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
- Lease Liability ( Refer Note No. 32.26.1)	4.54	4.15
<b>Total</b>	<b>4.54</b>	<b>4.15</b>

Note 20 : Trade Payables [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
- Trade Payables ( Refer Note No. 32.35)	9 59.34	15 59.93
<b>Total</b>	<b>9 59.34</b>	<b>15 59.93</b>

Note 21 : Other Financial Liabilities [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Current &amp; Not Due:</b>		
Interest accrued but not due on borrowing	18 18.17	18 05.83
<b>Unsecured</b>		
- Retention	7 39.02	3 27.70
- Trade / Security Deposit Received	9 83.85	12 05.24
- Land Acquisition and Structural Valuation	79 67.05	89 07.39
- Others;		
- Project related liabilities	85 14.12	79 86.18
- Government of Kerala ( Refer Note No. 32.17)	160 09.28	191 17.99
- Others	11 24.40	13 24.16
<b>Total</b>	<b>371 55.89</b>	<b>406 74.49</b>

Note 22 : Other Current Liabilities	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Statutory Payments	4 58.47	5 50.35
Advance received from Customers	8 84.16	12 33.82
Deferred Fair valuation Gain ( Security Deposit)	99.76	90.14
<b>Total</b>	<b>14 42.39</b>	<b>18 74.31</b>

Note 23 : Provisions [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Provision for Employee benefits (Refer Note No. 32.13 and 32.14)</b>		
Provision for Gratuity	49.19	31.03
Provision for earned leave	57.78	49.91
Provision for half pay leave	19.12	15.30
Provision for leave travel concession	20.80	19.07
<b>Total</b>	<b>1 46.89</b>	<b>1 15.31</b>



Note 24 : Revenue from operations	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from Train Operations	30 78.45	12 89.87
Non fare box revenue	35 92.38	27 07.11
<b>Total</b>	<b>66 70.83</b>	<b>39 96.98</b>

Note 25 : Other Income	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Government Grants (Benefit against the interest free subordinate Debts from GOI and GOK)	44 32.64	30 41.09
Government Grants (Benefit against the reimbursement of state taxes from GOK)	7 77.24	9 21.45
Consultancy Income	3 05.57	8 69.59
Interest on bank deposits	5 23.31	4 40.75
Insurance claim recovery against flood loss ( Refer Note No.32.37)	10 91.84	71 34.74
Other non-operative income (Refer NoteNo. 25.1)	3 33.58	1 24.63
Income from Unwinding of security Deposits	95.78	2 16.84
<b>Total</b>	<b>75 59.96</b>	<b>127 49.09</b>

**25.1 Other Non operating income :**

Application/tender processing fees	7.91	10.54
Other Interest	5.98	18.91
Others	3 19.69	95.18
<b>Total</b>	<b>3 33.58</b>	<b>1 24.63</b>

Note 26 : Operating Expenses	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Customer Facilitation Expenses	12 41.56	10 23.71
Electricity & water Charges	13 60.21	11 83.65
Security & Other outsourced Expenses	11 24.09	10 27.59
Commission	1 45.30	60.88
External Project Consultancy	1 77.61	6 10.02
Other Operating Expenses	2 35.22	1 62.77
<b>Total</b>	<b>42 83.99</b>	<b>40 68.62</b>

Note 27 : Employee Benefits Expense	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and wages	38 64.47	36 14.08
Contribution to Provident Fund and other funds	3 35.34	3 04.78
Gratuity Expenses (Refer Note No. 32.13 and 32.14)	99.62	1 09.22
Staff welfare expenses	2 04.38	2 52.27
<b>Total</b>	<b>45 03.81</b>	<b>42 80.35</b>



Note 28 : Finance Costs	Amount (Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>a) Interest on Pass through Assistance - Government of India</b>		
Gross Interest (A)	12 49.47	13 89.15
Less: Expense during construction (B)	.00	.00
Total transfer to Statement of Profit and Loss (A-B)	<b>12 49.47</b>	<b>13 89.15</b>
<b>b) Interest on Loans from Banks</b>		
Gross Interest (A)	154 29.21	149 97.58
Less: Expense during construction (B)	(24 96.66)	(9 96.25)
Total transfer to the Statement of Profit and Loss (A-B)	<b>129 32.55</b>	<b>140 01.33</b>
<b>c) Interest on Subordinate debt (Refer Note No. 32.5)</b>		
Unwinding of Interest expense on subordinate debt (A)	44 32.64	30 41.09
Total transfer to the Statement of Profit and Loss (A)	<b>44 32.64</b>	<b>30 41.09</b>
<b>d) Interest on Fair Valuation of Retention Money and Security Deposit</b>		
Unwinding of Interest Expense on Retention Money Deposit (A)	1 07.62	2 22.68
Less: Expense during Construction (B)	(1.34)	( 1.22)
Less: Payable to GOK ( C)	(5.52)	( 4.11)
Total transfer to the Statement of Profit and Loss (A-B-C)	<b>1 00.76</b>	<b>2 17.35</b>
<b>e) Interest on Lease Liability</b>		
Interest Expense on Lease Liability (A)	1.97	0.77
Total transfer to the Statement of Profit and Loss (A)	<b>1.97</b>	<b>0.77</b>
<b>f) Guarantee Commission</b>		
Guarantee Commission payable to GOK (A)	1 37.29	1 37.34
Total transfer to the Statement of Profit and Loss (A)	<b>1 37.29</b>	<b>1 37.34</b>
<b>Grand Total- Transfer to the Statement of Profit and Loss</b>	<b>188 54.68</b>	<b>187 87.03</b>

Note 29 : Depreciation and Amortisation Expense	Amount (Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on tangible assets (Refer Note No.1.14 and 2A)	171 72.56	198 92.34
Depreciation on Right of Use	5.02	1.73
Amortisation of intangible asset (Refer Note No. 1.14 and 3)	3 36.26	3 37.18
<b>Total</b>	<b>175 13.84</b>	<b>202 31.25</b>



Note 30 : Other Expenses	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Insurance	10 33.15	10 73.44
Repairs and maintenance	9 79.85	6 18.08
Road Works/Station Oriented Works	5 06.17	1 07.09
Legal and Professional	1 47.22	1 42.78
Office and other Miscellaneous expenses	1 21.16	1 07.52
Advertisement and Promotional Expenses	1 01.50	87.42
Travelling and conveyance expenses	77.06	85.28
Post flood restoration expenses	67.67	5 61.44
Rent,Rates and taxes	10.76	18.16
Bank charges	3.69	15.70
Exchange Fluctuation Loss / (Gain) (Refer Note No.32.2.2)	( 12.09)	8.20
Expected credit loss on Trade Receivables	3.54	13.44
Payment to Auditors (Refer Note No. 30.1)	7.45	7.06
<b>Total</b>	<b>30 47.13</b>	<b>28 45.61</b>

30.1 Payment to Auditors	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Audit fees	6.54	6.26
Other Services	.83	.80
Reimbursement of Expenses	.08	.00
<b>Total</b>	<b>7.45</b>	<b>7.06</b>

Note 31 : Earnings per Equity Share	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Net Profit/ ( Loss) after tax ( In Rs. Lakh )	(339 54.82)	(334 89.82)
Number of Equity Shares	1507460 00.00	1507460 00.00
<b>Basic and Diluted Earnings Per Share (EPS) ( In Rs.)</b> (Refer Note No. 32.23)	<b>( 22.52)</b>	<b>( 22.22)</b>



## NOTE NO. 32 ADDITIONAL INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS

### 32.1 Expenditure in Foreign Currency

*Amount (Rs. In Lakhs)*

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Expenditure by KMRL		
- Contracts	30 91.46	4 61.85
- Others	NIL	46.13
Expenditure by DMRC on contracts (see note below)	NIL	26 98.61

For the year 2020-21, the capital expenditure 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.

Due to non-receipt of confirmation from DMRC for the year 2021-22, the amount is assumed to be NIL.

### 32.2 Foreign exchange rate variation

**32.2.1** The Pass Through Assistance (PTA) provided to the company by Government of India, is based on the credit facility agreement for 180 Million Euro towards Phase I between *Agence Francaise De Development (AFD)*, as lender and Government of India(GoI), as the borrower. The Phase I 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. The repayment obligation of the company is limited to the INR equivalent of the amount of PTA received. Accordingly, the Company has not recognized foreign exchange rate variation losses/gains as at the Balance Sheet date related to the PTA received from GoI.

Government of India entered into a credit facility agreement for 27 Million Euro towards Non-Motorised Transport (NMT) initiatives of KMRL. The funds are transferred to GoK in accordance with the GoI's standard procedures for development assistance to the States of India in INR. An amount of Rs.24,46.67 Lakh (equivalent to 2.84 million Euros) received by GoK was transferred to KMRL as PTA from GoI during 2020-21. The repayment obligation of the company is limited to the INR equivalent of the amount of PTA. Accordingly, the Company has not recognized 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 4<sup>th</sup> 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, Gol 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 Gol and the amount repaid by the company to Gol in INR, shall be borne by GoK, when settlement of exchange variation is carried out by Gol.

Accordingly, in the balance sheet, the liability under PTA is recognised in INR.

**32.2.2 Disclosure in respect of IND AS-21, “The effect of changes in Foreign Exchange rates”.** The effect of Foreign Exchange fluctuation (other than PTA related transactions) during the year is as under:

The total amount of exchange difference (net foreign exchange) recognised in statement of profit and loss for the year is a gain of Rs.12.09 lakhs (P.Y.2020-21, loss of Rs.8.20 lakhs).

### 32.3 Capitalization of assets from CWIP

During the year, the company has recognized differences in the value of assets already capitalized during previous years, amounting to Rs.13,17.24 lakh. In-anticipation of a delay in getting the Fixed Asset register certified by the internal auditors of DMRC as per clause 6.1.20 of the Memorandum of Understanding between DMRC and KMRL dated 23<sup>rd</sup> May 2013, KMRL has relied on the statement handed over by DMRC. Difference, if any, on the basis of the certificates to be issued by the Internal Auditors, on the valuation of the fixed assets, shall be recognized in the year 2022-23.

#### Current year schedule of CWIP

*Amount (Rs. In Lakhs)*

Particulars	Opening	Additions during the year	Capitalized in 21-22	Closing Balance
PHASE IA & IB *	194 41.51	263 10.97	0.00	457 52.48
PHASE II	5 60.36	6.70	0.00	5 67.06
OTHERS	25 22.02	4 11.04	1978.26	9 54.80
<b>Grand Total</b>	<b>225 23.89</b>	<b>267 28.71</b>	<b>19 78.26</b>	<b>472 74.34</b>

- Gok while according approval for the combined comprehensive administrative sanction for the Phase I, Phase IA and Phase IB, it was indicated that, all assets for Phase IA and Phase IB may be vested with State Government. It is informed by GoK vide letter no. Trans-C2/43/2020-Trans dated 24.05.2022, the condition shall be amended after receipt of grant from Gol.



### 32.4 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	168 15.97	NIL	143 19.31	24 96.66
Previous year	163 86.73	NIL	153 90.48	9 96.25

The Ministry of Finance, Department of Expenditure, vide their letter F.No.30(03)/PFC.II/2019 dated 15<sup>th</sup> April 2020 recommended implementation 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 are 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.

### Ageing schedule of CWIP

*Amount (Rs. In Lakhs)*

CWIP	Period	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	As at 31.03.2022	275 40.08	143 19.63	45 05.70	9 08.93	472 74.34
	As at 31.03.2021	169 42.17	46 71.57	3 35.24	5 74.91	225 23.89



### **32.5 Government loan accounting (Sub ordinate debt) and related finance cost.**

**32.5.1** 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 towards land acquisition. For the remaining amount, Government of Kerala had directed the company shall avail a term 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 (Kerala Bank)” formerly known as “Ernakulam District Co-operative Bank Ltd (EDCB)”, amounting to Rs.470,00 lakhs towards land acquisition on behalf of GoK. Out of Rs.470,00 lakhs, Rs.366,00 lakhs is towards land acquisition for Phase I and Rs.104,00 lakhs towards Vytilla-Petta Road from Kunnara park to Petta. The repayment of the loan and interest servicing has been undertaken by the Government of Kerala, on back-to-back basis. The said loan is shown as borrowing in the financial statements.

In essence, the loan taken from Kerala Bank 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.

**32.5.2** 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.248,50 lakhs each, shall be funded by Gol and GoK towards central taxes. Accordingly, the funds released by Gol and GoK is recognised as Subordinate debt in accordance with the approved funding pattern.

**32.5.3** In accordance with clause 11.1 of the Memorandum of Understanding dated 4<sup>th</sup> November 2013, between the Government of India, the Government of Kerala and the company, it is agreed between parties that any cost escalation within or beyond the project time period shall be met entirely by the State Government through additional interest free subordinate debt. Accordingly, as directed by GoK, vide G.O.(RT) No.215/2020/Trans 22.06.2020, the company entered into a term loan agreement with M/s. Housing and Urban Development Corporation Limited (HUDCO) for an amount of Rs.390,00 lakhs, towards gap funding for Phase I of Kochi metro rail project. As per the terms of the agreement, the loan will be secured by the guarantee of Government of Kerala.

The amount drawn from M/s HUDCO during the year is NIL (upto previous year Rs.331,23 lakhs) is recognised as Subordinate debt from GoK, in accordance with the conditions of MOU.

An amount of Rs.51,91 lakhs (vide GO(RT) No.353/2020/Trans dated 28.10.2020) and Rs.88,44 lakhs (vide GO(RT) No.358/2021/Trans dated 26.10.2021) received from GoK during the year 2020-21 and 2021-22 respectively towards GoK’s share of second cost escalation for the Phase I of the Kochi Metro Rail project, is recognised as Subordinate debt from GoK, in accordance with the conditions of the MOU.



**32.5.4** Government of Kerala, vide G.O (Ms) No.73/2014/Trans dated 17/10/2014 accorded administrative sanction for the Extension of Phase I of the metro line from Petta to S N junction for Rs.359,00 lakhs. The project cost is revised to Rs.710,92 lakhs vide GO. (MS)No.36/2019/Trans dated 15.7.2019, including land cost ,Rs.97,38 lakhs.

Out of Rs.97,38 lakhs, Rs 58,11 lakhs released by GoK directly to Special Thahasildar LA towards land acquisition vide G O (MS) No.63/2018/TRANS dated 23.10.2018, is recognized as Subordinate debt from GoK.

For the balance fund required for land acquisition, as directed by GoK vide G.O.(RT) No.112/2020/Trans dated 17.03.2020, the company availed term loan from M/s HUDCO. An amount equivalent to the loan drawn from M/s HUDCO during 2020-21 amounting to Rs. 39,27 lakhs, is recognized as Subordinate debt from GoK, being GoK's share of Subordinate debt, as part of the approved project funding pattern.

**32.5.5** Government of Kerala, vide G.O (Ms) No.27/2019/Trans dated 14/06/2019 accorded administrative sanction for the Extension of Phase I of the metro line from S N junction to Tripunithura Railway Station/ Bus Depot as Phase IB for Rs.356,00 lakhs. The project cost is revised to Rs.448,33 lakhs vide GO. (MS)No.2/2021/Trans dated 16.01.2021, including land cost of Rs.135,86 lakhs.

Out of Rs.135,86 lakhs, Rs 92,63 lakhs released by GoK towards land acquisition vide G. O (Rt) No.347/2021/TRANS dated 11.10.2021, is recognized as Subordinate debt from GoK.

For the balance fund required for land acquisition, as directed by GoK vide G.O.(RT) No.112/2020/Trans dated 17.03.2020, the company availed loan from M/s HUDCO. An amount equivalent to the loan drawn from M/s HUDCO during 2021-22 amounting to Rs.43,23 lakhs, is recognized as Subordinate debt from GoK, being GoK's share of Subordinate debt, as part of the approved project funding pattern.

**32.5.6** GoK, vide G.O.(Rt)No.24/2021/Trans dated 16.01.2021, accorded revised administrative sanction for the Non-motorized transport initiatives of the company for an amount of Rs.239,00 lakhs i.e Rs.202,54 lakhs as Pass Through Assistance from Gol and Rs.36,46 lakhs as subordinate debt from GoK.

The company recognized up to March 31, 2022, a cumulative amount of Rs.36,45 lakhs (upto previous year Rs.16,00 lakhs) received from GOK towards towards Non-Motorised Transport (NMT) initiatives of the company as the Subordinate debt from GoK.

**32.5.7** In accordance with clause 12.26 of the Memorandum of Understanding dated 4<sup>th</sup> November 2013 entered into between the Government of India, the Government of Kerala and the company, it is the obligation of GoK to repay the senior term debt (as and when it becomes due) on account of cash losses, in case the company is not able to repay the same.



The company recognized up to March 31, 2022, a cumulative amount of Rs.393,84 lakhs (upto previous year Rs.245,48 lakhs) received from GOK towards interest servicing to Canara Bank and Union Bank as the Subordinate debt from GoK.

The company recognized up to March 31, 2022, a cumulative amount of Rs.249,04 lakhs (upto previous year Rs.174,62 lakhs) received from GOK towards interest and principal servicing to Gol for AFD , France as the Subordinate debt from GoK.

**32.5.8** In accordance with clause 12.19 of the Memorandum of Understanding dated 4<sup>th</sup> November 2013 entered into between Government of India, the Government of Kerala and the company, it is the obligation of GoK to finance cash losses during the operational phase from its own resources in case the same cannot be provided by KMRL.

The company recognized up to March 31, 2022, a cumulative amount of Rs.199,48 lakhs (upto previous year Rs.144,38 lakhs) received from GOK towards net operational cash loss as Subordinate debt from GoK.

The Subordinated Debt 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.

### **32.6 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 funded by Government of Kerala. Accordingly, vide G.O.(Ms)No. 170/2019/Fin dated 3<sup>rd</sup> May 2019, administrative sanction was accorded towards reimbursement of state tax paid by KMRL/DMRC towards execution of the Kochi Metro project. Till 31<sup>st</sup> March 2022, State Government reimbursed the entire amount of Rs.237,33.52 lakhs towards KVAT and SGST.

### **32. 7 Transfer of land at Kakkanad**

Government of Kerala vide G.O.(Ms) No. 140/2019/RD dated 22<sup>nd</sup> May 2019 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.

GoK vide G.O.No. 169/2022/RD dated 24.06.2022, accorded approval for transfer of additional 14 acres of land belonging to PWD department at Kakkanad at free of cost for undertaking the property development project. The land is yet to be assigned on registry to the company.



### 32.8 Amount Advanced to District Collector towards Land Acquisition for Metro Rail Project and preparatory & other project works

#### *For Metro Rail Project land acquisition*

*Amount (Rs. In Lakhs)*

Particulars	As on March 31, 2022	As on March 31, 2021
Phasel (Aluva to petta)	49 19.51	57 16.98
Phase IA (Petta to SN Junction)	0.95	54.83
Phase IB (SN Junction to Thripunithura)	22 81.89	50.00
<b>Total</b>	<b>72 02.35</b>	<b>58 21.81</b>

#### *For Preparatory and other project work Land acquisition*

Particulars	As on March 31, 2022	As on March 31, 2021
Vytilla-Petta Road Widening	5.19	5.19
Preparatory works of the new metro line - Jawaharlal Nehru Stadium to Kakkanad via Info park	1 37.75	91 57.09
Preparatory works of the new metro line - Widening of Seaport Airport Road	4 06.75	4 01.00
Integrated Water Metro Transport System	30 21.24	20 30.78
<b>Total</b>	<b>35 70.93</b>	<b>115 94.06</b>

### 32.9 Integrated Water Transport system

Government of Kerala (GoK) vide G.O(Ms) No. 73/2015/Trans dated 19/11/2015 accorded approval for the conception of an Integrated Water Transport system in Kochi, at 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 by GoK, to the extent of Rs.102,30 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.

Govt. of Kerala accorded administrative sanction for the revised project cost of Rs.1064,83 lakhs excluding land acquisition cost of Rs.72,00 lakhs vide GO(MS) No. 14/2021/Trans dated



18.6.2021. As per revised funding pattern, the GoK contribution is Rs.156,07 lakhs and KfW funding is Rs.908,76 lakhs. The approval from KfW for additional funding is yet to be received.

During the year 2021-22, GoK released an amount of Rs.57,30 lakhs (Previous year Rs.82,00 lakhs) and KfW released an amount of Rs.38,86.16 lakhs (Previous year - Rs.30,10 lakhs). The cumulative fund released up to 31.3.2022 is Rs.295,62.84 lakhs (of which GoK's contribution is Rs.159,30 lakhs and KfW is Rs.136,32.84 lakhs).

The total expenditure till 31.03.2022 is Rs.210,76.34 lakhs (till previous year Rs.102,75.20 lakhs). An amount of Rs.87,24.32 Lakhs was paid as advance to contractors upto 31.3.2022(previous year Rs.79,50.20 lakhs).

GoK requested for extension of KfW loan drawdown period until December 2023.KfW agreed to extend the disbursement period until December 30,2023, on payment of compensation cost amounting to Euro 290005.

GoK vide G.O.(Ms)No. 26/2020/Trans dated 23/10/2020, accorded approval for formation of an SPV (Special Purpose Vehicle), for the purpose of Operation and Maintenance of Kochi Water Metro Project with 74% equity by GoK and 26% sweat equity by KMRL, with an authorized Share capital of Rs.4,90 lakhs. Accordingly, M/s. Kochi Water Metro Limited (KWML) was incorporated on 14<sup>th</sup> July, 2021.The company also entered into a Memorandum of Understanding (MOU) with GoK, delineating the obligations of the company and GoK.



**32.10 Borrowings from Banks / Financial Institutions**

**Amount (Rs. In Lakhs)**

Sl No.	Name of the Bank / Financial Institutions	Repayment period	Repayment start date	Repayment end date	Interest paid during 21-22	Rate of Interest Percentage per annum	Amount as on 31.03.2022	Amount as on 31.03.2021
a	Canara Bank - Phase I	54 quarterly installments	Quarter 2, 2023-24	Quarter 3, 2036-37	108 27.68	9.20% up to 17.2.2022 8.25% from 18.2.2022	1189 88.61	1198 80.04
b	Canara Bank - Phase I (additional borrowing)	54 quarterly installments	Quarter 2, 2023-24	Quarter 3, 2036-37	15 16.97	8.85% up to 31.7.2021 8.00% from 01.8.2021	182 73.19	182 77.01
c	Canara Bank Loan - Phase 1 Extension	56 quarterly installments	Quarter 1, 2025-26	Quarter 4, 2038-39	14 73.53	8.85% upto 15.3.2022 8.00% from 16.3.2022	232 59.41	132 57.89
d	Union Bank of India -Phase 1 Extension	56 quarterly installments	Quarter 1, 2025-26	Quarter 4, 2038-39	10 20.37	8.85% upto 15.3.2022 8.00% from 16.3.2022	162 63.80	79 82.97
e	The Kerala State Cooperative Bank (land acquisition)	10 annual installments	March, 2018	March, 2027	44 70.38	9.75%	183 00.00	219 60.00
f	The Kerala State Cooperative Bank (land acquisition - Vytilla - Petta road)						52 00.00	62 40.00
g	Canara Bank - Working Capital Demand loan	NA	NA	NA	5 30.44	9.30% upto 19.12.2021 7.75% from 20.12.2021	32 33.39	20 77.42
h	Canara Bank - Working Capital Demand Loan (COVID-19 support)	18 monthly installments	Mar-21	Aug-2022	51.04	8.85%	2 49.19	8 47.27
i	HUDCO -Preparatory works / Land Acquisition	52 quarterly installments	Feb-2022	Nov - 2034	25 12.65	9.75% p.a. for land acquisition and 9.25% p.a. for works (fixed for one year)	3 07 47.00	2 19 84.00
j	HUDCO - Phase I	58 quarterly installments	Feb-2021	May-2035	29 29.12		2 97 58.00	3 24 50.00
<b>Total</b>							<b>26 42 72.59</b>	<b>24 49 56.60</b>



**Presentation of the above loans in the Financial Statements**
*Amount (Rs. In Lakhs)*

Particulars	Reference Note No	Amount as on 31.03.2022	Amount as on 31.03.2021
Non-Current Portion of Term Loan (Secured) from Banks	14A	19 55 84.20	18 31 45.18
Non-Current Portion of Term Loan (Unsecured) from Financial Institutions	14A	5 32 77.00	5 06 08.00
Working Capital Loan (Secured)	19A	32 33.39	20 77.42
Current Maturities of Term Loans from Banks and Financial Institutions			
Due	19A	.00	.00
Not due		1 21 78.00	91 26.00
<b>TOTAL</b>		<b>26 42 72.59</b>	<b>24 49 56.60</b>

**Detailed note of the above loans is given below;**

**a) Canara Bank- Phase I**

The Company 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. The company availed the interest moratorium and accordingly, the interest so accrued on the term loan (net of repayment) was added to the outstanding term loan as COVID-19 assistance. The rate of interest applicable is one-year MCLR (marginal cost of funds based on lending rates) plus margin, with annual rests, and secured by paripassu charge on all assets of the company.

**b) Canara Bank- Phase I (additional borrowing)**

The Company 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, vide GO (RT) No. 323/2019/Trans dated 18.7.2019, issued guarantee for repayment of the principal and interest. As requested by KMRL, the moratorium for interest servicing was approved for a period of six months from March 2020 onwards. The company availed the interest moratorium and accordingly, the interest so accrued on the term loan (net of repayment) was added to the outstanding term loan as COVID-19 assistance. The rate of interest applicable is one-year MCLR (marginal cost of funds based on lending rates) plus margin, with annual



rests and secured by paripassu charge on all assets of the company and guaranteed by state government for payment of interest and principal.

**c & d) Consortium Loan between Canara Bank and Union bank of India - Phase I extension**

The Company availed a term loan from the consortium of Canara Bank and Union bank of India for Phase I extension. The consortium loan agreement was executed on 25.05.2020. As per Agreement, Canara Bank shall be the Lead Banker to fund the Phase IA & IB project, with the term loan aggregating to 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. The applicable interest rate is one year MCLR plus margin, with annual rests. The loan is secured by paripassu charge on movable and immovable assets of the Phase I extension and guaranteed by state government for payment of interest and principal. GoK issued Guarantee for repayment of interest and principal of the loan vide GO (RT) No.211/2020/Trans dated 18.6.2020. An amount of Rs 4,55.80 lakhs being amount towards the guarantee commission, is also recognized as receivable from GoK till 31.3.2022 (previous year Rs 1,59.31 lakhs), since the project is to be funded by GoK.

**e) The Kerala State Cooperative Bank (formerly known as Ernakulam District Cooperative Bank (EDCB)(land acquisition)**

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. Out of Rs.672,00 lakhs, 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 for an amount of Rs.366,00 lakhs as 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 Kerala State Cooperative Bank towards land acquisition. Accordingly, the company has entered into term loan agreement with EDCB as approved in its 19th Board meeting dated 20<sup>th</sup> January 2015. As per the GO, the tenure of the loan shall be 12 years with two years 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. The interest rate shall be reset every three years and the same was reduced from 9.95% p.a. to 9.75% p.a. with effect from 1<sup>st</sup> April 2020. The repayment of the loan with interest is undertaken by the Government of Kerala on back-to-back basis and is recognised as receivable from GoK, as and when due. 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.

**f) The Kerala State Cooperative Bank (formerly known as Ernakulam District Cooperative Bank (EDCB)(land acquisition-Vytilla Petta road)**

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 Kerala State Cooperative Bank to meet the cost of



land acquisition for widening of Vytilla-Petta road. Accordingly, the company entered into term loan agreement with Kerala State Cooperative Bank as approved in its 19th Board meeting dated 20<sup>th</sup> 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 paripassu charge on all assets of the company. The rate of interest shall be 0.05% below the base rate of State bank of India, compounded on quarterly rest. The interest rate shall be reset every three years and accordingly, the rate of interest was reduced from 9.95% p.a. to 9.75% p.a. with effect from 1<sup>st</sup> April 2020. The obligation for the repayment of the loan together with interest is undertaken by the Government of Kerala on back-to-back basis and is recognised as receivable from GoK, as and when due. 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.

During the year, the company paid the fifth instalment amounting to Rs.91,70.38 lakhs (Previous year Rs.201,80.33 lakhs, third and fourth instalment) in March 2022 against the term loans.

#### **g) Canara Bank - Working Capital Demand Loan**

The Company entered into a Fund based working capital facility and Non-Fund Based Bank Guarantee limit with Canara Bank on 30.9.2019, for an amount of Rs.90,00 lakhs and Rs.5,00 lakhs respectively and renewed on yearly basis. The rate of interest applicable for working capital facility is one-year MCLR (marginal cost of funds based on lending rates) plus margin, with annual rests and secured by paripassu charge on all assets of the company.

#### **h) Canara Bank - Working Capital Demand Loan (COVID-19 support)**

The Company entered into a working capital demand loan facility agreement on 28<sup>th</sup> August 2020 for Rs.9,00 lakhs with Canara Bank as part of COVID-19 Canara Credit support. The rate of interest is one-year MCLR (marginal cost of funds based on lending rates) plus margin, and secured by paripassu charge on all assets of the company.

#### **i) HUDCO - Preparatory works/Land Acquisition**

The Company entered into a term loan agreement with HUDCO, for an amount of Rs. 589,82 lakhs on 19.3.2020 for land acquisition and preparatory works of Phase I, Phase IA, Phase IB and Phase II of Kochi Metro Rail Project. Against this, an amount of Rs.318 81 lakhs were disbursed by HUDCO to the company till March 31, 2022. The moratorium period for repayment of the principal amount is up to February 2022. Rs.11,34 lakhs was repaid till 31<sup>st</sup> March 2022. The loan is secured by Government guarantee for payment of interest and repayment of principal, vide, GO (RT) no. 112/2020/Trans dated 17.3.2020.

Since the loan has been availed by the company for the purpose of land acquisition and for preparatory works, the interest and repayment of principal including loan processing charges and guarantee commission is recognised as receivable from GoK. Accordingly, sum of Rs.1,23.90 Lakh and Rs.4,96.22 lakhs, being amount towards loan processing charges and guarantee commission, respectively, is recognized as receivable from GoK, till 31<sup>st</sup> March 2022.



### j) HUDCO - Phase I

The Company entered into a term loan agreement with HUDCO, for an amount of Rs 390,00 lakhs on 26.06.2020 towards gap funding of Phase I project. Against this, an amount of Rs 331,23 lakhs was disbursed by HUDCO to the company and an amount of Rs.33,65 lakhs was repaid till March 31, 2022.

Vide GO(RT)215/2020/Trans dated 22.06.2020, Government has agreed to provide adequate budget provision with regard to repayment of loan and interest. Accordingly, the interest and repayment of principal including loan processing charges and guarantee commission is recognised as receivable from GoK. Accordingly, the sum of Rs.123.90 Lakh and Rs.470.23 lakhs, being amount towards the loan processing charges and guarantee commission, is recognized as receivable from GoK, till 31<sup>st</sup> March 2022.

k) As per clause 4(i) of the G.O.(Ms.) No. 487/04/Fin dated 16<sup>th</sup> October 2004, the guarantee commission payable will be 0.75% of the actual balance loan outstanding, including interest, penal interest etc. as on 31<sup>st</sup> March of the preceding year. The amount due in a year will be paid in two equal installments, one on 01<sup>st</sup> April and another on 1<sup>st</sup> October, of every financial year.

Details of Guarantee commission paid by the company is summarized below;

**Amount (Rs. In Lakhs)**

SI No	Guarantee Commission	Due and paid till 31.3.2022	Not due as on 31.3.2022	Total
1	Canara Bank- Phase I (additional borrowing) for Phase I of Kochi metro rail project.	2 63.11	1 37.29	4 00.40
2	Consortium Loan between Canara Bank and Union bank of India - Phase I extension.	1 59.31	2 96.49	4 55.80
3	HUDCO - Preparatory works/Land Acquisition.	2 63.75	2 32.47	4 96.22
4	HUDCO - Gap funding for Phase I of Kochi Metro rail project.	2 45.28	2 24.94	4 70.22
	<b>Total</b>	<b>9 31.45</b>	<b>8 91.19</b>	<b>18 22.64</b>



**32.11 Receivable from Government of Kerala against the Loan taken from Banks and Financial Institutions**

*Amount (Rs. In Lakhs)*

Particulars	Detailed note reference No	31-Mar-22			31-Mar-21		
		Current	Non-Current	Total	Current	Non-Current	Total
Against Loan taken from Kerala State Co-operative Bank	32.10.e and 32.10.f	47 00.00	1 87 94.81	2 34 94.81	47 00.00	2 34 94.82	2 81 94.82
Against Interest Receivable towards the Loan from Kerala State Co-operative Bank		10 07.45	40 30.18	50 37.63	10 07.45	50 37.25	60 44.70
Against the Loan Taken from HUDCO	32.10.i and 32.10.j	69 82.87	5 04 94.02	5 74 76.89	46 07.43	4 06 59.77	4 52 67.20
Against Guarantee Commission, interest on Guarantee Commission and processing charges	32.10.c,d,i & j	17 30.19	0.00	17 30.19	15 9.31	0.00	1 59.31
<b>Total</b>		<b>1 44 20.51</b>	<b>7 33 19.01</b>	<b>8 77 39.52</b>	<b>1 04 74.19</b>	<b>6 91 91.84</b>	<b>7 96 66.03</b>



**32.12 Pass Through Assistance from Government of India**

Amount (Rs. In Lakhs)

Sl No.	Name of the Banks/Financial Institutions	Repayment period	Repayment start date	Repayment end date	Interest paid during 21-22	Rate of Interest	Amount as on 31.03.2022*	Amount as on 31.03.2021
a	Pass Through Assistance for Phase I	40 half yearly installments	September, 2019	March, 2039	12 32.63	6 monthly EURIBOR plus the margin of 155 basis point	11 28 04.15	11 94 39.69
b	Pass Through Assistance for NMT	20 half yearly installments	May, 2025	November, 2034	20.61	1.52% or 6 months EURIBOR + 1.35% (margin)	24 46.67	24,46.67
<b>Total</b>							<b>11 52 50.82</b>	<b>12 18 86.36</b>

\*Includes current maturities of PTA shown in Note 19A

The Pass Through Assistance (PTA) provided by Government of India for the Phase I Kochi Metro Rail Project for Euro 180 million, 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 entire loan proceeds of Euro 180 million, equivalent to Rs.1327,10.77 lakhs, has been released by AFD to GoI. The funds were disbursed to KMRL in several tranches as per budgetary provisions of Government of India in INR. During the year 2021-22, an amount of Rs.66,35.54 lakhs has been paid to GoI (Previous year, Rs.66,35.54 lakhs each towards installments due for the years 2019-20 and 2020-21).

The Pass Through Assistance (PTA) provided by Government of India through Government of Kerala, for the Non-motorized transport initiatives of KMRL, amounting to Euro 27 million, 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. During the year 2021-22, an amount of Nil( previous year Rs.24,46.67 lakhs) was released to GoK through the Department of Economic Affairs which was subsequently released to KMRL. Further, an amount of Rs.40.27 lakhs, being interest on the PTA for NMT is recognized as due to GoK till March 31, 2022 ( up to previous year Rs.19.66 lakhs).

### 32.13 Disclosure in respect of IND AS-19, “Employee Benefits”

**Provident 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 1<sup>st</sup> September 2014 and whose salary is more than Rs.15,000/- per month. Such employees 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. As per the actuarial valuation report though planned assets are shown, the company has not recognized asset in the books, since the company has not created fund trust.

**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



**32.14 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:**

Particulars	Amount(Rs.in lakhs)									
	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)			
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
Benefit obligations at the beginning of year	6 46.47	4 69.11	7 62.09	6 46.46	2 31.62	2 05.25	94.22	47.25		
Current service cost	1 16.24	1 35.73	1 42.23	1 17.90	39.13	36.66	21.19	19.06		
Interest Cost	43.30	32.84	53.65	45.25	17.06	14.37	6.64	3.30		
Benefits paid / provision withdrawn	(37.91)	(18.57)	(95.33)	(35.70)	(8.79)	(6.54)	(11.73)	(3.93)		
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.59		
Actuarial (gain) / loss from change in Financial Assumptions	(46.34)	8.33	(41.11)	8.13	(12.37)	2.47	(3.97)	0.72		
Actuarial (gain) / loss on obligations - Due to Experience Adjustments & Demographic Assumption	24.85	19.03	9.49	(19.95)	(29.66)	(20.59)	(7.31)	(0.77)		
<b>Benefit obligations at the end of year</b>	<b>7 46.61</b>	<b>6 46.47</b>	<b>8 31.02</b>	<b>7 62.09</b>	<b>2 36.99</b>	<b>2 31.62</b>	<b>99.04</b>	<b>94.22</b>		



**Amount (Rs.in Lakhs)**

The amounts for the year ended March 31, 2022 recognised in the Statement of Profit and Loss under Employee benefit Expense, are as follows:

Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
Current service cost	1 16.24	1 35.73	1 42.23	1 17.90	39.13	36.66	21.19	19.06
Interest cost	43.30	32.84	53.65	45.25	17.06	14.37	6.64	3.30
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.59
Reimbursement Service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest income	0.00	(0.73)	0.00	(0.50)	0.00	(0.27)	0.00	0.00
Remeasurement	0.00	0.00	(31.62)	(11.31)	(42.04)	(17.86)	(11.29)	(0.05)
<b>Total</b>	<b>1 59.54</b>	<b>1 67.84</b>	<b>1 64.26</b>	<b>1 51.34</b>	<b>14.15</b>	<b>32.90</b>	<b>16.54</b>	<b>50.90</b>
Less: Actuarial (Gain)/ Loss transferred to CWIP/Project Fund/Others	59.92	58.62	72.59	68.70	2.99	16.97	2.81	9.16
<b>Expenses recognized in statement of profit and loss</b>	<b>99.62</b>	<b>1 09.22</b>	<b>91.67</b>	<b>82.64</b>	<b>11.16</b>	<b>15.93</b>	<b>13.73</b>	<b>41.74</b>



Amount (Rs.in Lakhs)

<b>The amounts for the year ended March 31, 2022 recognised in the Statement of Other Comprehensive income , are as follows:</b>		
<b>Particulars</b>	<b>Gratuity entitlement (Unfunded)</b>	
	<b>As at 31/03/2022</b>	<b>As at 31/03/2021</b>
<b>Re measurements of the net defined benefit liability/ (asset)</b>		
Actuarial (gains)/ losses from changes in Financial Assumptions	(46.34)	9.05
Actuarial (gains)/ losses- Due to Experience Adjustments & Demographic Assumption	24.85	19.03
<b>Total Re measurements in OCI</b>	<b>(21.49)</b>	<b>28.08</b>
Less: Actuarial (Gain)/ Loss transferred to CWIP	3.65	5.05
<b>Expenses recognized in statement of OCI</b>	<b>(17.84)</b>	<b>23.03</b>

**The principal assumptions used to determine Gratuity, Earned leave encashment, Half Pay leave Encashment and LTC benefit obligations as of March 31, 2022 and March 31, 2021 are as follows :**

<b>Particulars</b>	<b>As at 31/03/2022</b>	<b>As at 31/03/2021</b>
Discount rate	7.51%	6.90%
Salary escalation rate - First 5 Years	6.00%	6.00%



Amount (Rs.in Lakhs)

Net Asset / Liability recognised in the Balance Sheet								
Particulars	Gratuity entitlement (Unfunded)		Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		LTC (Unfunded)	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
Present value of the obligation	7 46.61	6 46.47	8 31.02	7 62.10	2 36.99	2 31.62	99.04	94.22
Fair value of plan assets	-	-	-	-	-	-	-	-
Difference	74 6.61	6 46.47	8 31.02	7 62.10	2 36.99	2 31.62	99.04	94.22
Unrecognised transitional liability	-	-	-	-	-	-	-	-
Unrecognised past service cost - non vested benefits	-	-	-	-	-	-	-	-
<b>Liability recognized in the balance sheet</b>	<b>7 46.61</b>	<b>6 46.47</b>	<b>8 31.02</b>	<b>7 62.10</b>	<b>2 36.99</b>	<b>2 31.62</b>	<b>99.04</b>	<b>94.22</b>



**32.15 Statement of Preparatory works/Projects undertaken by the company, on behalf of Government of Kerala (GoK), which are in progress as on March 31, 2022.**

**Amount (Rs. In Lakhs)**

Sl. No.	Particulars of the Preparatory work / project undertaken	Government order according administrative sanction for the project	Approved project cost	Funds received till 31.03.2022			Amount Expended till 31.03.2022
				Source of fund	Amount received	Total	
1	Widening of 1.5 kms of Vytilla-Petta Road from Kunnara park to Petta	G.O (Ms) No. 13/2015/Trans dated 10/03/2015	22 35.00	GoK	22 35.00	22 35.00	19 43.36
2	Preparatory works of the new metro line from Jawaharal Nehru Stadium to Kakkanad via Info park	G.O(Ms) No. 13/2016/Trans dated 08/02/2016	1 89 00.00	GoK	20 00.00	1 46 71.00	140 42.25
				Loan from HUDCO	1 26 71.00		
3	Preparatory works of Phase II of the Kochi Metro Rail Project for Widening of Seaport Airport	G.O(Ms) No. 73/2018/Trans dated 17/12/2018	74 07.00	Loan from HUDCO	54 99.84	54 99.84	33 31.07
4	Preparatory work for improvement of Edappally – High Court Road from Edappally to JLN Stadium/Kaloor and upgrading the drainage system	G.O(Ms) No. 56/2016/Trans dated 26/08/2016	39 41.40	GoK	34 00.00	34 00.00	15 93.93
				GoK	61 20.00		
5	Preparatory works for the extension of Kochi Metro Rail Project from Petta to SN Junction, Tripunithura	G.O(Ms) No. 31/2016/Trans dated 31/03/2016	1 23 00.00	Loan from HUDCO	44 24.16	1 13 58.33	1 13 58.33
				Other	8 14.17		
<b>Total</b>					<b>3 71 64.17</b>	<b>3 71 64.17</b>	<b>3 22 68.94</b>

The net balances of the above-mentioned preparatory works and projects undertaken by the company, on behalf of Government of Kerala (GoK), which are in progress as on March 31, 2022, being receivable from / payable to GoK is shown in Note Nos. 5,9 and 19 in the Balance Sheet.

**32.16 Statement of Preparatory works/Projects undertaken by the company, on behalf of GoK, which are executed through DMRC**

*Amount (Rs. In Lakhs)*

Sl. No.	Particulars of the Preparatory work / project undertaken and completed	Order from GoK according administrative sanction	Approved project cost	Fund received till 31.03.2022		Amount Expended till 31.03.2022	
				Source of fund	Amount received		Total
1	Preparatory works	G.O.(MS) No. 110/2013/Trans dated 07-12-2013	242 47.00	GoK	220 45.27	220 45.27	197 40.50
2	Pachalam Rail Over Bridge (ROB)	G.O.(Ms) No. 23/2014/Trans dated 05/03/2014 and G.O(Ms) No.56/2014/Trans dated 24/07/2014	52 59.00	GoK	52 59.00	52 59.00	23 67.17
3	Edappally Flyover	G.O (Rt) No.714/2013/PWD dated 13/05/2013	108 77.00	Kerala Road Fund Board (KRFB)	34 43.55	34 43.55	35 28.25
4	Preparatory work for the Construction of the four lane Chambakkara Bridge	G.O(Ms) No. 68/2016/Trans dated 09/11/2016 and G.O(Ms) No. 64/2018/Trans dated 11/11/2018	38 36.44	GoK Loan from HUDCO	27 00.00 10 36.00	37 36.00	37 09.75
<b>Total</b>					<b>344 83.82</b>	<b>344 83.82</b>	<b>293 45.67</b>

The net balances of the above-mentioned Preparatory works and projects undertaken by the company, on behalf of Government of Kerala (GoK), which are executed through DMRC being receivable from / payable to GoK is shown in Note Nos 4, 9 and 19 in the Balance Sheet.



**32.17 Particulars of Advance received from Government of Kerala towards preparatory and other project works available as on 31<sup>st</sup> March 2022.**

*Amount (Rs. In Lakhs)*

Particulars	As on	As on
	31-Mar-22	31-Mar-21
Preparatory works of the new metro line -- Kakkanad Via Info Park	0.00	19 24.06
Integrated Water Transport system	84 87.68	96 71.59
Five Preparatory works	25 34.04	25 34.04
Pachalam Works	28 91.83	28 92.43
Improvement of Edappally – High Court Road	18 04.09	18 04.09
Preparatory works from Kunnara to Petta	2 91.64	2 91.78
<b>Total</b>	<b>160 09.28</b>	<b>191 17.99</b>

**32.18 Central Financial Assistance (CFA) from Ministry of Housing and Urban Affairs (MoHUA) and Government of Kerala (GoK)**

The Company 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 31<sup>st</sup> March 2022, MoHUA has released its entire share and balance amount of Rs.45.35 lakhs is due from GoK, being their share of financial assistance.

During the year 2021-22, the company adjusted an amount of Nil (previous year Rs.32.61 lakhs) out of fund received vide G.O.(RT) No.192/2020/Trans dated 08.06.2020 and the net balance of Rs.12.74 lakhs is shown as Receivable from GoK.

**32.19 Disclosure in respect of IND AS-12, “Income Taxes”**

The Company has a deferred tax asset of Rs.554,58.39 lakhs as on 31.03.2022(31.03.2021 Rs. 538,31.49 lakhs), owing to the existence of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2022 is Rs.3,83,63.94 lakhs (31.03.2021, Rs.308,41.43 lakhs).



The net deferred tax asset as on 31.03.2022 is Rs.1,70,94.45 lakhs (31.03.2021, Rs.229,90.06 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 16.06.2022 in respect of the Financial Year 2021-22.

### **32.20 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 installed power plant with the capacity of 2.67 mw and accordingly received an amount of Rs.1,44.00 lakhs, being the 1<sup>st</sup> installment of the CFA, during the financial year 2015-16 and Rs.1,58.47 lakhs during the financial year 2018-19.

The supply, installation, testing and commissioning of the Solar PV power plants 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 has been fully disbursed to the developer.

The interest earned on funds, amounting to Rs.14.95 lakh, was transferred to MNRE on 24.09.2021, in accordance with the clause 6 of the MNRE letter dated 21.06.2016, which stipulates that the funds being released may be kept in the interest-bearing account and the interest accrued may be credited towards the government account.

### **32.21 Non-Motorized transport (NMT) initiatives in KMRL**

GoK, vide G.O.(Rt)No.24/2021/Trans dated 16.01.2021, accorded revised administrative sanction for the Non-motorized transport initiatives of the company for an amount of Rs. 239,00 lakhs i.e Rs.202,54 lakhs as Pass through assistance from Gol and Rs.36,46 lakhs as subordinate debt from GoK. NMT plan includes station-oriented development, major junction improvements and 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 Project on 27.12.2019. The funds shall be made available to the KMRL by Gol in INR, through GoK, 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 31<sup>st</sup> May and 30<sup>th</sup> November of each year. Repayment of the principal amount shall be in twenty equal half yearly installments and the first installment is due on 31<sup>st</sup> May, 2025 and the last installment shall be payable on 30<sup>th</sup> November 2034 by GoK.



During the year 2021-22, Nil (previous year Rs.24,46.67 lakhs) released to GoK through the Department of Economic Affairs.

The Govt. of Kerala released a cumulative amount of Rs.36,45 lakhs (upto previous year Rs 16,00 lakhs) towards Non-Motorised Transport (NMT) initiatives of the company.

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

During the year, an amount of Rs.NIL (previous year Nil) was capitalized out of the borrowing cost and an amount of Rs.143,19.31 lakhs (previous year Rs.153,90.48 Lakhs) and Rs.24,96.66 lakhs (previous year Rs.9,96.25 Lakhs) has been charged to revenue and CWIP, respectively, in line with the accounting policy on “Borrowing cost”.

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

Particulars	2021-22	2020-21
Net Profit /(Loss) for the year (Rs. in Lakhs)	(3 39 54.82)	(3 34 89.82)
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.)	(22.52)	(22.22)
Dilutive Earnings Per Share (Face value of Rs.100/- per share) (Rs)	(22.52)	(22.22)

### 32.24 Disclosure in respect of IND AS-1, “Presentation of financial statements”, IND AS 8,” Accounting policies, Changes in Accounting Estimates and Errors.

#### a. Capital Management

*Amount (Rs. in lakhs)*

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Total Debt	4 37 003.07	4 07 909.88
(b) Total Capital	2 55 187.60	2 54 069.40
(c ) Debt/ Equity ratio (a/b)	1.71	1.61





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**

The financial statements of the previous year were restated for the following reasons

(i) On account of updations in the value of operational assets taken over from DMRC pertaining to previous years, and value updation in the existing assets of KMRL, due to final settlement of contractor claims.

(ii) There were updations 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 and value of works relating to flood restoration works. Due to this, the financial statements of the previous year were restated.

The net impact of such restatements are summarized below,

**Amount (Rs. in lakhs)**

Particulars	Net Impact
(Increase) in Property, Plant and Equipment	11 36.36
(Increase) in Other Intangible Assets	9.64
(Increase) in Depreciation upto 2020-21	1 58.72
(Increase) in Other Financial Liabilities (Current)	(13 04.72)
(Increase) in Capital Work –In -Progress	41.25
(Decrease) in Other Expenses	(41.25)
(Decrease) in Other Equity	(1 17.47)
(Decrease) in Earnings per Equity share	0.03

**32.25 Disclosure in respect of Indian Accounting Standard (Ind AS)-8 “Accounting Policies, Changes in Accounting Estimates and Errors”**

Buildings, CCTV and Solar panels, were hitherto depreciated over a period of 30 years, 18 years and 15 years , respectively. During the year, the useful life of these assets has been reviewed by the Company and determined as 60 years,6 years and 25 years respectively, on the basis of technical assessment by independent valuers. Accordingly, the Company has now depreciated such assets over a period of 60 years, 6 years and 25 years, in line with the useful life determined based on technical assessment.



Consequently, depreciation expense for the year is lower by Rs.29,76.34 Lakhs on this account and WDV of Property, Plant & Equipment (PPE) is higher to that extent.

### 32.26 Disclosure in respect of IND AS-116, “Leases”

**32.26.1** 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.29.00 Lakhs (P.Y. Rs.39.26 Lakhs) and the lease rent so paid is included under the head Expenditure-Staff welfare expenses.

The company has taken on lease vacant land from Kerala State Housing Board for providing parking facility for a period of 5 years.

The changes in the carrying value of ROU assets for the year ended March 31, 2022 as below:

*Amount (Rs. in lakhs)*

Particulars	During the year 2021-22	During the year 2020-21
Balance at the Beginning	23.35	-
Addition	-	25.08
Deletion	-	-
Depreciation	5.01	1.73
<b>Balance at the end</b>	<b>18.34</b>	<b>23.35</b>

The movement in lease liabilities is as follows:

*Amount (Rs. in lakhs)*

Particulars	During the year 2021-22	During the year 2020-21
Balance at the Beginning	23.26	-
Additions	-	24.61
Finance cost accrued during the period	1.97	0.77
Payment of lease liabilities	(6.12)	(2.12)
<b>Balance at the end</b>	<b>19.11</b>	<b>23.26</b>



The breakup of current and non-current lease liabilities as at March 31, 2022 is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Current Lease liabilities	14.57	19.11
Non -Current Lease liabilities	4.54	4.15
<b>Total</b>	<b>19.11</b>	<b>23.26</b>

**32.26.2** 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 2022	As at 31st March 2021
Not later than one year	8 34.60	3 92.36
Later than one year and up to five years	36 14.28	20 81.73
Beyond five years	48 61.27	22 44.18

### **32.27 Disclosure in respect of IND AS-24, "Related Party Disclosures"**

#### **32.27.1 Key Management persons:**

**32.27.1.1** Shri Durga Shanker Mishra, ( Chairman till 31<sup>st</sup> December 2021 )

**32.27.1.2** Shri Manoj Joshi ,( Chairman from 10<sup>th</sup> January 2022 )

**32.27.1.3** Smt Sujatha Jayaraj, (Nominee Director till 16<sup>th</sup> May 2022)

**32.27.1.4** Smt Namita Mehrotra, (Nominee Director from 30<sup>th</sup> May 2022)

**32.27.1.5** Shri Jaideep, (Nominee Director)

**32.27.1.6** Shri D.K. Saini, (Nominee Director)



**32.27.1.7** Dr. V.P. Joy, (Nominee Director from 29<sup>th</sup> April 2021)

**32.27.1.8** Shri Rajesh Kumar Singh, (Nominee Director)

**32.27.1.9** Shri Alkesh Kumar Sharma (Managing Director till 7<sup>th</sup> April 2021)

**32.27.1.10** Shri K.R. Jyothilal, (Nominee Director and additional charge as Managing Director from 7<sup>th</sup> April 2021 till 27<sup>th</sup> August 2021)

**32.27.1.11** Shri Loknath Behera, (Managing Director from 27<sup>th</sup> August 2021)

**32.27.1.12** Shri S. Suhas, (Nominee Director till 7<sup>th</sup> July 2021)

**32.27.1.13** Shri Jafar Malik(Nominee Director from 2<sup>nd</sup> August 2021)

**32.27.1.14** Shri Bhupender Singh Bodh, (Nominee Director)

**32.27.1.15** Shri Kumar K R (Director-Finance till 31<sup>st</sup> May 2022)

**32.27.1.16** Smt Annapoorani S, (Director-Finance from 13<sup>th</sup> June 2022)

**32.27.1.17** Shri D K Sinha (Director- System)

**32.27.1.18** Shri Thiruman Archunan (Director-Projects till 1<sup>st</sup> June 2021)

**32.27.1.19** Dr. M.P. Ramnavas, (Director-Projects from 28<sup>th</sup> June 2022)

**32.27.1.20** Shri Shyam Sunder Agrawal (Company Secretary)

**32.27.2 Particulars of companies where significant influence exists and with whom the company had transactions**

**32.27.2.1** Kochi Water Metro Limited (Associate company).

**32.27.3 Disclosure of transactions of the company with Key managerial persons:**

*Amount (Rs. in lakh)*

Sl.No	Particulars	2021-22	2020-21
1	Salaries & Allowances	1 37.15	1 79.73
2	Contributions to Provident Fund and others	10.74	16.11
3	Other benefits	22.59	13.72
	<b>Total (included in employee cost)</b>	<b>170.48</b>	<b>209.56</b>

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



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

**32.27.4 Disclosure of transactions of the company with companies:**

During the financial year, company paid Rs.127.40 Lakhs to Kochi Water Metro Limited as equity contribution. The company has entered into an agreement with Kochi Water Metro Limited (KWML), for the leasing of property, for a period of 5 years. The company incurred preliminary expenses for incorporation and miscellaneous expenses, and is recognized as receivable from KWML, as on 31<sup>st</sup> March 2022.

*Amount (Rs. in lakh)*

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Equity Contribution	1 27.40	
<b>Non-fare box revenue</b>		
- License fees	0.10	0.00
<b>Reimbursement of expenses</b>		
- Preliminary expenses	8.24	0.00
- Miscellaneous	0.60	0.00
<b>Total (receivable from KWML)</b>	<b>8.94</b>	<b>0.00</b>

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

Impairment loss on asset is recognized for an amount of Rs. NIL (previous year Nil) during the year (also refer note no. 32.37).



### 32.29 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 01.04.2021	Additions/ transfer / utilization during the year	Closing balance as on 31.03.2022
<b>Provisions</b>	46 42.22	19 28.61	65 70.83
<b>Contingent liabilities</b>			
A. Towards Kochi Metro Rail Project			
i. Land acquisition related claims	186 54.87	95 51.00	282 05.87
ii. State Industrial Security Force (SISF)*	20 49.39	20 49.39	0.00
iii. Establishment and contingency charges to District Collector**	52 92.54	34 77.02	87 69.57
iv. Arbitration claims	64 43.18	15.24	64 58.42
v. Others	50 94.12	91 36.79	142 30.91
B. Towards preparatory works under taken by KMRL on behalf of Government of Kerala (GoK)	140 73.54	49 57.06	190 30.60
C. On account of Guarantees given by Bank	1 41.95	1.10	1 43.05
D. Statutory Authorities	81.24	6 16.49	6 95.73
<b>Contingent Asset ***</b>	10 91.08	10 91.08	-

\* GoK vide G.O.(Ms)No.132/2022/HOME dated 02.07.2022, accorded approval for exempting “Bill of Cost” condition, to the company, on providing security by Kerala Police-State Industrial Security Force (SISF), until year 2025.

\*\* Excluding amount claimed towards Establishment and contingency charges by the District Collector, relating to preparatory works, as land for preparatory work is acquired in the name of the State Government.



\*\*\* The claim towards GST Rs.10,91.08 lakhs, was approved for payment by the insurer during the year 2021-22.

As on 31st March 2022, 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.282,05.87 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.190,30.60 lakhs is also included under Contingent liabilities.

For the remaining cases, the claim statements are yet to be filed by the petitioners and hence the company 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.

Under Rule 4(2) & Rule 4(3) of the Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation Resettlement (Kerala) Rule 2015, establishment charges and contingency at the rate of 30% and 5% respectively of the land acquisition cost, shall be paid in advance to the District Collector. Since the land acquisition is the obligation of GoK as per MOU dated 04.11.2013 between GOI, GOK and KMRL, KMRL has on various occasions requested waiver of such establishment charges and contingency from the Revenue Department. Pending such confirmation, amount (net of advance/provision, if any) on account of establishment charges and contingency, is included under Contingent liabilities.

### **32.30 Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act 2013, a company meeting the certain threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Though CSR provisions are applicable to KMRL, owing to the losses incurred the Company is not required to spend any amount mandatorily on CSR. Hence, the company has not incurred expenditure for CSR activities.



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

#### 32.31.1 Financial Instruments by categories

*Amount (Rs. In Lakhs)*

Particulars	As at 31st March 2022			As at 31st March 2021		
	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI
<b>Financial Assets</b>						
Other financial assets (refer note no. 5 & 10)	8 94 06.94	-	-	8 15 97.53	-	-
Trade receivables (refer note no. 8)	10 80.80	-	-	9 65.09	-	-
<b>Total</b>	<b>9 04 87.74</b>	<b>-</b>	<b>-</b>	<b>8 25 62.62</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings (refer note no. 14A&19 A)	43 70 03.07	-	-	40 79 09.88	-	-
Other financial liabilities (refer note no. 15 & 21)	4 24 11.86	-	-	4 68 81.69	-	-
<b>Total</b>	<b>47 94 14.93</b>	<b>-</b>	<b>-</b>	<b>45 47 91.57</b>	<b>-</b>	<b>-</b>

#### 32.31.2 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;

##### a. 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.





## **b. 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.

## **c. 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 and 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.

## **d. Credit risk management**

### **i. Trade Receivables**

The company has outstanding trade receivables (gross) amounting to Rs.12,53.77 Lakhs and Rs.11,38.06 Lakhs as of March 31, 2022 and March 31, 2021, 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.



## ii. Other financial assets

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

e. **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.1,72.97 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		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables considered good	As at 31st March 2022	5 05.55	1 30.38	3 17.59	30.27	2 69.98	12 53.77
	As at 31st March 2021	1 48.99	1 49.38	3 99.60	4 37.64	2.45	11 38.06
Less: Allowance for credit Loss	As at 31st March 2022						1 72.97
	As at 31st March 2021						1 72.97
Total trade receivables	As at 31st March 2022						<b>10 80.80</b>
	As at 31st March 2021						<b>9 65.09</b>



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.1,72.97 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.

### 32.32 Disclosure in respect of Ind AS -108, “Operating Segments”

The Company has only one reportable business segment, which is implementing the construction, operation and maintenance of a Metro Rail facility in the city of Kochi and operates in a single operating segment based on nature of services, the risks and returns, the organization structure and internal financial reporting system. All other activities of the Company revolve around this main business. Other operating revenues including consultancy income and 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.

As per Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker monitors and reviews the operating result of the whole company as one segment. The Company’s sole operating segment is therefore “Metro Operations”. Thus, as identified in Ind AS 108 “Operating Segments” the company’s entire business falls under one operation segment and hence no additional disclosures are to be provided under Ind AS 108.

### 32.33 Disclosure in respect of Capital and other commitments

*Amount (Rs. in lakh)*

Capital and other commitments	As at 31.03.2022	As at 31.03.2021
Estimated amount of tangible asset contracts entered into by DMRC on behalf of KMRL (including foreign currency	30 38.72	14 51.08



contracts net of advances) remaining to be executed and not provided for.*		
Estimated amount of contracts entered into by KMRL contracts (net of advances) remaining to be executed and not provided for		
a. Tangible asset	3 30 72.94	4 81 54.82
<b>Total</b>	<b>3 61 11.66</b>	<b>4 96 05.90</b>

**32.34** The Company has a system of obtaining periodic confirmation of balances of banks and other parties. There are no unconfirmed balances in respect of bank accounts.

With regard to trade receivables, the Company sends regular invoices/confirmation letters to the customers and provisions are made when there is uncertainty of realization irrespective of the period of dues and written off when unrealisability is established.

So far as trade/other payables and loans and advances are concerned, balance confirmation letters were sent to the parties. Some of the balances are subject to confirmation/ reconciliation, adjustments, if any, will be accounted for on confirmation / reconciliation, which in the opinion of the management will not have a material impact.

### **32.35 Dues to Micro , Medium and Small enterprises**

As at March 31, 2022, an amount of Rs.10,97.61 lakhs (previous year, Rs.1,03.40 lakhs) is outstanding but not due to micro, small and medium enterprises. There are no interests due or outstanding on the same.

#### **Amount Payable To Micro, Medium and Small Enterprises**

*Amount (Rs. in lakh)*

Particulars	As at March 31, 2022	As at March 31, 2021
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	Nil
Interest due on above	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the	Nil	Nil



payment made to the supplier beyond the appointed day during each accounting year		
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
<b>Total</b>	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.

### Trade Payables ageing schedule

*Amount (Rs. in lakh)*

Particulars	Period	Less than One year *	1-2 years	2-3 years	More than 3 years	Total
MSME	As at 31.03.2022	0.05	NIL	NIL	NIL	0.05
	As at 31.03.2021	0.35	NIL	NIL	NIL	0.35
Others	As at 31.03.2022	1 66.89	29.47	0.72	0.46	1 97.54
	As at 31.03.2021	1 78.26	0.07	0.73	0.19	1 79.25
Disputed dues - MSME	As at 31.03.2022	NIL	NIL	NIL	NIL	NIL
	As at 31.03.2021	NIL	NIL	NIL	NIL	NIL



Disputed dues – Others	As at 31.03.2022	NIL	NIL	NIL	NIL	NIL
	As at 31.03.2021	NIL	NIL	NIL	NIL	NIL

\* Includes amount which are not due.

### **Unbilled dues**

*Amount (Rs. in lakh)*

Particulars	Period	Less than One year/Not due	1-2 years	2-3 years	More than 3 years	Total
Unbilled dues	As at 31.03.2022	7 50.71	NIL	NIL	NIL	7 50.71
	As at 31.03.2021	12 94.26	NIL	NIL	NIL	12 94.26

### **32.36 Investment in Associates**

During the year 2021-22, KMRL invested Rs.1,27.40 lakhs (1,27,400 shares of Rs.100/- each) towards equity share of 26% in Kochi Water Metro Limited. Details of investment in associates is as below:

Name of company	Kochi Water Metro Limited
Principal place of business	Kochi, India
% of holding as at 31.03.2022	26%

### **32.37 Disclosure with respect to insurance claim on account of floods in Kerala State**

During the year 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, for the period from 15th August 2018 till 20th August 2018. 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 restored are capitalized in the books.

During the year 2020-21, the insurer approved the claims of the company for an amount of Rs.71,34.74 lakhs, excluding GST and accordingly, the company recognized an income of Rs.71,34.74 lakhs in the year 2020-21. The claim towards GST, Rs.10,91.08 lakhs, was



approved for payment during the year 2021-22 and the same is recognized as income under “Other Income”.

### **32.38 Recent accounting pronouncements**

The Ministry of Corporate Affairs (“MCA”) has notified Companies (Indian Accounting Standards) Amendment Rules 2022 dated 23 March 2022 to amend the following Ind AS which are effective from 01 April, 2022.

(i) Onerous contracts – Cost of fulfilling a contract – Ind AS 37

The amendment to Ind AS 37 specify which cost an entity needs to include when assessing whether a contract is onerous or loss making.

(ii) Reference to conceptual framework – Ind AS 103

The amendments replaced the reference to the ICAI’s “framework for preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for financial Reporting under Indian Accounting Standards” without significantly changing its requirements.

(iii) Property, Plant and Equipment – Ind AS 16

The amendment modified paragraph 17 of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item of property, plant and equipment.

(iv) Financial Instruments – Ind AS 109

The amendment clarified the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

The amendments are effective for annual reporting period beginning on or after 1 April 2022. Based on its applicability, the company will evaluate the same, to give effect/disclosures, as required by law.

### **32.39 Other Statutory information**

(i) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date (refer point no. 2.3 of Note No. 2 and 3, and Note no. 32.4).

(ii) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

(iii) The company has not been declared wilful defaulter by any bank or financial Institution or other lender during the financial year.



(iv) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(ix) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(x) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(xi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

#### 32.40 Ratio Analysis

SI No	Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	Variance (in %)
1	Current Ratio	Current assets	Current liabilities	0.68	0.49 <sup>1</sup>	39%
2	Debt-Equity Ratio	Total debt	Shareholder's equity	1.71	1.61	6%





3	Debt Service Coverage Ratio	Earnings available for debt service	Total debt service	(0.09)	(0.16) <sup>2</sup>	44%
4	Return on Equity Ratio	Net profit	Average shareholder equity	(0.13)	(0.14)	7%
5	Trade Receivables turnover ratio	Revenue	Average trade receivable	3.81	3.09	23%
6	Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	7.64	4.43 <sup>3</sup>	72%
7	Net capital turnover ratio	Revenue	Working Capital	(0.72)	(0.52) <sup>4</sup>	-38%
8	Net profit ratio	Net profit	Revenue	(5.09)	(8.37) <sup>5</sup>	39%
9	Return on Capital employed	Earnings before interest and taxes	Capital employed	(0.02)	(0.02)	0%
10	Return on investment	Income generated from invested funds	Average invested funds	-	-	0%

<sup>1</sup> Due to overall increase in Current assets, ratio has improved.

<sup>2</sup> Increase in net operational earnings.

<sup>3</sup> Decrease in Trade payables has resulted in improvement in ratio.

<sup>4</sup> Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

<sup>5</sup> Due to Increase in revenue from operational activity.

### 32.41 Disclosure on Impact of Covid-19 in Metro Operations

Significant disruptions have taken place worldwide due to the outbreak of Covid-19 Pandemic. Metro Rail operations of the Company along the Phase I stretch was suspended from 8<sup>th</sup> May 2021 till 30<sup>th</sup> June 2021 resulting in realisation of lower fare box and non-fare box revenue.



Commercial operations of the metro resumed from 1<sup>st</sup> July 2021. The estimated loss of fare box revenue due to non-operation of metro is Rs.12,42 lakhs during the year 2021-22.

Further, the estimated loss of revenue due to waive off/concessions offered to the non-fare box customers during the year is Rs.2,45.02 lakhs. The company has not levied any interest/penalty on delayed payments from customers.

**32.42** Previous Year figures have been regrouped / re-arranged / reclassified, wherever necessary, to make them comparable to the current year's presentation and to confirm to the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021 as shown below;

a. Lease liabilities separately disclosed (Note 14.B and 19.B) under the head 'Financial Liabilities'.

**In terms of our report of even date attached.**

**For G.Joseph & Associates  
Chartered Accountants  
FRN: 006310S  
UDIN: 22211364ANYYZN1476**

**Sd/-  
Umesh L Bhat  
Partner  
Membership No: 211364**

**For and on behalf of the Board of Directors**

**Sd/-  
Loknath Behera  
Managing Director  
(DIN:09406020)**

**Sd/-  
Annapoorani.S  
Director (Finance) and CFO  
(DIN:09662978)**

**Sd/-  
Shyam Sunder Agrawal  
Company Secretary**

**Place: Kochi  
Date: 27.07.2022**

**Place: Kochi  
Date : 27.07.2022**





भारतीय लेखापरीक्षा एवं लेखा विभाग  
महानिदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, चेन्नै

*Indian Audit and Accounts Department*  
*Office of the Director General of Commercial Audit, Chennai*

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF KOCHI METRO RAIL LIMITED FOR THE YEAR  
ENDED 31 MARCH 2022**

The preparation of financial statements of Kochi Metro Rail Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27.07.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Kochi Metro Rail Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**A. Comments on Financial Position**

**Balance Sheet as at 31 March 2022**

**Other Non - current assets – Rs.18660.63 lakh (Note 6)**

The above included an amount of Rs.105.91 lakh being the liquidated damages levied by Southern Railway for non-payment/ delay in payment of lease rent. Since the amount was paid towards liquidated damages, it has to be treated as expense. Inclusion of liquidated damages in 'Capital Advances' for project under Other Non-current assets instead of accounting as an expense resulted in understatement of Loss and overstatement of Other Non-current Assets by Rs.105.91 lakh.




**2) Current liabilities –Rs.61755.98 lakh**

**Lease Liability - Rs.4.54 Lakh (Note no 19 B)**

The above does not include an amount of Rs.74.70 lakh being the GST payable on the lease rent for land at Ernakulam South Railway station for the period from 01 November 2016 to 31 March 2019. KMRL has neither provided nor paid the statutory dues resulting in understatement of current liabilities and Capital work in progress by Rs.74.70 lakh.

**For and on behalf of the  
Comptroller & Auditor General of India**



**(DEVIKA NAYAR)  
Director General of Commercial Audit, Chennai**

**Place:** Chennai

**Date:** 06.10.2022



**Reply / Explanation to the Comments of C&AG on the Standalone Financial Statements**

**A. Comments on Standalone Financial Position**

**Balance Sheet as at 31 March 2022**

**1) Other Non - current assets – Rs.18660.63 lakh (Note 6)**

<p>The above included an amount of Rs.105.91 lakh being the liquidated damages levied by Southern Railway for non-payment/ delay in payment of lease rent. Since the amount was paid towards liquidated damages, it has to be treated as expense.</p> <p>Inclusion of liquidated damages in 'Capital Advances' for project under Non-current asset instead of accounting as an expense resulted in understatement of Loss and overstatement of Other Non-current Assets by Rs.105.91 lakh.</p>	<p>The amount of Rs.105.91 lakhs, is the liquidated damages imposed by Southern Railway for delayed payment by DMRC (Delhi Metro Rail Corporation). DMRC as part of Phase I construction, had occupied the Southern Railway land at Ernakulam Junction. The company as part of its Phase I extension, approached the Southern Railway for permission to use Railway land admeasuring area 1804 sqm for the construction of Tripinithura metro station and viaduct. Southern Railway indicated an amount of Rs.612.10 lakh towards land permission charges and LD ( i.e Rs.506.19 lakh + Rs. 105.91 lakhs, respectively).</p> <p>The company requested Southern railway to deal the penalty issue due from DMRC separately, as the land was utilized by DMRC and the company is not a party to the transaction between DMRC and Railways. They were not willing to approve the land at Tripinithura, unless and until the payment of Rs.105.91 lakhs were made available. In order, not to delay the construction of Tripinithura metro works, payment was made under protest to the Southern Railway, without</p>
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	<p>prejudice to all the rights and remedies available to the company.</p> <p>The company has already appraised DMRC on the amount paid. Based on the outcome of the discussion with DMRC, the same will have to be recovered from DMRC. Hence it is grouped under Note 6- Other Non-current Assets as Capital Advance.</p> <p>Moreover, the expenditure is not related to any business transaction undertaken by the company and hence was not charged to Statement of Profit and Loss.</p>
<p><b>2) Current liabilities –Rs.61755.98 lakh</b>  <b>Lease Liability - Rs.4.54 Lakh (Note no 19 B)</b></p>	
<p>The above does not include an amount of Rs.74.70 lakh being the GST payable on the lease rent for land at Ernakulam South Railway station for the period from 01 November 2016 to 31 March 2019. KMRL has neither provided nor paid the statutory dues resulting in understatement of current liabilities and Capital work in progress by Rs.74.70 lakh.</p>	<p>The amount of Rs.74.70 lakhs referred by audit is the GST amount on the lease rent of land taken by DMRC at South railway station. The land was occupied by DMRC, for storage and construction purpose during the period 01.11.2016 to 31.03.2019. As per information available with the company, DMRC paid Rs.3.67 crore towards license fees and in the absence of tax invoice, GST was not paid.</p> <p>Provision towards GST Rs. 74.70 lakhs was not made in books, as the company is not a party to the transaction between Southern Railway and DMRC. The company is not required to make any provisions in accordance with the IND AS 37.</p> <p>The lease rent was paid by DMRC and taxes, if any has to be borne/paid by DMRC.</p>



**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part A Subsidiaries: NOT APPLICABLE**

**Part B Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates or Joint Ventures	Kochi Water Metro Limited
1. Latest audited Balance Sheet Date	31.03.2022
2. Date on which the Associate or Joint Venture was associated or acquired	14.07.2021
3. Shares of Associate or Joint Ventures held by the company on the year end	
- Numbers	1,27,400 Equity Shares
- Amount of Investment in Associates or Joint Venture	Rs.127.40 Lakhs
- Extent of Holding (in percentage)	26%
4. Description of how there is significant influence	Pursuant to section 2(6) of Companies Act, 2013.
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. (1.19) Lakhs
7. Profit or Loss for the year	
i. Considered in Consolidation	Rs. (1.19) Lakhs
ii. Not Considered in Consolidation	Not Applicable

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which have been liquidated or sold during the year. NIL

**In terms of our report of even date attached.**

**For G. Joseph & Associates  
Chartered Accountants**

**FRN: 006310S**

**UDIN: 22211364ANYYZN1476**

Sd/-  
**Umesh L Bhat**

**Partner**

**Membership No: 211364**

Sd/-  
**Loknath Behara**  
**Managing Director**  
**(DIN: 09406020)**

Sd/-  
**Annapoorani.S**  
**Director (Finance) and CFO**  
**(DIN :09662978)**

Sd/-  
**Shyam Sunder Agrawal**  
**Company Secretary**

**Place: Kochi**

**Date: 27.07.2022**

**Place: Kochi**

**Date: 27.07.2022**



## INDEPENDENT AUDITORS' REPORT

To the Members of KOCHI METRO RAIL LIMITED

Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of KOCHI METRO RAIL LIMITED (hereinafter referred to as the “Company”) and its associate, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such associate as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31 March 2022, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements, in accordance with the Standard on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

### Emphasis of Matters

1. We draw attention to Note No.1.2.1 and Note No.32.40 of the Consolidated Financial Statements with respect to the uncertainties arising out of the global pandemic from COVID-19, and the assessment made by the management on the operations and financials results of the Company for the year ended March 31, 2022. Due to the





outbreak of second wave of COVID-19 pandemic, Metro Rail operations of the Company were suspended from 8<sup>th</sup> May, 2021 till 30<sup>th</sup> June, 2021, resulting in realisation of lower fare box, non-fare box revenue and other related revenue.

2. We draw attention to Note No.32.3 of the Consolidated Financial Statements in respect of the capitalisation of the assets amounting to Rs.1,317.24 lakhs. Pending the certification by the internal auditors of Delhi Metro Rail Corporation Ltd ('DMRC') as per clause 6.1.20 of the Memorandum of Understanding between DMRC and the Company, the Company has relied on the statement submitted by DMRC for capitalising these assets.

Our opinion is not modified in respect of these matters.

### **Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditors report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### **Management's responsibility for the consolidated financial statements**

The Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation



and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Company and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate is responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of the management’s use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entity included in the consolidated financial statements of which we are the independent auditors. For the associate included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in “Other Matters” paragraph in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Other Matters

The consolidated financial statements also include the Company's share of net loss (and other comprehensive income) (before consolidation adjustments) of Rs. 1.19 lakhs for the year ended 31 March 2022, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) Being a Government Company, Section 164 (2) of the Companies Act, 2013 pertaining to disqualification of directors is not applicable to the Company and its associate, in pursuance of the Notification No. G.S.R 463 (E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs;
  - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - g) Being a Government Company, section 197 of the Act regarding remuneration to directors is not applicable to the Company and its associate, in pursuance of



the Notification No. G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 32.29 to the consolidated Ind AS financial statements;

ii. The Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group and joint ventures

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or its associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company or its associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



v) Since the Company and its associate has not declared or paid any dividend during the year, the question of commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 does not arise.

**For G Joseph & Associates**  
**Chartered Accountants**  
(Firm Reg. No. 006310S)  
Sd/-

Place : Kochi  
Date : 27/07/2022

**Umesh L Bhat**  
**Partner**  
Membership No. 211364  
UDIN: 22211364AOBKQE3059

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KOCHI METRO RAIL LIMITED**

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the auditor of the Associate Company in the Companies (Auditor's Report) Order, 2020 report of the Company incorporated in India and included in the consolidated financial statements.

For G Joseph & Associates  
**Chartered Accountants**  
(Firm Reg. No. 006310S)  
Sd/-

Place : Kochi  
Date :27/07/2022

**Umesh L Bhat**  
**Partner**  
Membership No. 211364  
UDIN: 22211364AOBKQE3059



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KOCHI METRO RAIL LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Kochi Metro Rail Limited (hereinafter referred to as "the Company") and such company incorporated in India under the Companies Act, 2013 which is its associate Company, as of that date. In our opinion, the Company and such company incorporated in India which is its associate company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company and its associate. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matter**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

**For G Joseph & Associates**  
**Chartered Accountants**  
(Firm Reg. No. 006310S)

Sd/-

**Umesh L Bhat**  
**Partner**

Membership No.211364  
UDIN: 22211364AOBKQE3059

Place : Kochi  
Date : 27/07/2022







KOCHI METRO RAIL LIMITED  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. EQUITY SHARE CAPITAL

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning of the year	1507 46.00	1507 46.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	1507 46.00	1507 46.00
Changes in equity share capital during the current year	-	-
Balance as at the end of the year	1507 46.00	1507 46.00

B. OTHER EQUITY

	Amount (Rs.in Lakhs)							
	Interest Free Sub Debt -GOI	Interest Free Sub Debt -GOK	Deferred Income - Monetary Grants	Reimbursement of State Taxes - Gok	Deferred Income - Non Monetary Grants	Reserves and Surplus	Other Comprehensive Income	Total
Balance as at April 1, 2020	209 63.09	1047 81.50	221 57.20	-	139 30.43	(801 93.11)	(49.63)	815 89.48
Changes in accounting policy or prior period errors	-	-	-	-	-	(68.31)	-	(68.31)
Balance as at April 1, 2020 (Restated)	209 63.09	1047 81.50	221 57.20	-	139 30.43	(802 61.42)	(49.63)	815 21.17
Add : Comprehensive income / ( Loss) restated for the year	-	-	-	-	-	(334 66.79)	(23.03)	(334 89.82)
Add: Additions / Adjustments during the year	-	592 54.59	-	-	-	-	-	592 54.59
Less: Transfer to Income during the year	(3 98.95)	(26 42.14)	(9 21.45)	-	-	-	-	(39 62.54)
Balance as at March 31, 2021 (Restated)	205 64.14	1613 93.95	212 35.75	212 35.75	139 30.43	(1137 28.21)	(72.66)	1033 23.40
Balance as at April 1, 2021 ( Restated)	205 64.14	1613 93.95	212 35.75	212 35.75	139 30.43	(1137 28.21)	(72.66)	1033 23.40
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	205 64.14	1613 93.95	212 35.75	212 35.75	139 30.43	(1137 28.21)	(72.66)	1033 23.40
Add: Comprehensive income / ( Loss) for the year	-	-	-	-	-	(339 73.85)	17.84	(339 56.01)
Add: Additions / Adjustments during the year	-	402 82.90	-	-	-	-	-	402 82.90
Less: Transfer to Income during the year	(4 39.97)	(39 92.67)	(7 77.24)	-	-	-	-	(52 09.88)
Balance as at March 31, 2022	201 24.17	1976 84.18	204 58.51	204 58.51	139 30.43	(1477 02.06)	(54.82)	1044 40.41

In terms of our report of even date attached.

For G Joseph & Associates

Chartered Accountants

FRN : 0063105

UDIN:22211364AOBKQE3059

Sd/-

Umesh L Bhat  
Partner

Membership No. 211364

Place : Cochin

Date : 27.07.2022

Sd/-

Loknath Behera  
Managing Director  
(DIN:09406020)

Sd/-

Annapoorani S  
Director (Finance) and CFO  
(DIN:09662978)

Sd/-

Shyam Sunder Agrawal  
Company Secretary

For and on behalf of the Board of Directors



KOCHI METRO RAIL LIMITED  
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022

Amount (Rs. In Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A. Cash Flow from Operating activities</b>		
Net Profit/(Loss) for the period	(339 56.01)	(334 89.82)
<b>Adjustment for</b>		
(Profit) / Loss on sale of asset ( net)	.03	4.56
Depreciation and amortization expense	175 13.84	202 31.25
Changes in Accounting policy or prior period errors	-	68.31
Expected Credit Loss on Trade Receivables	3.54	13.44
Interest income	(5 23.31)	(4 40.75)
Finance cost	143 19.31	155 28.59
Share of Accumulated Reserves of KWML	1.19	-
Foreign Exchange Fluctuation	( 12.09)	8.20
Net Gain arising on financial assets measured at FVTPL	(7 72.26)	(9 20.93)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>(34 25.76)</b>	<b>10 02.85</b>
<b>Adjustments for (increase) / decrease in operating assets</b>		
(Increase)/ Decrease in Financial Assets	(177 66.58)	(71 56.74)
(Increase)/ Decrease in other non- current Assets	79 51.76	(9 55.71)
(Increase)/ Decrease in other Assets	2 71.70	(1 91.72)
(Increase)/ Decrease in Provisions	1 79.05	3 66.55
(Increase)/ Decrease in other Payables	(24 76.67)	6 36.57
<b>Net Cash flow from / ( used in ) Operating activities ( A )</b>	<b>(152 66.50)</b>	<b>(62 98.20)</b>
<b>B. Cash Flow from Investing activities</b>		
Payment to acquire property , plant and equipment and Intangible Assets	(117 54.82)	(73 30.17)
Payment for Capital WIP including capital advances	(211 39.41)	(434 22.90)
Investment in Kochi Water Metro Limited	(1 27.40)	-
Interest income received	5 26.85	3 79.51
<b>Net Cash flow from / (used in) Investing activities ( B )</b>	<b>(324 94.78)</b>	<b>(503 73.56)</b>
<b>C. Cash flow from Financing activities</b>		
Proceeds being Long term loans from Banks and Financial Institutions	281 79.35	614 37.22
Proceeds being Pass through assistance from Government of India	-	24 46.67
Proceeds from Government of Kerala	710 11.00	625 87.34
Proceeds being Working Capital loan from Bank	11 55.97	(64 52.66)
Payment of Lease Liabilities	( 4.15)	(1.35)
Finance Cost Paid	(274 96.27)	(249 14.92)
Loan repaid during the year	(166 56.62)	(273 12.95)
<b>Net Cash flow from / (used in) Financing activities ( C )</b>	<b>561 89.28</b>	<b>677 89.35</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>84 28.00</b>	<b>111 17.59</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>158 87.70</b>	<b>47 70.11</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>243 15.70</b>	<b>158 87.70</b>
<b>Comprising of</b>		
Cash on Hand	17.92	14.74
Balance with Banks:		
- Current and Sweep-in Accounts	125 00.17	83 43.46
- Term Deposits (with maturity less than twelve months)	89 54.00	41 90.00
-Earmarked Balances with Banks	28 43.61	33 39.50
<b>Total</b>	<b>243 15.70</b>	<b>158 87.70</b>

In terms of our report of even date attached.

For G Joseph & Associates  
Chartered Accountants  
FRN . 006310S  
UDIN:22211364AOBKQE3059

For and on behalf of the Board of Directors

Sd/-  
Umesh L Bhat  
Partner  
Membership No. 211364

Sd/-  
Loknath Behera  
Managing Director  
(DIN:09406020)

Sd/-  
Annapoorani S  
Director (Finance) and CFO  
(DIN:09662978)

Sd/-  
Shyam Sunder Agrawal  
Company Secretary

Place : Cochin  
Date : 27.07.2022

Place : Cochin  
Date : 27.07.2022

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### Corporate Information

The consolidated financial statements comprise of statements of Kochi Metro Rail Limited (“KMRL” or “Company”) and its associate company (collectively, “the Group”) for the year ended 31 March 2022. KMRL, incorporated under the provisions of Companies Act, 1956 on 2<sup>nd</sup> August 2011 with CIN: U60100KL2011SGC029003, is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013.

The Group is primarily involved in the conception and operation of a Metro Rail Project and operation of Integrated water metro in the city of Kochi. The Group 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 of Kochi. The Revenue Streams of the Group include 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 Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other Accounting Principles generally accepted in India, as applicable to the consolidated financial statements.

#### 1.1.a Basis of Preparation

These consolidated financial statements have been prepared on the historical cost convention on accrual 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 Consolidated Financial Statements of the Group 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 consolidated 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 application of accounting policies and the reported amounts of assets, liabilities (including contingent liabilities) and disclosures as at the date of the consolidated financial statements and the reported income and expenses during the year. Some of the estimations require higher degrees of judgement to be applied than others. Management continuously evaluates all of its estimates and judgements based on available information and its experience and believes that the estimates used in the preparation of the consolidated 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 consolidated 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 may be 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 1.26.

### c) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgements in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The classification of the leasing arrangement as a finance lease or an operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.



The policy for the same has been explained under Note 1.31.

#### **d) Recoverability of advances / receivables**

The Company makes provisions for expected credit loss based on an assessment of the recoverability of trade and other receivables. The identification requires use of judgement and estimates. At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

#### **e) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of past events 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 consolidated financial statements. Contingent Liabilities are disclosed on the basis of judgement of management / independent experts. A contingent asset is not recognized but disclosed as a note to the consolidated financial statements.

#### **f) 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 change in these assumptions may have a material impact on the resulting calculations.

#### **g) Impairment test of non-financial assets**

The recoverable amount of Property, Plant and Equipment (PPE) and Intangible asset is determined based on judgement 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.

#### **h) 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 8<sup>th</sup> May 2021 till 30<sup>th</sup> June 2021, as



per State Government directives due to COVID-19 pandemic.

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 consolidated financial statement and has relied on the best practises adopted by other metros. A definitive assessment of the impact of Covid – 19 is dependent upon the circumstances as they evolve in future periods.

### **1.3 Basis of consolidation**

The consolidated financial statements comprise of the financial statements of the Company and entities controlled by the Company as at 31 March, 2022.

### **1.4 Functional and presentation currency**

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

### **1.5 Rounding of amounts**

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

### **1.6 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. Amount disclosed as revenue are net of returns, trade allowances, rebates and discounts.
- 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, goods and service tax and amounts collected on behalf of third parties. The company recognizes revenue when the amount of revenue can be reliably measured and 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.





## 1.7 Property, Plant and Equipment

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

The cost of fixed asset comprises its purchase price, including any import duties and other taxes net of recoverable taxes and any directly attributable expenditure on making the asset ready for its intended use.

Deposit works / contracts are capitalized on completion on the basis of statement of account received from executing agencies and in its absence, on the basis of technical assessment of the work executed. The cost also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date on which 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 consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

## 1.8 Intangible assets

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

Branding cost is capitalized as intangible asset and amortized on a straight-line basis over a



period of five years.

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

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

### **1.9 Capital work in Progress (CWIP) and intangible assets under development.**

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 deposit (other than from temporary deployment of funds received by way of equity and interest free subordinate debt), interest on mobilization advance to the contractor, 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.

### **1.10 Land**

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

### **1.11 Impairment of Assets**

The carrying values of assets at each Balance Sheet date are reviewed for impairment, if any. 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending upon changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

### **1.12 Inventories**

Inventories, including loose tools, are valued at the lower of cost and net realisable value.

### **1.13 Provision for doubtful debts and advance**

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

### **1.14 Insurance claims**

The Insurance claims are recognised based on acceptance of claims by the Insurance company.

### **1.15 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) Right of Use assets are depreciated from the commencement date on a straight line basis, over the shorter of the end of the useful life of the Right Of Use asset or the end of the lease term.
- (iii) 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.

- (iv) The estimated useful lives of the assets where the useful life is estimated on the basis of the technical assessment done, by DMRC while handing over the Phase I assets/ by the company, 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
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
Viaduct, Bridges,Tunnel & Culverts	60 years
CCTV	6 years
Solar Panel	25 years

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



- (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 of 70 years(\*).
- (xi) The useful life of mobile phone, which is grouped under office equipment, is estimated at three years.
- (xii) 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.

### 1.16 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.

### 1.17 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.

### **1.18 Non-current assets held for sale**

Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to sell and presented separately in the consolidated financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

### **1.19 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.

### **1.20 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 transactions costs, except for those financial assets and liabilities which are classified at Fair Value through Profit & Loss (FVTPL) at inception.



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

#### **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.

### **1.21 Investments**

Investments that are readily realizable and intended to be held for not more than one year from the date on which they are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in the value of investments, other than temporary, is recognized in the Statement of Profit and Loss.

### **1.22 Investments in Associates**

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Company holds 20 percent or more of the voting power of the investee. If accounting policies of associates differ from those adopted by the Group, the accounting policies of associates are aligned with those of the Group. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting as described below.

#### **Equity method of accounting (equity accounted investees)**

An interest in an associate or joint venture is accounted for using the equity method from the date the investee becomes an associate or a joint venture and are recognised initially at cost. The carrying value of investment in associates and joint ventures includes goodwill identified on date of acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of profits or losses, other comprehensive income and equity movements of equity accounted investments, from the



date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investment, the carrying amount of that interest (including any long-term interests in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has incurred constructive or legal obligations or has made payments on behalf of the investee.

When the Company transacts with an associate or joint venture of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in its associate or joint venture.

Dividends are recognised when the right to receive payment is established.

The associate company which are included in the Consolidation and the Company's holding therein is as below:

Name of company	Kochi Water Metro Limited
Principal place of business	Kochi, India
% of holding as at 31.03.2022	26%

### 1.23 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. However, when realisation of income is virtually certain, related asset is recognised.





## 1.24 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.

## 1.25 Prior period adjustment

Prior period adjustments due to errors, having material impact on the financial affairs of the Company, are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position in the Statement of Changes in Equity.

## 1.26 Taxation

### Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively

### Current tax

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

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 realised in future.

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.

### 1.27 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.

At the year end, monetary items denominated in foreign currencies and not covered by foreign exchange contracts are translated at “year-end exchange rates”, while those covered by forward exchange contracts are determined by their respective contracts. Any exchange difference, arising on translation/settlement of all foreign currency monetary items including long term foreign currency monetary items are recognized as income or expense in the Statement of Profit and Loss for the period in which they arise, except to the scope exclusion provided under IND AS 21 based on the voluntary exemption given in IND AS 101.

### 1.28 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.

### **1.29 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.

### **1.30 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.



### 1.31 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.

### 1.32 Segment reporting

The Company has only one reportable business segment, which is developing, running and maintaining of metro rail system and operates in a single operating segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements are related to the Company's single business segment.

### 1.33 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.

### 1.34 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'.

### 1.35 Earnings per share

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

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



Amount (Rs. in lakhs)

Particulars	Gross Block			Depreciation/ Amortisation/ Depletion			Net Block		
	As at 1st April 2021	Additions/ adjustments during the year	Disposals/ adjustments during the year	As at 31st March 2022	As at 1st April 2021	For the year	Deductions/ Adjustments	As at 31st March 2022	As at 31st March 2021
Land (Freehold) (Refer Note 2.1)	954 58.23	87 10.95	-	1041 69.18	-	-	-	1041 69.18	954 58.23
Building	1303 02.16	2 63.59	-	1305 65.75	64 10.10	22 14.00	-	1219 41.65	1238 92.06
Temporary structures	6 89	-	-	6 89	5 57	1 19	-	.13	1 32
Viaduct, Bridges, Tunnel & Culverts	2159 10.73	-	-	2159 10.73	191 43.21	32 49.90	-	1935 17.62	1967 67.52
Plant and Machinery	84 32.21	2 72.85	-	87 05.06	15 61.22	11 93.42	-	59 50.42	68 70.99
Rolling Stock	767 31.49	-	-	767 31.49	79 35.31	27 94.59	-	660 01.59	687 96.18
Escalators & elevators	116 26.08	-	-	116 26.08	14 62.63	4 90.70	-	96 72.75	101 63.45
Signalling & Telecom Equipments	196 45.08	8 10.13	-	204 55.21	37 90.01	14 94.81	-	151 70.39	158 55.07
Roads	12 73.91	6 82	-	12 80.73	4 61.54	1 24.88	-	6 94.31	8 12.37
Fences, wells, tube wells	1 84.44	6 14	-	1 90.58	81.36	36.11	-	73.11	1 03.08
Computers	64 13.45	4 90.18	7 73	68 95.90	42 37.50	8 10.45	7 05	18 55.00	21 75.95
Electrical Appliance	355 47.79	2 05.12	-	357 52.91	96 20.70	33 86.51	-	227 45.70	259 27.09
Cables & Ducts	103 17.61	2 54	-	103 20.15	16 45.67	5 45.73	-	81 28.75	86 71.94
Switching Centres	28 99.74	-	-	28 99.74	5 60.30	2 11.91	-	21 27.53	23 39.44
Furniture and Fixtures	13 34.69	78.52	-	14 13.21	3 49.16	1 26.12	-	9 37.93	9 85.53
Office Equipment	42 19.41	23.78	-	42 43.19	12 72.02	4 78.96	-	24 92.21	29 47.39
Low Value Assets	6 01.51	3.32	-	6 04.83	6 01.51	3.32	-	6 04.83	-
Vehicles	95.02	-	-	95.02	50.60	9.96	-	34.46	44.42
Right of Use	25.08	-	-	25.08	1.73	5.02	-	18.33	23.35
<b>Total</b>	<b>6210 25.52</b>	<b>108 73.94</b>	<b>7.73</b>	<b>6318 91.73</b>	<b>591 90.14</b>	<b>171 77.58</b>	<b>7.05</b>	<b>5555 31.06</b>	<b>5618 35.38</b>
<b>Previous year ( Restated)</b>	<b>5788 69.90</b>	<b>422 00.60</b>	<b>44.98</b>	<b>6210 25.52</b>	<b>393 32.28</b>	<b>198 94.07</b>	<b>36.21</b>	<b>5618 35.38</b>	<b>5396 05.94</b>

Note 2.B : Capital work-in-progress

Particulars	As at 1st April 2021	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2022
Phase IA & IB	194 41.51	263 10.97	457 52.48	-	45 752.48
Phase II (Refer Note No. 30.4)	5 60.36	6.70	5 67.06	-	567.06
Others	25 22.02	4 11.04	29 33.06	19 78.26	9 54.80
<b>Total</b>	<b>225 23.89</b>	<b>267 28.71</b>	<b>492 52.60</b>	<b>19 78.26</b>	<b>472 74.34</b>
<b>Previous year ( Restated)</b>	<b>1244 05.69</b>	<b>568 02.60</b>	<b>1812 08.29</b>	<b>1586 84.40</b>	<b>225 23.89</b>



Particulars	Amount (Rs.in lakhs)											
	Gross Block					Depreciation / Amortisation/ Depletion					Net Block	
	As at 1st April 2021	Additions/ adjustments during the year	Disposals/ adjustments during the year	As at 31st March 2022	As at 1st April 2021	For the year	Deductions/ Adjustments	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021		
Computer software	17,29.99	33.13	-	17,63.12	10,92.51	2,95.87	-	13,88.38	3,74.74	6,37.48		
Branding- Kochi Metro	61.60	-	-	61.60	61.60	-	-	61.60	-	-		
Way leave charges to Railway	27,76.22	5,05.78	-	32,82.00	2,53.41	40.39	-	2,93.80	29,88.20	25,22.81		
<b>Total</b>	<b>45,67.81</b>	<b>5,38.91</b>	<b>-</b>	<b>51,06.72</b>	<b>14,07.52</b>	<b>3,36.26</b>	<b>-</b>	<b>17,43.78</b>	<b>33,62.94</b>	<b>31,60.29</b>		
Previous year (Restated)	42,52.92	4,85.54	170.65	45,67.81	12,40.99	3,37.18	170.65	14,07.52	31,60.29	33,28.92		

**Notes:**

- 2.1. The Company has taken over possession of 38.133 hectares of private Land till 31st March 2022 ( previous year 36.0227 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 2.686 hectares with a value of Rs.186,33.47 lakhs. 23,389 hectares of land with a value of Rs. 385,11.07 lakhs is taken over by passing an award.
- 2.4. The Government of Kerala vide G.O.(Ms) No. 140/2020/RD dated 22nd May 2020 has assigned on registry 17,430 acres of land under the possession of Public Works Department (PWD) to KMIRL 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 5,753 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 a formal agreement.
- 2.7. The Company paid an amount of Rs. 5.06 crores during the financial year 2021-22 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 2021-22. 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. 5.06 crores paid to Railways is shown under intangible asset and amortized for a period of 70 years.
- 2.8. Recovery, if any, based on the revaluation certificate of building (part) taken over from Chairman, Gandhi Bhavan committee, will be given effect to, on receipt of revised valuation statement of land from the Land Acquisition department. The tentative reduction in value of land amounts to Rs. 49.93 lakh.
- 2.9. Title deeds in respect of land parcel to an extent of 3.33 Ares are erroneously registered in the name of the company and is not included in the fixed assets of the Company. The land has been taken over by the Land acquisition unit for undertaking the preparatory works of the kochi metro rail project and the cost is being met from the preparatory funds of GoK.
- 2.10. During the year, the Company capitalised tangible and other intangible assets valuing Rs. 114,12.82 lakhs.
- 2.11. Gok while according approval for the combined comprehensive administrative sanction for the Phase I, Phase IA and Phase IB, it was indicated that, all assets for Phase IA and Phase IB may be vested with State Government. It is informed by GoK vide letter no. Trans-C2/43/2020-Trans dated 24.05.2022, the condition shall be amended after receipt of grant from GoI.

	<i>Amount ( Rs.in lakhs)</i>	
	As at 31st March 2022	As at 31st March 2021
<b>Note 4 : Other Non Current Assets- Investments</b>		
Equity instruments in Kochi Water Metro Limited (Unquoted) (Refer Note No.32.36)	1 27.40	-
1,27,400 equity shares of Rs. 100 each, fully paid up		
Less: Share of accumulated reserve	( 1.19)	-
<b>Total</b>	<b>1 26.21</b>	<b>-</b>
<b>Note 5 : Other Non Current Assets- Financial Assets</b>		
Receivable from Government of Kerala against the Loan taken from Banks and Financial Institutions (Refer Note No.32.11)	733 19.01	691 91.84
Security Deposit (Unsecured and Considered Good)	1 52.75	1 65.09
<b>Total</b>	<b>734 71.76</b>	<b>693 56.93</b>
<b>Note 6 : Other Non Current Assets</b>		
<b>Capital advances - For Project (Unsecured and Considered good) ;</b>		
- Project Advance to Delhi Metro Rail Corporation	.00	5 23.81
- District Collector for Land Acquisition (Refer Note No. 32.8)	72 02.35	58 21.81
- Capital Advances	73 12.98	93 41.82
<b>Capital advances - For Preparatory works (Unsecured and Considered good) ;</b>		
- District Collector for Land Aquisition (Refer Note No. 32.8)	35 70.93	115 94.06
Prepaid Expenses	71.44	75.42
Tax Refund Receivable	4 85.49	4 10.14
MAT Credit Receivable	17.44	17.44
<b>Total</b>	<b>186 60.63</b>	<b>277 84.50</b>
<b>Note 7 : Inventories</b>		
Stock of Tools	452.00	473.90
Less: Provision for diminution in value	(78.86)	(21.89)
<b>Total</b>	<b>3 73.14</b>	<b>4 52.01</b>
<b>Note 8 : Trade Receivables [Current] Financial Assets</b>		
<b>Unsecured- Considered Good ( Refer Note No. 32.31.2.e)</b>		
Trade Customers	12 53.77	11 38.06
Less: Trade receivable - credit impaired	(1 72.97)	(1 72.97)
<b>Total</b>	<b>10 80.80</b>	<b>9 65.09</b>
<b>Note 9 : Cash and Cash equivalents [Current]</b>		
Cash on hand	17.92	14.74
Balance with Banks (In current and sweep in accounts)	125 00.17	83 43.46
Term Deposits with banks (with maturity period less than twelve months)	89 54.00	41 90.00
Earmarked Balances with Banks *	28 43.61	33 39.50
<b>Total</b>	<b>243 15.70</b>	<b>158 87.70</b>
* Fixed Deposits with banks pledged with Kerala Commercial Taxes / Debt Service Reserve Account		
<b>Note 10 : Other Financial Assets [Current]</b>		
<b>Receivable from Government of Kerala</b>		
- Against the Loan taken from Banks and Financial Institutions (Refer Note No. 32.11)	144 20.51	104 74.19
- For Preparatory and Other Works	84.69	95.71
<b>UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED</b>		
- Interest Accrued	69.91	73.45
- Income accrued but not due	27.19	14.38
- Security Deposits	13 19.88	13 04.32
- Other Employee Advance	5.46	8.83
- Others (includes financial assistance from GoK - Refer Note No. 32.18)	7.54	2 69.72
<b>Total</b>	<b>159 35.18</b>	<b>122 40.60</b>
<b>Note 11 : Other Current Assets</b>		
Prepaid Expenses	266.21	253.82
Other Advances	9.09	8.37
GST Input Credit	144.09	350.03
<b>Total</b>	<b>4 19.39</b>	<b>6 12.22</b>



**Note 12 : Equity Share Capital**

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)
<b>Authorised</b> Equity Shares of Rs.100 each	20 00 00 000	2000 00.00	20 00 00 000	2000 00.00
<b>Issued, Subscribed and Fully paid up</b> Equity shares of Rs.100 each fully paid up	15 07 46 000	1507 46.00	15 07 46 000	1507 46.00

**Reconciliation of number of shares and amounts outstanding**

Particulars	As at 31st March 2022		As at 31st March 2021	
	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	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>15 07 46 000</b>	<b>1507 46.00</b>	<b>15 07 46 000</b>	<b>1507 46.00</b>

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

Name of Shareholder	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	% of holding	Number of Shares	% of holding
President of India	7 53 73 000	50.00	7 53 73 000	50.00
Governor of Kerala	7 53 73 000	50.00	7 53 73 000	50.00

**12.2** 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 five and five nominee directors respectively.



	<i>Amount ( Rs.in lakhs)</i>	
	<i>As at 31st March 2022</i>	<i>As at 31st March 2021</i>
<b>Note 13 : Other Equity</b>		
<b>Deferred Income</b>		
<b>Monetary Grants</b>		
Interest Free Sub Debt (Refer Note No. 32.5)		
Government Of India	201 24.17	205 64.14
Government Of Kerala	1976 84.18	1613 93.95
Government of Kerala - Reimbursement of State Taxes (Refer Note No. 32.6)	204 58.51	212 35.75
	<u>2382 66.86</u>	<u>2031 93.84</u>
<b>Non Monetary Grants</b>		
Government of Kerala - Freehold land (Refer Note No. 32.7)	139 30.43	139 30.43
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(1137 28.21)	(801 93.11)
Add: Changes in accounting policy or prior period errors	-	( 68.31)
Add :Total comprehensive income for the current year	(339 73.85)	(334 66.79)
Balance as at the end of the year	<u>(1477 02.06)</u>	<u>(1137 28.21)</u>
<b>Other Comperhensive income</b>		
Balance as at the beginning of the year	( 72.66)	( 49.63)
Add :Total comprehensive income for the current year	17.84	( 23.03)
Balance as at the end of the year	<u>( 54.82)</u>	<u>( 72.66)</u>
<b>Total</b>	<u>1044 40.41</u>	<u>1033 23.40</u>
<b>Note 14.A : Borrowings [Non current]</b>		
<b>Term Loans (Secured)</b>		
From Banks ( Refer Note No. 32.10)	1955 84.20	1831 45.18
<b>Term Loans (Unsecured)</b>		
From Financial Institutions ( Refer Note No. 32.10)	532 77.00	506 08.00
Pass Through Assistance - Government of India (Refer Note No. 32.12)	1086 15.28	1152 50.82
<b>Interest Free Sub Ordinate Debt (Unsecured)</b> (Refer Note No. 32.5)		
Government of India	47 25.83	42 85.86
Government of Kerala	527 53.83	367 81.06
<b>Total</b>	<u>4149 56.14</u>	<u>3900 70.92</u>
<b>Note 14.B : Lease Liabilities [Non current]</b>		
Lease Liability ( Refer Note No. 32.26.1)	14.57	19.11
	<u>14.57</u>	<u>19.11</u>
<b>Note 15 : Other Financial liabilities [Non current]</b>		
Retention	3 57.14	1 16.78
Security Deposits	8 69.00	10 53.13
Interest payable on The Kerala State Coopertive Bank loan	40 29.81	50 37.26
<b>Total</b>	<u>52 55.95</u>	<u>62 07.17</u>
<b>Note 16 : Provisions [Non current]</b>		
<b>Provision for employee benefits (Refer Note No. 32.13 and 32.14)</b>		
Provision for gratuity	6 97.42	6 15.65
Provision for earned leave	7 73.25	7 12.19
Provision for half pay leave	2 17.87	2 16.32
Provision for leave travel concession	78.24	75.15
<b>Total</b>	<u>17 66.78</u>	<u>16 19.31</u>
<b>Note 17 : Deferred Tax Liabilities [Non current]</b>		
<b>Deferred Tax Liabilities (Refer Note No. 32.19)</b>		
On difference between book balance and tax balance of Property, Plant and Equipment and Intangible Assets	-	-
<b>Deferred Tax Asset (Refer Note No. 32.19)</b>		
Unabsorbed Depreciation and Loss	-	-
<b>Total</b>	<u>-</u>	<u>-</u>



Note 18 : Other Non Current Liabilities	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Advance received from Customers	4 76.08	5 38.29
Deferred Fair valuation -Gain ( Security Deposit)	11 39.24	2 27.26
<b>Total</b>	<b>16 15.32</b>	<b>7 65.55</b>

Note 19.A : Borrowings [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Term Loans (Secured)</b>		
From Banks ( Refer Note No. 32.10)	49 50.00	53 00.00
<b>Term Loans (Unsecured)</b>		
From Financial Institutions ( Refer Note No. 32.10)	72 28.00	38 26.00
Pass Through Assistance - Government of India (Refer Note No. 32.12)	66 35.54	66 35.54
Working Capital Loan - Canara Bank (Secured) ( Refer Note No. 32.10)	32 33.39	20 77.42
<b>Total</b>	<b>220 46.93</b>	<b>178 38.96</b>

Note 19.B : Lease Liabilities [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
- Lease Liability ( Refer Note No. 32.26.1)	4.54	4.15
<b>Total</b>	<b>4.54</b>	<b>4.15</b>

Note 20 : Trade Payables [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
- Trade Payables ( Refer Note No. 32.35)	9 59.34	15 59.93
<b>Total</b>	<b>9 59.34</b>	<b>15 59.93</b>

Note 21 : Other Financial Liabilities [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Current &amp; Not Due:</b>		
Interest accrued but not due on borrowing	18 18.17	18 05.83
<b>Unsecured</b>		
- Retention	7 39.02	3 27.70
- Trade / Security Deposit Received	9 83.85	12 05.24
- Land Acquisition and Structural Valuation	79 67.05	89 07.39
- Others;		
- Project related liabilities	85 14.12	79 86.18
- Government of Kerala ( Refer Note No. 32.17)	160 09.28	191 17.99
- Others	11 24.40	13 24.16
<b>Total</b>	<b>371 55.89</b>	<b>406 74.49</b>

Note 22 : Other Current Liabilities	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Statutory Payments	4 58.47	5 50.35
Advance received from Customers	8 84.16	12 33.82
Deferred Fair valuation Gain ( Security Deposit)	99.76	90.14
<b>Total</b>	<b>14 42.39</b>	<b>18 74.31</b>

Note 23 : Provisions [Current]	Amount ( Rs.in lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Provision for Employee benefits (Refer Note No. 32.13 and 32.14)</b>		
Provision for Gratuity	49.19	31.03
Provision for earned leave	57.78	49.91
Provision for half pay leave	19.12	15.30
Provision for leave travel concession	20.80	19.07
<b>Total</b>	<b>1 46.89</b>	<b>1 15.31</b>



Note 24 : Revenue from operations	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from Train Operations	30 78.45	12 89.87
Non fare box revenue	35 92.38	27 07.11
<b>Total</b>	<b>66 70.83</b>	<b>39 96.98</b>

Note 25 : Other Income	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Government Grants (Benefit against the interest free subordinate Debts from GOI and GOK)	44 32.64	30 41.09
Government Grants (Benefit against the reimbursement of state taxes from GOK)	7 77.24	9 21.45
Consultancy Income	3 05.57	8 69.59
Interest on bank deposits	5 23.31	4 40.75
Insurance claim recovery against flood loss ( Refer Note No.32.37)	10 91.84	71 34.74
Other non-operative income (Refer NoteNo. 25.1)	3 33.58	1 24.63
Income from Unwinding of security Deposits	95.78	2 16.84
<b>Total</b>	<b>75 59.96</b>	<b>127 49.09</b>

25.1 Other Non operating income :

Application/tender processing fees	7.91	10.54
Other Interest	5.98	18.91
Others	3 19.69	95.18
<b>Total</b>	<b>3 33.58</b>	<b>1 24.63</b>

Note 26 : Operating Expenses	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Customer Facilitation Expenses	12 41.56	10 23.71
Electricity & water Charges	13 60.21	11 83.65
Security & Other outsourced Expenses	11 24.09	10 27.59
Commission	1 45.30	60.88
External Project Consultancy	1 77.61	6 10.02
Other Operating Expenses	2 35.22	1 62.77
<b>Total</b>	<b>42 83.99</b>	<b>40 68.62</b>

Note 27 : Employee Benefits Expense	Amount ( Rs.in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and wages	38 64.47	36 14.08
Contribution to Provident Fund and other funds	3 35.34	3 04.78
Gratuity Expenses (Refer Note No. 32.13 and 32.14)	99.62	1 09.22
Staff welfare expenses	2 04.38	2 52.27
<b>Total</b>	<b>45 03.81</b>	<b>42 80.35</b>



Note 28 : Finance Costs	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>a) Interest on Pass through Assistance - Government of India</b>		
Gross Interest (A)	12 49.47	13 89.15
Less: Expense during construction (B)	.00	.00
Total transfer to Statement of Profit and Loss (A-B)	<u>12 49.47</u>	<u>13 89.15</u>
<b>b) Interest on Loans from Banks</b>		
<b>Gross Interest (A)</b>	<b>154 29.21</b>	<b>149 97.58</b>
Less: Expense during construction (B)	(24 96.66)	(9 96.25)
Total transfer to the Statement of Profit and Loss (A-B)	<u>129 32.55</u>	<u>140 01.33</u>
<b>c) Interest on Subordinate debt (Refer Note No. 32.5)</b>		
Unwinding of Interest expense on subordinate debt (A)	44 32.64	30 41.09
Total transfer to the Statement of Profit and Loss (A)	<u>44 32.64</u>	<u>30 41.09</u>
<b>d) Interest on Fair Valuation of Retention Money and Security Deposit</b>		
Unwinding of Interest Expense on Retention Money Deposit (A)	1 07.62	2 22.68
Less: Expense during Construction (B)	(1.34)	( 1.22)
Less: Payable to GOK ( C)	(5.52)	( 4.11)
Total transfer to the Statement of Profit and Loss (A-B-C)	<u>1 00.76</u>	<u>2 17.35</u>
<b>e) Interest on Lease Liability</b>		
Interest Expense on Lease Liability (A)	1.97	0.77
Total transfer to the Statement of Profit and Loss (A)	<u>1.97</u>	<u>0.77</u>
<b>f) Guarantee Commission</b>		
Guarantee Commission payable to GOK (A)	1 37.29	1 37.34
Total transfer to the Statement of Profit and Loss (A)	<u>1 37.29</u>	<u>1 37.34</u>
<b>Grand Total- Transfer to the Statement of Profit and Loss</b>	<u>188 54.68</u>	<u>187 87.03</u>

	<i>Amount ( Rs.in lakhs)</i>	
Note 29 : Depreciation and Amortisation Expense	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on tangible assets (Refer Note No.1.14 and 2A)	171 72.56	198 92.34
Depreciation on Right of Use	5.02	1.73
Amortisation of intangible asset (Refer Note No. 1.14 and 3)	3 36.26	3 37.18
<b>Total</b>	<u>175 13.84</u>	<u>202 31.25</u>



Amount ( Rs.in lakhs)

Note 30 : Other Expenses	For the year ended 31st March 2022	For the year ended 31st March 2021
Insurance	10 33.15	10 73.44
Repairs and maintenance	9 79.85	6 18.08
Road Works/Station Oriented Works	5 06.17	1 07.09
Legal and Professional	1 47.22	1 42.78
Office and other Miscellaneous expenses	1 21.16	1 07.52
Advertisement and Promotional Expenses	1 01.50	87.42
Travelling and conveyance expenses	77.06	85.28
Post flood restoration expenses	67.67	5 61.44
Rent,Rates and taxes	10.76	18.16
Bank charges	3.69	15.70
Exchange Fluctuation Loss / (Gain)	( 12.09)	8.20
Expected credit loss on Trade Receivables	3.54	13.44
Payment to Auditors (Refer Note No. 30.1)	7.45	7.06
<b>Total</b>	<b>30 47.13</b>	<b>28 45.61</b>

Amount ( Rs.in lakhs)

30.1 Payment to Auditors	For the year ended 31st March 2022	For the year ended 31st March 2021
Audit fees	6.54	6.26
Other Services	.83	.80
Reimbursement of Expenses	.08	.00
<b>Total</b>	<b>7.45</b>	<b>7.06</b>

Note 31 : Earnings per Equity Share	For the year ended 31st March 2022	For the year ended 31st March 2021
Net Profit/ ( Loss) after tax ( In Rs. Lakh )	(339 56.01)	(334 89.82)
Number of Equity Shares	1507460 00.00	1507460 00.00
<b>Basic and Diluted Earnings Per Share (EPS) ( In Rs.)</b> (Refer Note No. 32.23)	<b>( 22.53)</b>	<b>( 22.22)</b>



**NOTE NO. 32 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**32.1 Expenditure in Foreign Currency**

*Amount (Rs. In Lakhs)*

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Expenditure by KMRL		
- Contracts	30 91.46	4 61.85
- Others	NIL	46.13
Expenditure by DMRC on contracts (see note below)	NIL	26 98.61

For the year 2020-21, the capital expenditure 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.

Due to non-receipt of confirmation from DMRC for the year 2021-22, the amount is assumed to be NIL.

**32.2 Foreign exchange rate variation**

**32.2.1** The Pass Through Assistance (PTA) provided to the company by Government of India, is based on the credit facility agreement for 180 Million Euro towards Phase I between *Agence Francaise De Development (AFD)*, as lender and Government of India(GoI), as the borrower. The Phase I 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. The repayment obligation of the company is limited to the INR equivalent of the amount of PTA received. Accordingly, the Company has not recognized foreign exchange rate variation losses/gains as at the Balance Sheet date related to the PTA received from GoI.

Government of India entered into a credit facility agreement for 27 Million Euro towards Non-Motorised Transport (NMT) initiatives of KMRL. The funds are transferred to GoK in accordance with the GoI's standard procedures for development assistance to the States of India in INR. An amount of Rs.24,46.67 Lakh (equivalent to 2.84 million Euros) received by GoK was transferred to KMRL as PTA from GoI during 2020-21. The repayment obligation of the company is limited to the INR equivalent of the amount of PTA. Accordingly, the Company has not recognized 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 4<sup>th</sup> 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, Gol 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 Gol and the amount repaid by the company to Gol in INR, shall be borne by GoK, when settlement of exchange variation is carried out by Gol.

Accordingly, in the balance sheet, the liability under PTA is recognised in INR.

**32.2.2 Disclosure in respect of IND AS-21, “The effect of changes in Foreign Exchange rates”.** The effect of Foreign Exchange fluctuation (other than PTA related transactions) during the year is as under:

The total amount of exchange difference (net foreign exchange) recognised in statement of profit and loss for the year is a gain of Rs.12.09 lakhs (P.Y.2020-21, loss of Rs.8.20 lakhs).

### 32.3 Capitalization of assets from CWIP

During the year, the company has recognized differences in the value of assets already capitalized during previous years, amounting to Rs.13,17.24 lakh. In-anticipation of a delay in getting the Fixed Asset register certified by the internal auditors of DMRC as per clause 6.1.20 of the Memorandum of Understanding between DMRC and KMRL dated 23<sup>rd</sup> May 2013, KMRL has relied on the statement handed over by DMRC. Difference, if any, on the basis of the certificates to be issued by the Internal Auditors, on the valuation of the fixed assets, shall be recognized in the year 2022-23.

#### Current year schedule of CWIP

*Amount (Rs. In Lakhs)*

Particulars	Opening	Additions during the year	Capitalized in 21-22	Closing Balance
PHASE IA & IB *	194 41.51	263 10.97	0.00	457 52.48
PHASE II	5 60.36	6.70	0.00	5 67.06
OTHERS	25 22.02	4 11.04	1978.26	9 54.80
<b>Grand Total</b>	<b>225 23.89</b>	<b>267 28.71</b>	<b>19 78.26</b>	<b>472 74.34</b>

- Gok while according approval for the combined comprehensive administrative sanction for the Phase I, Phase IA and Phase IB, it was indicated that, all assets for Phase IA and Phase IB may be vested with State Government. It is informed by GoK vide letter no. Trans-C2/43/2020-Trans dated 24.05.2022, the condition shall be amended after receipt of grant from Gol.



### 32.4 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	168 15.97	NIL	143 19.31	24 96.66
Previous year	163 86.73	NIL	153 90.48	9 96.25

The Ministry of Finance, Department of Expenditure, vide their letter F.No.30(03)/PFC.II/2019 dated 15<sup>th</sup> April 2020 recommended implementation 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 are 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.

### Ageing schedule of CWIP

**Amount (Rs. In Lakhs)**

CWIP	Period	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	As at 31.03.2022	275 40.08	143 19.63	45 05.70	9 08.93	472 74.34
	As at 31.03.2021	169 42.17	46 71.57	3 35.24	5 74.91	225 23.89





### 32.5 Government loan accounting (Sub ordinate debt) and related finance cost.

**32.5.1** 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 towards land acquisition. For the remaining amount, Government of Kerala had directed the company shall avail a term 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 (Kerala Bank)” formerly known as “Ernakulam District Co-operative Bank Ltd (EDCB)”, amounting to Rs.470,00 lakhs towards land acquisition on behalf of GoK. Out of Rs.470,00 lakhs, Rs.366,00 lakhs is towards land acquisition for Phase I and Rs.104,00 lakhs towards Vytilla-Petta Road from Kunnara park to Petta. The repayment of the loan and interest servicing has been undertaken by the Government of Kerala, on back-to-back basis. The said loan is shown as borrowing in the financial statements.

In essence, the loan taken from Kerala Bank 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.

**32.5.2** 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.248,50 lakhs each , shall be funded by GoI and GoK towards central taxes. Accordingly, the funds released by GoI and GoK is recognised as Subordinate debt in accordance with the approved funding pattern.

**32.5.3** In accordance with clause 11.1 of the Memorandum of Understanding dated 4<sup>th</sup> November 2013 ,between the Government of India, the Government of Kerala and the company, it is agreed between parties that any cost escalation within or beyond the project time period shall be met entirely by the State Government through additional interest free subordinate debt. Accordingly, as directed by GoK, vide G.O.(RT) No.215/2020/Trans 22.06.2020, the company entered into a term loan agreement with M/s. Housing and Urban Development Corporation Limited (HUDCO) for an amount of Rs.390,00 lakhs, towards gap funding for Phase I of Kochi metro rail project. As per the terms of the agreement, the loan will be secured by the guarantee of Government of Kerala.

The amount drawn from M/s HUDCO during the year is NIL (upto previous year Rs.331,23 lakhs) is recognised as Subordinate debt from GoK, in accordance with the conditions of MOU.

An amount of Rs.51,91 lakhs (vide GO(RT) No.353/2020/Trans dated 28.10.2020) and Rs.88,44 lakhs (vide GO(RT) No.358/2021/Trans dated 26.10.2021) received from GoK



during the year 2020-21 and 2021-22 respectively towards GoK's share of second cost escalation for the Phase I of the Kochi Metro Rail project, is recognised as Subordinate debt from GoK, in accordance with the conditions of the MOU.

**32.5.4** Government of Kerala, vide G.O (Ms) No.73/2014/Trans dated 17/10/2014 accorded administrative sanction for the Extension of Phase I of the metro line from Petta to S N junction for Rs.359,00 lakhs. The project cost is revised to Rs.710,92 lakhs vide GO. (MS)No.36/2019/Trans dated 15.7.2019, including land cost ,Rs.97,38 lakhs.

Out of Rs.97,38 lakhs, Rs 58,11 lakhs released by GoK directly to Special Thahasildar LA towards land acquisition vide G O (MS) No.63/2018/TRANS dated 23.10.2018, is recognized as Subordinate debt from GoK.

For the balance fund required for land acquisition, as directed by GoK vide G.O.(RT) No.112/2020/Trans dated 17.03.2020, the company availed term loan from M/s HUDCO. An amount equivalent to the loan drawn from M/s HUDCO during 2020-21 amounting to Rs. 39,27 lakhs, is recognized as Subordinate debt from GoK, being GoK's share of Subordinate debt, as part of the approved project funding pattern.

**32.5.5** Government of Kerala, vide G.O (Ms) No.27/2019/Trans dated 14/06/2019 accorded administrative sanction for the Extension of Phase I of the metro line from S N junction to Tripunithura Railway Station/ Bus Depot as Phase IB for Rs.356,00 lakhs. The project cost is revised to Rs.448,33 lakhs vide GO. (MS)No.2/2021/Trans dated 16.01.2021, including land cost of Rs.135,86 lakhs.

Out of Rs.135,86 lakhs, Rs 92,63 lakhs released by GoK towards land acquisition vide G. O (Rt) No.347/2021/TRANS dated 11.10.2021, is recognized as Subordinate debt from GoK.

For the balance fund required for land acquisition, as directed by GoK vide G.O.(RT) No.112/2020/Trans dated 17.03.2020, the company availed loan from M/s HUDCO. An amount equivalent to the loan drawn from M/s HUDCO during 2021-22 amounting to Rs.43,23 lakhs, is recognized as Subordinate debt from GoK, being GoK's share of Subordinate debt, as part of the approved project funding pattern.

**32.5.6** GoK, vide G.O.(Rt)No.24/2021/Trans dated 16.01.2021, accorded revised administrative sanction for the Non-motorized transport initiatives of the company for an amount of Rs.239,00 lakhs i.e Rs.202,54 lakhs as Pass Through Assistance from GoI and Rs.36,46 lakhs as subordinate debt from GoK.

The company recognized up to March 31, 2022, a cumulative amount of Rs.36,45 lakhs (upto previous year Rs.16,00 lakhs) received from GOK towards Non-Motorised Transport (NMT) initiatives of the company as the Subordinate debt from GoK.

**32.5.7** In accordance with clause 12.26 of the Memorandum of Understanding dated 4<sup>th</sup> November 2013 entered into between the Government of India, the Government of Kerala and the company, it is the obligation of GoK to repay the senior term debt (as and when it



becomes due) on account of cash losses, in case the company is not able to repay the same.

The company recognized up to March 31, 2022, a cumulative amount of Rs.393,84 lakhs (upto previous year Rs.245,48 lakhs) received from GOK towards interest servicing to Canara Bank and Union Bank as the Subordinate debt from GoK.

The company recognized up to March 31, 2022, a cumulative amount of Rs.249,04 lakhs (upto previous year Rs.174,62 lakhs) received from GOK towards interest and principal servicing to Gol for AFD , France as the Subordinate debt from GoK.

**32.5.8** In accordance with clause 12.19 of the Memorandum of Understanding dated 4<sup>th</sup> November 2013 entered into between Government of India, the Government of Kerala and the company, it is the obligation of GoK to finance cash losses during the operational phase from its own resources in case the same cannot be provided by KMRL.

The company recognized up to March 31, 2022, a cumulative amount of Rs.199,48 lakhs (upto previous year Rs.144,38 lakhs) received from GOK towards net operational cash loss as Subordinate debt from GoK.

The Subordinated Debt 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.

### **32.6 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 funded by Government of Kerala.

Accordingly, vide G.O.(Ms)No. 170/2019/Fin dated 3<sup>rd</sup> May 2019, administrative sanction was accorded towards reimbursement of state tax paid by KMRL/DMRC towards execution of the Kochi Metro project. Till 31<sup>st</sup> March 2022, State Government reimbursed the entire amount of Rs.237,33.52 lakhs towards KVAT and SGST.

### **32.7 Transfer of land at Kakkanad**

Government of Kerala vide G.O.(Ms) No. 140/2019/RD dated 22<sup>nd</sup> May 2019 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.



GoK vide G.O.No. 169/2022/RD dated 24.06.2022, accorded approval for transfer of additional 14 acres of land belonging to PWD department at Kakkanad at free of cost for undertaking the property development project. The land is yet to be assigned on registry to the company.

### 32.8 Amount Advanced to District Collector towards Land Acquisition for Metro Rail Project and preparatory & other project works

#### *For Metro Rail Project land acquisition*

*Amount (Rs. In Lakhs)*

Particulars	As on March 31, 2022	As on March 31, 2021
Phasel (Aluva to petta)	49 19.51	57 16.98
Phase IA (Petta to SN Junction)	0.95	54.83
Phase IB (SN Junction to Thripunithura)	22 81.89	50.00
<b>Total</b>	<b>72 02.35</b>	<b>58 21.81</b>

#### *For Preparatory and other project work Land acquisition*

Particulars	As on March 31, 2022	As on March 31, 2021
Vytilla-Petta Road Widening	5.19	5.19
Preparatory works of the new metro line - Jawaharlal Nehru Stadium to Kakkanad via Info park	1 37.75	91 57.09
Preparatory works of the new metro line - Widening of Seaport Airport Road	4 06.75	4 01.00
Integrated Water Metro Transport System	30 21.24	20 30.78
<b>Total</b>	<b>35 70.93</b>	<b>115 94.06</b>

### 32.9 Integrated Water Transport system

Government of Kerala (GoK) vide G.O(Ms) No. 73/2015/Trans dated 19/11/2015 accorded approval for the conception of an Integrated Water Transport system in Kochi, at 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 by GoK, to the



extent of Rs.102,30 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.

Govt. of Kerala accorded administrative sanction for the revised project cost of Rs.1064,83 lakhs excluding land acquisition cost of Rs.72,00 lakhs vide GO(MS) No. 14/2021/Trans dated 18.6.2021. As per revised funding pattern, the GoK contribution is Rs.156,07 lakhs and KfW funding is Rs.908,76 lakhs. The approval from KfW for additional funding is yet to be received.

During the year 2021-22, GoK released an amount of Rs.57,30 lakhs (Previous year Rs.82,00 lakhs) and KfW released an amount of Rs.38,86.16 lakhs (Previous year - Rs.30,10 lakhs). The cumulative fund released up to 31.3.2022 is Rs.295,62.84 lakhs (of which GoK's contribution is Rs.159,30 lakhs and KfW is Rs.136,32.84 lakhs).

The total expenditure till 31.03.2022 is Rs.210,76.34 lakhs (till previous year Rs.102,75.20 lakhs). An amount of Rs.87,24.32 Lakhs was paid as advance to contractors upto 31.3.2022(previous year Rs.79,50.20 lakhs).

GoK requested for extension of KfW loan drawdown period until December 2023.KfW agreed to extend the disbursement period until December 30,2023, on payment of compensation cost amounting to Euro 290005.

GoK vide G.O.(Ms)No. 26/2020/Trans dated 23/10/2020, accorded approval for formation of an SPV (Special Purpose Vehicle), for the purpose of Operation and Maintenance of Kochi Water Metro Project with 74% equity by GoK and 26% sweat equity by KMRL, with an authorized Share capital of Rs.4,90 lakhs. Accordingly, M/s. Kochi Water Metro Limited (KWML) was incorporated on 14<sup>th</sup> July, 2021.The company also entered into a Memorandum of Understanding (MOU) with GoK, delineating the obligations of the company and GoK.



**32.10 Borrowings from Banks / Financial Institutions**
**Amount (Rs. In Lakhs)**

Sl No.	Name of the Bank / Financial Institutions	Repayment period	Repayment start date	Repayment end date	Interest paid during 21-22	Rate of Interest Percentage per annum	Amount as on 31.03.2022	Amount as on 31.03.2021
a	Canara Bank - Phase I	54 quarterly installments	Quarter 2, 2023-24	Quarter 3, 2036-37	108 27.68	9.20% up to 17.2.2022 8.25% from 18.2.2022	1189 88.61	1198 80.04
b	Canara Bank - Phase I (additional borrowing)	54 quarterly installments	Quarter 2, 2023-24	Quarter 3, 2036-37	15 16.97	8.85% up to 31.7.2021 8.00% from 01.8.2021	182 73.19	182 77.01
c	Canara Bank Loan - Phase 1 Extension	56 quarterly installments	Quarter 1, 2025-26	Quarter 4, 2038-39	14 73.53	8.85% upto 15.3.2022 8.00% from 16.3.2022	232 59.41	132 57.89
d	Union Bank of India -Phase 1 Extension	56 quarterly installments	Quarter 1, 2025-26	Quarter 4, 2038-39	10 20.37	8.85% upto 15.3.2022 8.00% from 16.3.2022	162 63.80	79 82.97
e	The Kerala State Cooperative Bank (land acquisition)	10 annual installments	March, 2018	March, 2027	44 70.38	9.75%	183 00.00	219 60.00
f	The Kerala State Cooperative Bank (land acquisition - Vytilla - Petta road)	NA	NA	NA	5 30.44	9.30% upto 19.12.2021 7.75% from 20.12.2021	32 33.39	20 77.42
g	Canara Bank - Working Capital Demand loan	18 monthly installments	Mar-21	Aug-2022	51.04	8.85%	2 49.19	8 47.27
h	HUDCO - Preparatory works / Land Acquisition	52 quarterly installments	Feb-2022	Nov - 2034	25 12.65	9.75% p.a. for land acquisition and 9.25% p.a. for works (fixed for one year)	3 07 47.00	2 19 84.00
i	HUDCO - Phase I	58 quarterly installments	Feb-2021	May-2035	29 29.12		2 97 58.00	3 24 50.00
j							<b>26 42 72.59</b>	<b>24 49 56.60</b>
			<b>Total</b>					

**Presentation of the above loans in the Financial Statements**
*Amount (Rs. In Lakhs)*

Particulars	Reference Note No	Amount as on 31.03.2022	Amount as on 31.03.2021
Non-Current Portion of Term Loan (Secured) from Banks	14A	19 55 84.20	18 31 45.18
Non-Current Portion of Term Loan (Unsecured) from Financial Institutions	14A	5 32 77.00	5 06 08.00
Working Capital Loan (Secured)	19A	32 33.39	20 77.42
Current Maturities of Term Loans from Banks and Financial Institutions			
Due	19A	.00	.00
Not due		1 21 78.00	91 26.00
<b>TOTAL</b>		<b>26 42 72.59</b>	<b>24 49 56.60</b>

**Detailed note of the above loans is given below;**

**a) Canara Bank- Phase I**

The Company 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. The company availed the interest moratorium and accordingly, the interest so accrued on the term loan (net of repayment) was added to the outstanding term loan as COVID-19 assistance. The rate of interest applicable is one-year MCLR (marginal cost of funds based on lending rates) plus margin, with annual rests, and secured by paripassu charge on all assets of the company.

**b) Canara Bank- Phase I (additional borrowing)**

The Company 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, vide GO (RT) No. 323/2019/Trans dated 18.7.2019, issued guarantee for repayment of the principal and interest. As requested by KMRL, the moratorium for interest servicing was approved for a period of six months from March 2020 onwards. The company availed the interest moratorium and accordingly, the interest so accrued on the term loan (net of repayment) was added to the outstanding term loan as COVID-19 assistance . The rate of interest applicable is one-year MCLR



(marginal cost of funds based on lending rates) plus margin, with annual rests and secured by paripassu charge on all assets of the company and guaranteed by state government for payment of interest and principal.

**c & d) Consortium Loan between Canara Bank and Union bank of India - Phase I extension**

The Company availed a term loan from the consortium of Canara Bank and Union bank of India for Phase I extension. The consortium loan agreement was executed on 25.05.2020. As per Agreement, Canara Bank shall be the Lead Banker to fund the Phase IA & IB project, with the term loan aggregating to 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. The applicable interest rate is one year MCLR plus margin, with annual rests. The loan is secured by paripassu charge on movable and immovable assets of the Phase I extension and guaranteed by state government for payment of interest and principal. GoK issued Guarantee for repayment of interest and principal of the loan vide GO (RT) No.211/2020/Trans dated 18.6.2020. An amount of Rs 4,55.80 lakhs being amount towards the guarantee commission, is also recognized as receivable from GoK till 31.3.2022 (previous year Rs 1,59.31 lakhs), since the project is to be funded by GoK

**e) The Kerala State Cooperative Bank (formerly known as Ernakulam District Cooperative Bank (EDCB)(land acquisition)**

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. Out of Rs.672,00 lakhs, 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 for an amount of Rs.366,00 lakhs as 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 Kerala State Cooperative Bank towards land acquisition. Accordingly, the company has entered into term loan agreement with EDCB as approved in its 19th Board meeting dated 20<sup>th</sup> January 2015. As per the GO, the tenure of the loan shall be 12 years with two years 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. The interest rate shall be reset every three years and the same was reduced from 9.95% p.a. to 9.75% p.a. with effect from 1<sup>st</sup> April 2020. The repayment of the loan with interest is undertaken by the Government of Kerala on back-to-back basis and is recognised as receivable from GoK, as and when due. 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.





**f) The Kerala State Cooperative Bank (formerly known as Ernakulam District Cooperative Bank (EDCB)(land acquisition-Vytilla Petta road)**

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 Kerala State Cooperative Bank to meet the cost of land acquisition for widening of Vytilla-Petta road. Accordingly, the company entered into term loan agreement with Kerala State Cooperative Bank as approved in its 19th Board meeting dated 20<sup>th</sup> 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 paripassu charge on all assets of the company. The rate of interest shall be 0.05% below the base rate of State bank of India, compounded on quarterly rest. The interest rate shall be reset every three years and accordingly, the rate of interest was reduced from 9.95% p.a. to 9.75% p.a. with effect from 1<sup>st</sup> April 2020. The obligation for the repayment of the loan together with interest is undertaken by the Government of Kerala on back-to-back basis and is recognised as receivable from GoK, as and when due. 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.

During the year, the company paid the fifth installment amounting to Rs.91,70.38 lakhs (Previous year Rs.201,80.33 lakhs, third and fourth installment) in March 2022 against the term loans.

**g) Canara Bank - Working Capital Demand Loan**

The Company entered into a Fund based working capital facility and Non-Fund Based Bank Guarantee limit with Canara Bank on 30.9.2019, for an amount of Rs.90,00 lakhs and Rs.5,00 lakhs respectively and renewed on yearly basis. The rate of interest applicable for working capital facility is one-year MCLR (marginal cost of funds based on lending rates) plus margin, with annual rests and secured by paripassu charge on all assets of the company.

**h) Canara Bank - Working Capital Demand Loan (COVID-19 support)**

The Company entered into a working capital demand loan facility agreement on 28<sup>th</sup> August 2020 for Rs.9,00 lakhs with Canara Bank as part of COVID-19 Canara Credit support. The rate of interest is one-year MCLR (marginal cost of funds based on lending rates) plus margin, and secured by paripassu charge on all assets of the company.

**i) HUDCO - Preparatory works/Land Acquisition**

The Company entered into a term loan agreement with HUDCO, for an amount of Rs. 589,82 lakhs on 19.3.2020 for land acquisition and preparatory works of Phase I, Phase IA, Phase IB and Phase II of Kochi Metro Rail Project. Against this, an amount of Rs.318 81 lakhs were disbursed by HUDCO to the company till March 31, 2022. The moratorium period for repayment of the principal amount is up to February 2022. Rs.11,34 lakhs was repaid till 31<sup>st</sup> March 2022. The loan is secured by Government



guarantee for payment of interest and repayment of principal, vide, GO (RT) no. 112/2020/Trans dated 17.3.2020.

Since the loan has been availed by the company for the purpose of land acquisition and for preparatory works, the interest and repayment of principal including loan processing charges and guarantee commission is recognised as receivable from GoK. Accordingly, sum of Rs.1,23.90 Lakh and Rs.4,96.22 lakhs, being amount towards loan processing charges and guarantee commission, respectively, is recognized as receivable from GoK, till 31<sup>st</sup> March 2022.

**j) HUDCO - Phase I**

The Company entered into a term loan agreement with HUDCO, for an amount of Rs 390,00 lakhs on 26.06.2020 towards gap funding of Phase I project. Against this, an amount of Rs 331,23 lakhs was disbursed by HUDCO to the company and an amount of Rs.33,65 lakhs was repaid till March 31, 2022.

Vide GO(RT)215/2020/Trans dated 22.06.2020, Government has agreed to provide adequate budget provision with regard to repayment of loan and interest. Accordingly, the interest and repayment of principal including loan processing charges and guarantee commission is recognised as receivable from GoK. Accordingly, the sum of Rs.123.90 Lakh and Rs.470.23 lakhs, being amount towards the loan processing charges and guarantee commission, is recognized as receivable from GoK, till 31<sup>st</sup> March 2022.

**k)** As per clause 4(i) of the G.O.(Ms.) No. 487/04/Fin dated 16<sup>th</sup> October 2004, the guarantee commission payable will be 0.75% of the actual balance loan outstanding , including interest, penal interest etc. as on 31<sup>st</sup> March of the preceding year. The amount due in a year will be paid in two equal installments, one on 01<sup>st</sup> April and another on 1<sup>st</sup> October, of every financial year.

Details of Guarantee commission paid by the company is summarized below;

**Amount (Rs. In Lakhs)**

SI No	Guarantee Commission	Due and paid till 31.3.2022	Not due as on 31.3.2022	Total
1	Canara Bank- Phase I (additional borrowing) for Phase I of Kochi metro rail project.	2 63.11	1 37.29	4 00.40
2	Consortium Loan between Canara Bank and Union bank of India - Phase I extension.	1 59.31	2 96.49	4 55.80



3	HUDCO - Preparatory works/Land Acquisition.	2 63.75	2 32.47	4 96.22
4	HUDCO - Gap funding for Phase I of Kochi Metro rail project.	2 45.28	2 24.94	4 70.22
	<b>Total</b>	<b>9 31.45</b>	<b>8 91.19</b>	<b>18 22.64</b>

### 32.11 Receivable from Government of Kerala against the Loan taken from Banks and Financial Institutions

*Amount (Rs. In Lakhs)*

Particulars	Detailed note reference No	31-Mar-22			31-Mar-21		
		Current	Non-Current	Total	Current	Non-Current	Total
Against Loan taken from Kerala State Co-operative Bank	32.10.e and 32.10.f	47 00.00	1 87 94.81	2 34 94.81	47 00.00	2 34 94.82	2 81 94.82
Against Interest Receivable towards the Loan from Kerala State Co-operative Bank		10 07.45	40 30.18	50 37.63	10 07.45	50 37.25	60 44.7
Against the Loan Taken from HUDCO	32.10.i and 32.10.j	69 82.86	5 04 94.02	5 74 76.89	46 07.43	4 06 59.77	4 52 67.2
Against Guarantee Commission, interest on Guarantee Commission and processing charges	32.10.c,d,i & j	17 30.19	0.00	17 30.19	15 9.31	0.00	1 59.31
<b>Total</b>		<b>1 44 20.51</b>	<b>7 33 19.01</b>	<b>8 77 39.52</b>	<b>1 04 74.19</b>	<b>6 91 91.84</b>	<b>7 96 66.03</b>



**32.12 Pass Through Assistance from Government of India**

Amount (Rs. In Lakhs)

SI No.	Name of the Banks/Financial Institutions	Repayment period	Repayment start date	Repayment end date	Interest paid during 21-22	Rate of Interest	Amount as on 31.03.2022*	Amount as on 31.03.2021
a	Pass Through Assistance for Phase I	40 half yearly installments	September, 2019	March, 2039	12 32.63	6 monthly EURIBOR plus the margin of 155 basis point	11 28 04.15	11 94 39.69
b	Pass Through Assistance for NMT	20 half yearly installments	May, 2025	November, 2034	20.61	1.52% or 6 months EURIBOR + 1.35% (margin)	24 46.67	24,46.67
<b>Total</b>							<b>11 52 50.82</b>	<b>12 18 86.36</b>

\*Includes current maturities of PTA shown in Note 19A

The Pass Through Assistance (PTA) provided by Government of India for the Phase I Kochi Metro Rail Project for Euro 180 million, 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 entire loan proceeds of Euro 180 million, equivalent to Rs.1327,10.77 lakhs, has been released by AFD to GoI. The funds were disbursed to KMRL in several tranches as per budgetary provisions of Government of India in INR. During the year 2021-22, an amount of Rs.66,35.54 lakhs has been paid to GoI (Previous year, Rs.66,35.54 lakhs each towards installments due for the years 2019-20 and 2020-21).

The Pass Through Assistance (PTA) provided by Government of India through Government of Kerala, for the Non-motorized transport initiatives of KMRL, amounting to Euro 27 million, 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. During the year 2021-22, an amount of Nil( previous year Rs.24,46.67 lakhs) was released to GoI through the Department of Economic Affairs which was subsequently released to KMRL. Further, an amount of Rs.40.27 lakhs, being interest on the PTA for NMT is recognized as due to GoK till March 31, 2022 ( up to previous year Rs.19.66 lakhs).

### 32.13 Disclosure in respect of IND AS-19, “Employee Benefits”

**Provident 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 1<sup>st</sup> September 2014 and whose salary is more than Rs.15,000/- per month. Such employees 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. As per the actuarial valuation report though planned assets are shown, the company has not recognized asset in the books, since the company has not created fund trust.

**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



32.14 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:

Particulars	Amount(Rs.in lakhs)							
	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
Benefit obligations at the beginning of year	6 46.47	4 69.11	7 62.09	6 46.46	2 31.62	2 05.25	94.22	47.25
Current service cost	1 16.24	1 35.73	1 42.23	1 17.90	39.13	36.66	21.19	19.06
Interest Cost	43.30	32.84	53.65	45.25	17.06	14.37	6.64	3.30
Benefits paid / provision withdrawn	(37.91)	(18.57)	(95.33)	(35.70)	(8.79)	(6.54)	(11.73)	(3.93)
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.59
Actuarial (gain) / loss from change in Financial Assumptions	(46.34)	8.33	(41.11)	8.13	(12.37)	2.47	(3.97)	0.72
Actuarial (gain) / loss on obligations - Due to Experience Adjustments & Demographic Assumption	24.85	19.03	9.49	(19.95)	(29.66)	(20.59)	(7.31)	(0.77)
<b>Benefit obligations at the end of year</b>	<b>7 46.61</b>	<b>6 46.47</b>	<b>8 31.02</b>	<b>7 62.09</b>	<b>2 36.99</b>	<b>2 31.62</b>	<b>99.04</b>	<b>94.22</b>

Amount (Rs.in Lakhs)

The amounts for the year ended March 31, 2022 recognised in the Statement of Profit and Loss under Employee benefit Expense, are as follows:									
Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)		
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	
Current service cost	1 16.24	1 35.73	1 42.23	1 17.90	39.13	36.66	21.19	19.06	
Interest cost	43.30	32.84	53.65	45.25	17.06	14.37	6.64	3.30	
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.59	
Reimbursement Service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Interest income	0.00	(0.73)	0.00	(0.50)	0.00	(0.27)	0.00	0.00	
Remeasurement	0.00	0.00	(31.62)	(11.31)	(42.04)	(17.86)	(11.29)	(0.05)	
<b>Total</b>	<b>1 59.54</b>	<b>1 67.84</b>	<b>1 64.26</b>	<b>1 51.34</b>	<b>14.15</b>	<b>32.90</b>	<b>16.54</b>	<b>50.90</b>	
Less: Actuarial (Gain)/ Loss transferred to CWIP/Project Fund/Others	59.92	58.62	72.59	68.70	2.99	16.97	2.81	9.16	
<b>Expenses recognized in statement of profit and loss</b>	<b>99.62</b>	<b>1 09.22</b>	<b>91.67</b>	<b>82.64</b>	<b>11.16</b>	<b>15.93</b>	<b>13.73</b>	<b>41.74</b>	



*Amount (Rs.in Lakhs)*

<b>The amounts for the year ended March 31, 2022 recognised in the Statement of Other Comprehensive income , are as follows:</b>		
<b>Particulars</b>	<b>Gratuity entitlement (Unfunded)</b>	
	<b>As at 31/03/2022</b>	<b>As at 31/03/2021</b>
<b>Re measurements of the net defined benefit liability/ (asset)</b>		
Actuarial (gains)/ losses from changes in Financial Assumptions	(46.34)	9.05
Actuarial (gains)/ losses- Due to Experience Adjustments & Demographic Assumption	24.85	19.03
<b>Total Re measurements in OCI</b>	<b>(21.49)</b>	<b>28.08</b>
Less: Actuarial (Gain)/ Loss transferred to CWIP	3.65	5.05
<b>Expenses recognized in statement of OCI</b>	<b>(17.84)</b>	<b>23.03</b>

**The principal assumptions used to determine Gratuity, Earned leave encashment, Half Pay leave Encashment and LTC benefit obligations as of March 31, 2022 and March 31, 2021 are as follows :**

<b>Particulars</b>	<b>As at 31/03/2022</b>	<b>As at 31/03/2021</b>
Discount rate	7.51%	6.90%
Salary escalation rate - First 5 Years	6.00%	6.00%





Amount (Rs.in Lakhs)

Net Asset / Liability recognised in the Balance Sheet								
Particulars	Gratuity entitlement (Unfunded)		Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		LTC (Unfunded)	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
Present value of the obligation	7 46.61	6 46.47	8 31.02	7 62.09	2 36.99	2 31.62	99.04	94.22
Fair value of plan assets	-	-	-	-	-	-	-	-
Difference	74 6.61	6 46.47	8 31.02	7 62.09	2 36.99	2 31.62	99.04	94.22
Unrecognised transitional liability	-	-	-	-	-	-	-	-
Unrecognised past service cost - non vested benefits	-	-	-	-	-	-	-	-
<b>Liability recognized in the balance sheet</b>	<b>7 46.61</b>	<b>6 46.47</b>	<b>8 31.02</b>	<b>7 62.09</b>	<b>2 36.99</b>	<b>2 31.62</b>	<b>99.04</b>	<b>94.22</b>



**32.15 Statement of Preparatory works/Projects undertaken by the company, on behalf of Government of Kerala (GoK), which are in progress as on March 31, 2022.**

Sl. No.	Particulars of the Preparatory work / project undertaken	Government order according administrative sanction for the project	Approved project cost	Funds received till 31.03.2022			Amount Expended till 31.03.2022
				Source of fund	Amount received	Total	
1	Widening of 1.5 kms of Vytilla-Petta Road from Kunnara park to Petta	G.O (Ms) No. 13/2015/Trans dated 10/03/2015	22 35.00	GoK 22 35.00	22 35.00	19 43.36	
2	Preparatory works of the new metro line from Jawaharlal Nehru Stadium to Kakkanad via Info park	G.O(Ms) No. 13/2016/Trans dated 08/02/2016	1 89 00.00	GoK 20 00.00 Loan from HUDCO 1 26 71.00	1 46 71.00	1 40 42.25	
3	Preparatory works of Phase II of the Kochi Metro Rail Project for Widening of Seaport Airport	G.O(Ms) No. 73/2018/Trans dated 17/12/2018	74 07.00	Loan from HUDCO 54 99.84	54 99.84	33 31.07	
4	Preparatory work for improvement of Edappally –High Court Road from Edappally to JLN Stadium/Kaloor and upgrading the drainage system	G.O(Ms) No. 56/2016/Trans dated 26/08/2016	39 41.40	GoK 34 00.00	34 00.00	15 93.93	
5	Preparatory works for the extension of Kochi Metro Rail Project from Petta to SN Junction, Tripunithura	G.O(Ms) No. 31/2016/Trans dated 31/03/2016	1 23 00.00	GoK 61 20.00 Loan from HUDCO 44 24.16 Other 8 14.17	1 13 58.33	1 13 58.33	
<b>Total</b>					<b>3 71 64.17</b>	<b>3 71 64.17</b>	<b>3 22 68.94</b>

The net balances of the above-mentioned preparatory works and projects undertaken by the company, on behalf of Government of Kerala (GoK), which are in progress as on March 31, 2022, being receivable from / payable to GoK is shown in Note Nos. 5,9 and 19 in the Balance Sheet.

**32.16 Statement of Preparatory works/Projects undertaken by the company, on behalf of GoK, which are executed through DMRC**
**Amount (Rs. In Lakhs)**

Sl. No.	Particulars of the Preparatory work / project undertaken and completed	Order from GoK according administrative sanction	Approved project cost	Fund received till 31.03.2022		Amount Expended till 31.03.2022	
				Source of fund	Amount received		Total
1	Preparatory works	G.O.(MS) No. 110/2013/Trans dated 07-12-2013	242 47.00	GoK	220 45.27	220 45.27	197 40.50
2	Pachalam Rail Over Bridge (ROB)	G.O.(Ms) No. 23/2014/Trans dated 05/03/2014 and G.O.(Ms) No.56/2014/Trans dated 24/07/2014	52 59.00	GoK	52 59.00	52 59.00	23 67.17
3	Edappally Flyover	G.O (Rt) No.714/2013/PWD dated 13/05/2013	108 77.00	Kerala Road Fund Board (KRFB)	34 43.55	34 43.55	35 28.25
4	Preparatory work for the Construction of the four lane Chambakkara Bridge	G.O(Ms) No. 68/2016/Trans dated 09/11/2016 and G.O(Ms) No. 64/2018/Trans dated 11/11/2018	38 36.44	GoK	27 00.00	37 36.00	37 09.75
				Loan from HUDCO	10 36.00		
	<b>Total</b>		<b>442 19.44</b>		<b>344 83.82</b>	<b>344 83.82</b>	<b>293 45.67</b>

The net balances of the above-mentioned Preparatory works and projects undertaken by the company, on behalf of Government of Kerala (GoK), which are executed through DMRC being receivable from / payable to GoK is shown in Note Nos 4, 9 and 19 in the Balance Sheet.



### 32.17 Particulars of Advance received from Government of Kerala towards preparatory and other project works available as on 31<sup>st</sup> March 2022.

*Amount (Rs. In Lakhs)*

Particulars	As on	As on
	31-Mar-22	31-Mar-21
Preparatory works of the new metro line -- Kakkanad Via Info Park	0.00	19 24.06
Integrated Water Transport system	84 87.68	96 71.59
Five Preparatory works	25 34.04	25 34.04
Pachalam Works	28 91.83	28 92.43
Improvement of Edappally – High Court Road	18 04.09	18 04.09
Preparatory works from Kunnara to Petta	2 91.64	2 91.78
<b>Total</b>	<b>160 09.28</b>	<b>191 17.99</b>

### 32.18 Central Financial Assistance (CFA) from Ministry of Housing and Urban Affairs (MoHUA) and Government of Kerala (GoK)

The Company 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 31<sup>st</sup> March 2022, MoHUA has released its entire share and balance amount of Rs.45.35 lakhs is due from GoK, being their share of financial assistance.

During the year 2021-22, the company adjusted an amount of Nil (previous year Rs.32.61 lakhs) out of fund received vide G.O.(RT) No.192/2020/Trans dated 08.06.2020 and the net balance of Rs.12.74 lakhs is shown as Receivable from GoK.

### 32.19 Disclosure in respect of IND AS-12, “Income Taxes”

The Company has a deferred tax asset of Rs.554,58.39 lakhs as on 31.03.2022(31.03.2021 Rs. 538,31.49 lakhs), owing to the existence of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2022 is Rs.3,83,63.94 lakhs (31.03.2021, Rs.308,41.43 lakhs).

The net deferred tax asset as on 31.03.2022 is Rs.1,70,94.45 lakhs (31.03.2021, Rs.229,90.06 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 16.06.2022 in respect of the Financial Year 2021-22.

### **32.20 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 installed power plant with the capacity of 2.67 mw and accordingly received an amount of Rs.1,44.00 lakhs, being the 1<sup>st</sup> installment of the CFA, during the financial year 2015-16 and Rs.1,58.47 lakhs during the financial year 2018-19.

The supply, installation, testing and commissioning of the Solar PV power plants 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 has been fully disbursed to the developer.

The interest earned on funds, amounting to Rs.14.95 lakh, was transferred to MNRE on 24.09.2021, in accordance with the clause 6 of the MNRE letter dated 21.06.2016, which stipulates that the funds being released may be kept in the interest-bearing account and the interest accrued may be credited towards the government account.

### **32.21 Non–Motorized transport (NMT) initiatives in KMRL**

GoK, vide G.O.(Rt)No.24/2021/Trans dated 16.01.2021, accorded revised administrative sanction for the Non-motorized transport initiatives of the company for an amount of Rs. 239,00 lakhs i.e Rs.202,54 lakhs as Pass through assistance from Gol and Rs.36,46 lakhs as subordinate debt from GoK. NMT plan includes station-oriented development, major junction improvements and 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 Project on 27.12.2019. The funds shall be made available to the KMRL by Gol in INR, through GoK, 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 31<sup>st</sup> May and 30<sup>th</sup> November of each year. Repayment of the principal amount shall be in twenty equal half yearly installments and the first installment is due on 31<sup>st</sup> May, 2025 and the last installment shall be payable on 30<sup>th</sup> November 2034 by GoK.



During the year 2021-22, Nil (previous year Rs.24,46.67 lakhs) released to GoK through the Department of Economic Affairs.

The Govt. of Kerala released a cumulative amount of Rs.36,45 lakhs (upto previous year Rs 16,00 lakhs) towards towards Non-Motorised Transport (NMT) initiatives of the company.

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

During the year, an amount of Rs.NIL (previous year Nil) was capitalized out of the borrowing cost and an amount of Rs.143,19.31 lakhs (previous year Rs.153,90.48 Lakhs) and Rs.24,96.66 lakhs (previous year Rs.9,96.25 Lakhs) has been charged to revenue and CWIP, respectively, in line with the accounting policy on “Borrowing cost”.

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

*Amount (Rs. In Lakhs)*

Particulars	2021-22	2020-21
Net Profit /(Loss) for the year (Rs. in Lakhs)	(3 39 56.01)	(3 34 89.82)
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.)	(22.53)	(22.22)
Dilutive Earnings Per Share (Face value of Rs.100/-per share) (Rs)	(22.53)	(22.22)

### 32.24 Disclosure in respect of IND AS-1, “Presentation of financial statements”, IND AS 8,” Accounting policies, Changes in Accounting Estimates and Errors.

#### a. Capital Management

*Amount (Rs. in lakhs)*

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Total Debt	4 37 003.07	4 07 909.88
(b) Total Capital	2 55 187.62	2 54 069.40
(c ) Debt/ Equity ratio (a/b)	1.71	1.61



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**

The financial statements of the previous year were restated for the following reasons

(i) On account of updations in the value of operational assets taken over from DMRC pertaining to previous years, and value updation in the existing assets of KMRL, due to final settlement of contractor claims.

(ii) There were updations 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 and value of works relating to flood restoration works. Due to this, the financial statements of the previous year were restated.

The net impact of such restatements are summarized below,

**Amount (Rs. in lakhs)**

Particulars	Net Impact
(Increase) in Property, Plant and Equipment	11 36.36
(Increase) in Other Intangible Assets	9.64
(Increase) in Depreciation upto 2020-21	1 58.72
(Increase) in Other Financial Liabilities (Current)	(13 04.72)
(Increase) in Capital Work –In -Progress	41.25
(Decrease) in Other Expenses	(41.25)
(Decrease) in Other Equity	(1 17.47)
(Decrease) in Earnings per Equity share	0.03

**32.25 Disclosure in respect of Indian Accounting Standard (Ind AS)-8 “Accounting Policies, Changes in Accounting Estimates and Errors”**

Buildings, CCTV and Solar panels, were hitherto depreciated over a period of 30 years, 18 years and 15 years , respectively. During the year, the useful life of these assets has been reviewed by the Company and determined as 60 years,6 years and 25 years respectively, on the basis of technical assessment by independent valuers. Accordingly, the Company has



now depreciated such assets over a period of 60 years, 6 years and 25 years, in line with the useful life determined based on technical assessment.

Consequently, depreciation expense for the year is lower by Rs.29,76.34 Lakhs on this account and WDV of Property, Plant & Equipment (PPE) is higher to that extent.

### 32.26 Disclosure in respect of IND AS-116, “Leases”

**32.26.1** 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.34.94 Lakhs (P.Y. Rs.39.26 Lakhs) and the lease rent so paid is included under the head Expenditure-Staff welfare expenses.

The company has taken on lease vacant land from Kerala State Housing Board for providing parking facility for a period of 5 years.

The changes in the carrying value of ROU assets for the year ended March 31, 2022 as below:

*Amount (Rs. in lakhs)*

Particulars	During the year 2021-22	During the year 2020-21
Balance at the Beginning	23.35	-
Addition	-	25.08
Deletion	-	-
Depreciation	5.01	1.73
<b>Balance at the end</b>	<b>18.34</b>	<b>23.35</b>

The movement in lease liabilities is as follows:

*Amount (Rs. in lakhs)*

Particulars	During the year 2021-22	During the year 2020-21
Balance at the Beginning	23.26	-
Additions	-	24.61
Finance cost accrued during the period	1.97	0.77
Payment of lease liabilities	(6.12)	(2.12)
<b>Balance at the end</b>	<b>19.11</b>	<b>23.26</b>





The breakup of current and non-current lease liabilities as at March 31, 2022 is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Current Lease liabilities	14.57	19.11
Non -Current Lease liabilities	4.54	4.15
<b>Total</b>	<b>19.11</b>	<b>23.26</b>

**32.26.2** 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 2022	As at 31st March 2021
Not later than one year	8 34.60	3 92.36
Later than one year and up to five years	36 14.28	20 81.73
Beyond five years	48 61.27	22 44.18

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

#### 32.27.1 Key Management persons:

**32.27.1.1** Shri Durga Shanker Mishra, ( Chairman till 31<sup>st</sup> December 2021 )

**32.27.1.2** Shri Manoj Joshi , ( Chairman from 10<sup>th</sup> January 2022 )

**32.27.1.3** Smt Sujatha Jayaraj, (Nominee Director till 16<sup>th</sup> May 2022)

**32.27.1.4** Smt Namita Mehrotra, (Nominee Director from 30<sup>th</sup> May 2022)

**32.27.1.5** Shri Jaideep, (Nominee Director)

**32.27.1.6** Shri D.K. Saini, (Nominee Director)

**32.27.1.7** Dr. V.P. Joy, (Nominee Director from 29<sup>th</sup> April 2021)

**32.27.1.8** Shri Rajesh Kumar Singh, (Nominee Director)

**32.27.1.9** Shri Alkesh Kumar Sharma (Managing Director till 7<sup>th</sup> April 2021)



**32.27.1.10** Shri K.R. Jyothilal, (Nominee Director and additional charge as Managing Director from 7<sup>th</sup> April 2021 till 27<sup>th</sup> August 2021)

**32.27.1.11** Shri Loknath Behera, (Managing Director from 27<sup>th</sup> August 2021)

**32.27.1.12** Shri S. Suhas, (Nominee Director till 7<sup>th</sup> July 2021)

**32.27.1.13** Shri Jafar Malik (Nominee Director from 2<sup>nd</sup> August 2021)

**32.27.1.14** Shri Bhupender Singh Bodh, (Nominee Director)

**32.27.1.15** Shri Kumar K R (Director-Finance till 31<sup>st</sup> May 2022)

**32.27.1.16** Smt Annapoorani S, (Director-Finance from 13<sup>th</sup> June 2022)

**32.27.1.17** Shri D K Sinha (Director- System)

**32.27.1.18** Shri Thiruman Archunan (Director-Projects till 1<sup>st</sup> June 2021)

**32.27.1.19** Dr. M. P. Ramnavas, (Director-Projects from 28<sup>th</sup> June 2022)

**32.27.1.20** Shri Shyam Sunder Agrawal (Company Secretary)

**32.27.2 Particulars of companies where significant influence exists and with whom the company had transactions**

**32.27.2.1** Kochi Water Metro Limited (Associate company).

**32.27.3 Disclosure of transactions of the company with Key managerial persons:**

*Amount (Rs. in lakh)*

Sl.No	Particulars	2021-22	2020-21
1	Salaries & Allowances	1 37.15	1 79.73
2	Contributions to Provident Fund and others	10.74	16.11
3	Other benefits	22.59	13.72
	<b>Total (included in employee cost)</b>	<b>170.48</b>	<b>209.56</b>

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

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

**32.27.4 Disclosure of transactions of the company with companies:**

During the financial year, company paid Rs.127.40 Lakhs to Kochi Water Metro Limited as equity contribution. The company has entered into an agreement with Kochi Water Metro Limited (KWML), for the leasing of property, for a period of 5 years. The company incurred



preliminary expenses for incorporation and miscellaneous expenses, and is recognized as receivable from KWML, as on 31<sup>st</sup> March 2022.

*Amount (Rs. in lakh)*

Particulars	2021-22	2020-21
Equity Contribution	127.40	
<b>Non-fare box revenue</b>		
- License fees	0.10	0.00
<b>Reimbursement of expenses</b>		
- Preliminary expenses	8.24	0.00
- Miscellaneous	0.60	0.00
<b>Total (receivable from KWML)</b>	<b>8.94</b>	<b>0.00</b>

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

Impairment loss on asset is recognized for an amount of Rs. NIL (previous year Nil) during the year (also refer note no. 32.37).

### 32.29 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 01.04.2021	Additions/ transfer / utilization during the year	Closing balance as on 31.03.2022
<b>Provisions</b>	46 42.22	19 28.61	65 70.83
<b>Contingent liabilities</b>			
A. Towards Kochi Metro Rail Project			
i. Land acquisition related claims	186 54.87	95 51.00	282 05.87
ii. State Industrial Security Force (SISF)*	20 49.39	20 49.39	0.00



iii. Establishment and contingency charges to District Collector**	52 92.54	34 77.02	87 69.57
iv. Arbitration claims	64 43.18	15.24	64 58.42
v. Others	50 94.12	91 36.79	142 30.91
B. Towards preparatory works under taken by KMRL on behalf of Government of Kerala (GoK)	140 73.54	49 57.06	190 30.60
C. On account of Guarantees given by Bank	1 41.95	1.10	1 43.05
D. Statutory Authorities	81.24	6 16.49	6 95.73
<b>Contingent Asset ***</b>	10 91.08	10 91.08	-

\* GoK vide G.O.(Ms)No.132/2022/HOME dated 02.07.2022, accorded approval for exempting “Bill of Cost” condition, to the company, on providing security by Kerala Police-State Industrial Security Force (SISF), until year 2025.

\*\* Excluding amount claimed towards Establishment and contingency charges by the District Collector, relating to preparatory works, as land for preparatory work is acquired in the name of the State Government.

\*\*\* The claim towards GST Rs.10,91.08 lakhs, was approved for payment by the insurer during the year 2021-22.

As on 31st March 2022, 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.282,05.87 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.190,30.60 lakhs is also included under Contingent liabilities.

For the remaining cases, the claim statements are yet to be filed by the petitioners and hence the company 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.



Under Rule 4(2) & Rule 4(3) of the Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation Resettlement (Kerala) Rule 2015, establishment charges and contingency at the rate of 30% and 5% respectively of the land acquisition cost, shall be paid in advance to the District Collector. Since the land acquisition is the obligation of GoK as per MOU dated 04.11.2013 between GOI, GOK and KMRL, KMRL has on various occasions requested waiver of such establishment charges and contingency from the Revenue Department. Pending such confirmation, amount (net of advance/provision, if any) on account of establishment charges and contingency, is included under Contingent liabilities.

### 32.30 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act 2013, a company meeting the certain threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Though CSR provisions are applicable to KMRL, owing to the losses incurred the Company is not required to spend any amount mandatorily on CSR. Hence, the company has not incurred expenditure for CSR activities.

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

#### 32.31.1 Financial Instruments by categories

*Amount (Rs. In Lakhs)*

Particulars	As at 31st March 2022			As at 31st March 2021		
	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI
<b>Financial Assets</b>						
Other financial assets (refer note no. 5 & 10)	8 94 06.93	-	-	8 15 97.53	-	-
Trade receivables (Ref Note 8)	10 80.80	-	-	9 65.09	-	-
<b>Total</b>	<b>9 04 87.73</b>	<b>-</b>	<b>-</b>	<b>8 25 62.62</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings (refer note no. 14A&19 A)	43 70 03.07	-	-	40 79 09.88	-	-
Other financial liabilities (refer note no. 15 & 21)	4 24 11.85	-	-	4 68 81.69	-	-
<b>Total</b>	<b>47 94 14.92</b>	<b>-</b>	<b>-</b>	<b>45 47 91.57</b>	<b>-</b>	<b>-</b>



### 32.31.2 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;

#### a. 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.

#### b. 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.

#### c. 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 and 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.

**d. Credit risk management**

i. Trade Receivables

The company has outstanding trade receivables (gross) amounting to Rs.12,53.77 Lakhs and Rs.11,38.06 Lakhs as of March 31, 2022 and March 31, 2021, 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.

ii. Other financial assets

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

**e. 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.1,72.97 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		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	As at 31st March 2022	5 05.55	1 30.38	3 17.59	30.27	2 69.98	12 53.77
	As at 31st March 2021	1 48.99	1 49.38	3 99.60	4 37.64	2.45	11 38.06
Less: Allowance for credit Loss	As at 31st March 2022						1 72.97
	As at 31st March 2021						1 72.97



Total trade receivables	As at 31st March 2022						<b>10 80.80</b>
	As at 31st March 2021						<b>9 65.09</b>

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.1,72.97 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.

### **32.32 Disclosure in respect of Ind AS -108, “Operating Segments”**

The Company has only one reportable business segment, which is implementing the construction, operation and maintenance of a Metro Rail facility in the city of Kochi and operates in a single operating segment based on nature of services, the risks and returns, the organization structure and internal financial reporting system. All other activities of the Company revolve around this main business. Other operating revenues including consultancy income and 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.

As per Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker monitors and reviews the operating result of the whole company as one segment. The Company’s sole operating segment is therefore “Metro Operations”. Thus, as identified in Ind AS 108 “Operating Segments” the company’s entire business falls under one operation segment and hence no additional disclosures are to be provided under Ind AS 108.





**32.33 Disclosure in respect of Capital and other commitments**
*Amount (Rs. in lakh)*

Capital and other commitments	As at 31.03.2022	As at 31.03.2021
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.	30 38.72	14 51.08
Estimated amount of contracts entered into by KMRL contracts (net of advances) remaining to be executed and not provided for		
a. Tangible asset	3 30 72.94	4 81 54.82
<b>Total</b>	<b>3 61 11.66</b>	<b>4 96 05.90</b>

**32.34** The Company has a system of obtaining periodic confirmation of balances of banks and other parties. There are no unconfirmed balances in respect of bank accounts.

With regard to trade receivables, the Company sends regular invoices/confirmation letters to the customers and provisions are made when there is uncertainty of realization irrespective of the period of dues and written off when unrealisability is established.

So far as trade/other payables and loans and advances are concerned, balance confirmation letters were sent to the parties. Some of the balances are subject to confirmation/ reconciliation, adjustments, if any, will be accounted for on confirmation/reconciliation, which in the opinion of the management will not have a material impact.

**32.35 Dues to Micro , Medium and Small enterprises**

As at March 31, 2022, an amount of Rs.10,97.61 lakhs (previous year, Rs.1,03.40 lakhs) is outstanding but not due to micro, small and medium enterprises. There are no interests due or outstanding on the same.



**Amount Payable To Micro, Medium and Small Enterprises**
*Amount (Rs. in lakh)*

Particulars	As at March 31, 2022	As at March 31, 2021
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	Nil
Interest due on above	Nil	Nil
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
<b>Total</b>	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.



**Trade Payables ageing schedule**
*Amount (Rs. in lakh)*

Particulars	Period	Less than One year *	1-2 years	2-3 years	More than 3 years	Total
MSME	As at 31.03.2022	0.05	NIL	NIL	NIL	0.05
	As at 31.03.2021	0.35	NIL	NIL	NIL	0.35
Others	As at 31.03.2022	1 66.89	29.47	0.72	0.46	1 97.54
	As at 31.03.2021	1 78.26	0.07	0.73	0.19	1 79.25
Disputed dues - MSME	As at 31.03.2022	NIL	NIL	NIL	NIL	NIL
	As at 31.03.2021	NIL	NIL	NIL	NIL	NIL
Disputed dues – Others	As at 31.03.2022	NIL	NIL	NIL	NIL	NIL
	As at 31.03.2021	NIL	NIL	NIL	NIL	NIL

\* Includes amount which are not due.

**Unbilled dues**
*Amount (Rs. in lakh)*

Particulars	Period	Less than One year/Not due	1-2 years	2-3 years	More than 3 years	Total
Unbilled dues	As at 31.03.2022	7 50.71	NIL	NIL	NIL	7 50.71
	As at 31.03.2021	12 94.26	NIL	NIL	NIL	12 94.26

**32.36 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES**

During the year 2021-22, KMRL invested Rs.1,27.40 lakhs (1,27,400 shares of Rs.100/- each) towards equity share of 26% in Kochi Water Metro Limited.

The associate company which are included in the Consolidation and the Company's holding therein is as below:

Name of company	Kochi Water Metro Limited
Principal place of business	Kochi, India
% of holding as at 31.03.2022	26%



The financial information in respect of the Company's associates that are accounted for using the equity method is set forth below.

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments of Kochi Water Metro Limited ( At cost)	127.40	-
Less: Company's share of total comprehensive income in associates	(1.19)	-
Total	126.21	-

**Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures**

**Associate -Indian (Investment as per the equity method)**

Name of enterprise		Kochi Water Metro Limited
Net Assets, i.e. total assets minus total liabilities	As % of Consolidated net assets	<b>(0.0004)%</b>
	Amount ( Rs. Lakhs)	<b>(1.19)</b>
Share in profit or loss	As % of Consolidated profit or loss	<b>(0.0035)%</b>
	Amount ( Rs. Lakhs)	<b>(1.19)</b>
Share in other comprehensive income	As % of consolidated other comprehensive income	-
	Amount ( Rs. Lakhs)	-
Share in total comprehensive income	As % of total comprehensive income	<b>(0.0035)%</b>
	Amount ( Rs. Lakhs)	<b>(1.19)</b>

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

During the year 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, for the period from 15th August 2018 till 20th August 2018. 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 restored are capitalized in the books.

During the year 2020-21, the insurer approved the claims of the company for an amount of Rs.71,34.74 lakhs, excluding GST and accordingly, the company recognized an income of Rs.71,34.74 lakhs in the year 2020-21. The claim towards GST, Rs.10,91.08 lakhs, was



approved for payment during the year 2021-22 and the same is recognized as income under “Other Income”.

### 32.38 Recent accounting pronouncements

The Ministry of Corporate Affairs (“MCA”) has notified Companies (Indian Accounting Standards) Amendment Rules 2022 dated 23 March 2022 to amend the following Ind AS which are effective from 01 April, 2022.

(i) Onerous contracts – Cost of fulfilling a contract – Ind AS 37

The amendment to Ind AS 37 specify which cost an entity needs to include when assessing whether a contract is onerous or loss making.

(ii) Reference to conceptual framework – Ind AS 103

The amendments replaced the reference to the ICAI’s “framework for preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for financial Reporting under Indian Accounting Standards” without significantly changing its requirements.

(iii) Property, Plant and Equipment – Ind AS 16

The amendment modified paragraph 17 of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item of property, plant and equipment.

(iv) Financial Instruments – Ind AS 109

The amendment clarified the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

The amendments are effective for annual reporting period beginning on or after 1 April 2022. Based on its applicability, the company will evaluate the same, to give effect/disclosures, as required by law.

### 32.39 Other Statutory information

(i) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date (refer point no. 2.3 of Note No. 2 and 3, and Note no. 32.4).

(ii) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.



- (iii) The company has not been declared wilful defaulter by any bank or financial Institution or other lender during the financial year.
- (iv) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (vii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- (viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (ix) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (x) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (xi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### **32.40 Disclosure on Impact of Covid-19 in Metro Operations**

Significant disruptions have taken place worldwide due to the outbreak of Covid-19 Pandemic. Metro Rail operations of the Company along the Phase I stretch was suspended from 8<sup>th</sup> May 2021 till 30<sup>th</sup> June 2021 resulting in realisation of lower fare box and non-fare box revenue. Commercial operations of the metro resumed from 1<sup>st</sup> July 2021. The estimated loss of fare box revenue due to non-operation of metro is Rs.12,42 lakhs during the year 2021-22.



Further, the estimated loss of revenue due to waive off/concessions offered to the non-fare box customers during the year is Rs.2,45.02 lakhs. The company has not levied any interest/penalty on delayed payments from customers.

**32.41** Previous Year figures have been regrouped/re-arranged/reclassified, wherever necessary, to make them comparable to the current year's presentation and to confirm to the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021 as shown below;

a. Lease liabilities separately disclosed (Note 14.B and 19.B) under the head 'Financial Liabilities'.

**In terms of our report of even date attached.**

**For G.Joseph & Associates**  
**Chartered Accountants**  
**FRN: 006310S**  
**UDIN: 22211364AOBKQE3059**

**For and on behalf of the Board of Directors**

**Sd/-**  
**Umesh L Bhat**  
**Partner**  
**Membership No: 211364**

**Sd/-**  
**Loknath Behera**  
**Managing Director**  
**(DIN:09406020)**

**Sd/-**  
**Annapoorani.S**  
**Director (Finance) and CFO**  
**(DIN:09662978)**

**Sd/-**  
**Shyam Sunder Agrawal**  
**Company Secretary**

**Place: Kochi**  
**Date : 27.07.2022**

**Place: Kochi**  
**Date : 27.07.2022**





भारतीय लेखापरीक्षा एवं लेखा विभाग  
महानिदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, चेन्नै

*Indian Audit and Accounts Department*  
*Office of the Director General of Commercial Audit, Chennai*

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KOCHI METRO RAIL LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of consolidated financial statements of Kochi Metro Rail Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27.07.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Kochi Metro Rail Limited for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Kochi Water Metro limited. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

**A. Comments on Consolidated Financial Position**

**Balance Sheet as at 31 March 2022**

**1) Other Non - current assets – Rs.18660.63 lakh (Note 6)**

The above included an amount of Rs.105.91 lakh being the liquidated damages levied by Southern Railway for non-payment/ delay in payment of lease rent. Since the amount was paid towards liquidated damages, it has to be treated as expense. Inclusion of liquidated damages in 'Capital Advances' for project under Other Non-current assets instead of accounting as an expense resulted in understatement of Loss and overstatement of Other Non-current Assets by Rs.105.91 lakh.





**2) Current liabilities –Rs.61755.98 lakh**

**Lease Liability - Rs.4.54 Lakh (Note no 19 B)**

The above does not include an amount of Rs.74.70 lakh being the GST payable on the lease rent for land at Ernakulam South Railway station for the period from 01 November 2016 to 31 March 2019. KMRL has neither provided nor paid the statutory dues resulting in understatement of current liabilities and Capital work in progress by Rs.74.70 lakh.

**For and on behalf of the  
Comptroller & Auditor General of India**



**(DEVIKA NAYAR)**

**Director General of Commercial Audit, Chennai**

**Place: Chennai**

**Date: 06.10.2022**



**Reply / Explanation to the Comments of C&AG on the Consolidated Financial Statements**

**A. Comments on Consolidated Financial Position**

**Balance Sheet as at 31 March 2022**

**1) Other Non - current assets – Rs.18660.63 lakh (Note 6)**

<p>The above included an amount of Rs.105.91 lakh being the liquidated damages levied by Southern Railway for non-payment/ delay in payment of lease rent. Since the amount was paid towards liquidated damages, it has to be treated as expense.</p> <p>Inclusion of liquidated damages in 'Capital Advances' for project under Non-current asset instead of accounting as an expense resulted in understatement of Loss and overstatement of Other Non-current Assets by Rs.105.91 lakh.</p>	<p>The amount of Rs.105.91 lakhs, is the liquidated damages imposed by Southern Railway for delayed payment by DMRC (Delhi Metro Rail Corporation). DMRC as part of Phase I construction, had occupied the Southern Railway land at Ernakulam Junction. The company as part of its Phase I extension, approached the Southern Railway for permission to use Railway land admeasuring area 1804 sqm for the construction of Tripinithura metro station and viaduct. Southern Railway indicated an amount of Rs.612.10 lakh towards land permission charges and LD ( i.e Rs.506.19 lakh + Rs. 105.91 lakhs, respectively).</p> <p>The company requested Southern railway to deal the penalty issue due from DMRC separately, as the land was utilized by DMRC and the company is not a party to the transaction between DMRC and Railways. They were not willing to approve the land at Tripinithura, unless and until the payment of Rs.105.91 lakhs were made available. In order, not to delay the construction of Tripinithura metro works, payment was made under protest to the Southern Railway, without</p>
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	<p>prejudice to all the rights and remedies available to the company.</p> <p>The company has already appraised DMRC on the amount paid. Based on the outcome of the discussion with DMRC, the same will have to be recovered from DMRC. Hence it is grouped under Note 6- Other Non-current Assets as Capital Advance.</p> <p>Moreover, the expenditure is not related to any business transaction undertaken by the company and hence was not charged to Statement of Profit and Loss.</p>
<p><b>2) Current liabilities –Rs.61755.98 lakh</b>  <b>Lease Liability - Rs.4.54 Lakh (Note no 19 B)</b></p>	
<p>The above does not include an amount of Rs.74.70 lakh being the GST payable on the lease rent for land at Ernakulam South Railway station for the period from 01 November 2016 to 31 March 2019. KMRL has neither provided nor paid the statutory dues resulting in understatement of current liabilities and Capital work in progress by Rs.74.70 lakh.</p>	<p>The amount of Rs.74.70 lakhs referred by audit is the GST amount on the lease rent of land taken by DMRC at South railway station. The land was occupied by DMRC, for storage and construction purpose during the period 01.11.2016 to 31.03.2019. As per information available with the company, DMRC paid Rs.3.67 crore towards license fees and in the absence of tax invoice, GST was not paid. Provision towards GST Rs. 74.70 lakhs was not made in books, as the company is not a party to the transaction between Southern Railway and DMRC. The company is not required to make any provisions in accordance with the IND AS 37.</p> <p>The lease rent was paid by DMRC and taxes, if any has to be borne / paid by DMRC.</p>





KOCHI METRO RAIL LIMITED

# Kochi Metro Rail Limited

A joint venture of Government of India  
and Government of Kerala

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