KOLKATA METRO NETWORKS LIMITED
Balance Sheet as at 31st March, 2019

Particulars	Notes	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
ASSETS			
(1) Non-current assets			
(a) Financial assets			
(i) Investments	3	271,046,400	275,367,000
Total non-current assets		**271,046,400**	**275,367,000**
(2) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	4.1	987,996	204,063
(ii) Loans	4.2	24,760,727	24,760,727
(b) Current tax assets (net)	5	1,409,160	1,030,529
(c) Other current assets	6	-	8,095
Total current assets		**27,157,883**	**26,003,414**
TOTAL ASSETS		**298,204,283**	**301,370,414**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	7.1	170,500,000	170,500,000
(b) Other equity	7.2	84,801,317	84,170,906
Total equity		**255,301,317**	**254,670,906**
Liabilities			
(1) Non-current liabilities			
(a) Deferred tax liabilities (net)	8	12,051,766	12,555,030
Total non-current liabilities		**12,051,766**	**12,555,030**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	9.1	29,555,000	33,811,978
(ii) Other financial liabilities	9.2	-	207,910
(b) Other current liabilities	10	1,296,200	124,590
Total current liabilities		**30,851,200**	**34,144,478**
TOTAL LIABILITIES		**42,902,966**	**46,699,508**
TOTAL EQUITY AND LIABILITIES		**298,204,283**	**301,370,414**

The accompanying notes 1 to 21 are an integral part of these financial statements

As per our report of even date attached
For **P D Rungta & Co.**
Charetered Acountants
Firm registration no.: 001150C

P.D. RUNGTA & CO.
Chartered Accountants
KOLKATA

Harsh Satish Udeshi
Partner
Membership No.: 301889

Place: Kolkata
Date : 2nd May, 2019

For and on behalf of the Board of Directors
Kolkata Metro Networks Limited
CIN : U23209WB1989PLC047337

Vineet Garg
Director
DIN-06935347

A.K.Mukherjee
Director
DIN-01626598

Pulak Banerjee
Company Secretary
FCS - 3075

Vikash Khanna
CFO

Place: Kolkata
Date : 2nd May, 2019

Place: Kolkata
Date : 2nd May, 2019

KOLKATA METRO NETWORKS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2019

	Particulars	Notes	Year ended 31st March, 2019 Rs.	Year ended 31st March, 2018 Rs.
I	Revenue from operations	11	12,108,827	6,810,843
II	Other income	12	5,021,678	3,444,340
III	**Total income (I+II)**		**17,130,505**	**10,255,183**
IV	**Expenses**			
	Employee Benefit Expense	13	180,000	285,000
	Finance costs	14	389,251	714,924
	Other expenses	15	11,842,858	6,819,781
	Total expenses (IV)		**12,412,109**	**7,819,705**
V	**Profit before tax (III-IV)**		**4,718,396**	**2,435,478**
	Tax expense			
	- Current tax		270,649	212,191
	- Deferred tax [charge/(credit)]		-	-
	Total tax expense (VI)		**270,649**	**212,191**
VII	**Profit for the year (V-VI)**		**4,447,747**	**2,223,287**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss :			
	Changes in fair value of FVOCI equity instruments		(4,320,600)	35,625,000
	Income tax relating to these items		503,264	(4,230,421)
	Other comprehensive income for the year, net of tax (VIII)		**(3,817,336)**	**31,394,579**
IX	**Total comprehensive income for the period (VII+VIII)**		**630,411**	**33,617,866**
X	**Earnings per equity share: [Nominal value per share Rs.10 (Previous Year- Rs. 10)]**			
	Basic (Rs.)		0.26	0.13
	Diluted (Rs.)		0.26	0.13

The accompanying notes 1 to 21 are an integral part of these financial statements

As per our report of even date attached
For **P D Rungta & Co.**
Charetered Acountants
Firm registration no.: 001150C

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

Harsh Satish Udeshi
Partner
Membership No.301889

Place: Kolkata
Date: 2nd May, 2019

For and on behalf of the Board of Directors
Kolkata Metro Networks Limited
CIN : U23209WB1989PLC047337

Vineet Garg
Director
DIN-06935347

A.K.Mukherjee
Director
DIN-01626598

Pulak Banerjee
Company Secretary
FCS - 3075

Vikash Khanna
CFO

Place: Kolkata
Date: 2nd May, 2019

Place: Kolkata
Date: 2nd May, 2019

KOLKATA METRO NETWORKS LIMITED
Statement of Changes in Equity for the year ended 31 March, 2019
(All amounts in Rs, unless otherwise stated)

A. Equity share capital

Description	Note	Number of Shares	Amount Rs.
As at 1st April, 2017	7.1	17,050,000	170,500,000
Changes in equity share capital		-	-
As at 31st March, 2018	7.1	17,050,000	170,500,000
Changes in equity share capital		-	-
As at 31st March,2019		17,050,000	170,500,000

B. Other equity

Description	Reserve and surplus	Item of Other Comprehensive Income	Total Other Equity
	Retained Earnings	Equity Instruments through OCI	
Balance as at 1st April, 2017	(13,284,351)	63,837,391	50,553,040
Profit for the year	2,223,287	-	2,223,287
Other comprehensive income (net of tax)	-	31,394,579	31,394,579
Total comprehensive income for the year	**2,223,287**	**31,394,580**	**33,617,866**
Others	-	-	-
Balance at 31st March 2018	**(11,061,064)**	**95,231,970**	**84,170,906**

Description	Reserve and surplus	Item of Other Comprehensive Income	Total Other Equity
	Retained Earnings	Equity Instruments through OCI	
Balance as at 1st April, 2018	**(11,061,064)**	**95,231,970**	**84,170,906**
Profit for the year	4,447,747		4,447,747
Other comprehensive income (net of tax)	-	(3,817,336)	(3,817,336)
Total comprehensive income for the year	**4,447,747**	**(3,817,336)**	**630,411**
Others	-	-	-
Balance as at 31st March, 2019	**(6,613,317)**	**91,414,634**	**84,801,317**

The accompanying notes 1 to 21 are an integral part of these financial statements

As per our report of even date attached
For **P D Rungta & Co.**
Charetered Acountants
Firm registration no.: 001150C

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

Harsh Satish Udeshi
Partner
Membership No.301889

Place: Kolkata
Date: 2nd May, 2019

For and on behalf of the Board of Directors
Kolkata Metro Networks Limited
CIN : U23209WB1989PLC047337

Vineet Garg
Director
DIN-06935347

A.K.Mukherjee
Director
DIN-01626598

Pulak Banerjee
Company Secretary
FCS - 3075

Vikash Khanna
CFO

Place: Kolkata
Date: 2nd May, 2019

Place: Kolkata
Date: 2nd May, 2019

KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March,2019

1 Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its standalone financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these standalone financial statements.

(a) Basis of the Preparation of the Financial Statements

(i) Compliance with Ind AS

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

(ii) Basis of measurement

(a) Historical cost convention

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

(b) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (`the functional currency'). The financial statements are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

(iii) Current versus non-current classification

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

(b) Revenue Recognition

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method and applied the same to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 (b) "Revenue recognition" in the Company's financial statements for the year ended 31 March 2018 for the policies in effect for revenue prior to 1 April 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Licence Fees

- Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Revenue from related parties is recognised based on transaction price which is at arm's length.

Dividend Income

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

(c) Investments (Other than Investments in Subsidiaries) and Other Financial Assets

(i) Classification

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

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

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

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

(ii) Measurement

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

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

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

(iii) Impairment of Financial Assets

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

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

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

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

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

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

(v) Income Recognition

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

(vi) Fair Value of Financial Instruments

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

(d) Offsetting Financial Instruments

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

(e) Cash and Cash Equivalents

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

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

(f) **Trade and Other Payables**

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

(g) **Employee Benefits**

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

(h) **Income Tax**

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

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

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

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

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

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

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

(i) **Provisions and Contingencies**

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

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

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

(j) **Earnings per Share**

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing:

· the profit attributable to owners of the Company

· by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted Earnings per Share

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

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

(k) **Recent accounting pronouncements- Standard issued but not yet effective**

I Ind AS 116, Leases

¬The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Companys's finance leases.

ii. Leases in which the Company is a lessor

The Company will reassess the classification of sub-leases in which the Company is a lessor. Based on the information currently available, the Company expects that it will reclassify one sub-lease as a finance lease.

No significant impact is expected for other leases in which the Company is a lessor.

iii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

II Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)
The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.
The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

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

IV Ind AS 19 – Plan Amendment, Curtailment or Settlement
The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

V Ind AS 23 – Borrowing Costs
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

VI Ind AS 28 – Long-term Interests in Associates and Joint Ventures
The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

VII Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements
The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March,2019

3 Non-current Investments

Particulars	Face value of each unit	Number As at 31st March,2019	Number As at 31st March, 2018	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Investments carried at fair value through other comprehensive income					
Quoted - Fully Paid Equity Shares					
CESC Limited	Rs.10	2,85,000	2,85,000	**20,82,35,250**	27,53,67,000
CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	Rs.10	57,000	-	**3,54,51,150**	
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs.5	1,71,000	-	**2,73,60,000**	
Total non-current investments				**27,10,46,400**	27,53,67,000
Aggregate carrying vlaue of quoted investments and market value thereof				27,10,46,400	27,53,67,000
Aggregate provision for impairment in the value of investments				-	-

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March,2019

4 Financial assets (current)

4.1 Cash and Cash Equivalents

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Bank Balances		
Current Accounts	9,87,996	2,04,063
Total cash and cash equivalents	**9,87,996**	**2,04,063**

4.2 Loans and Advances

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Loans and Advances to Related Parties		
Unsecured, considered Good	2,47,60,727	2,47,60,727
Total loans and advances	**2,47,60,727**	**2,47,60,727**

5 Current Tax Assets (net)

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Advance payment of Income Tax and Tax Deducted at Source (net of Provision for Taxation Rs. 4,82,840 (31.03.18 Rs 2,12,191))	14,09,160	10,30,529
Total Current Tax Assets (net)	**14,09,160**	**10,30,529**

6 Other Current Assets

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Balances with Government Authorities	-	8,095
Total other current assets	-	**8,095**

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March,2019

7.1 Equity Share Capital

Particulars	As at 31st March,2019 Number of Shares	As at 31st March,2019 Rs.	As at 31st March, 2018 Number of Shares	As at 31st March, 2018 Rs.
Authorised				
Ordinary Shares of Rs.10 each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Issued				
Ordinary Shares of Rs.10 each	1,70,50,000	17,05,00,000	1,70,50,000	17,05,00,000
Subscribed and fully paid up				
Ordinary Shares of Rs.10 each	1,70,50,000	17,05,00,000	1,70,50,000	17,05,00,000

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31st March,2019 Number of Shares	As at 31st March,2019 Rs.	As at 31st March, 2018 Number of Shares	As at 31st March, 2018 Rs.
As at the beginning of the year	1,70,50,000	17,05,00,000	1,70,50,000	17,05,00,000
As at the end of the year	1,70,50,000	17,05,00,000	1,70,50,000	17,05,00,000

Rights, preferences and restrictions attached to shares

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

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

Shares held by holding company

Name of the Shareholder	As at 31st March,2019		As at 31st March, 2018	
	Number of shares held	Amount Rs.	Number of shares held	Amount Rs.
Saregama India Limited	1,70,50,000	17,05,00,000	1,70,50,000	17,05,00,000

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

Name of the Shareholder	As at 31st March,2019		As at 31st March, 2018	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Saregama India Limited	1,70,50,000	100%	1,70,50,000	100%

7.2 Other Equity

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Retained earnings	(66,13,317)	(1,10,61,064)
Equity Instrument through OCI	9,14,14,634	9,52,31,970
Total Other Equity	**8,48,01,317**	**8,41,70,906**

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

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Balance at the beginning of the year	(1,10,61,064)	(1,32,84,351)
Net profit for the period	44,47,747	22,23,287
Balance at the end of the year	**(66,13,317)**	**(1,10,61,064)**

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

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
FVOCI equity instruments		
Balance at the beginning of the year	9,52,31,970	6,38,37,391
Changes in fair value of FVOCI equity instruments during the year	(43,20,600)	3,56,25,000
Deferred tax	5,03,264	(42,30,421)
Balance at the end of the year	**9,14,14,634**	**9,52,31,970**

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March,2019

8 Deferred tax liability (net)

The balance comprises temporary differences attributable to:

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Deferred tax liability		
Fair Value changes on financial assets-equity instruments	1,20,51,766	1,25,55,030
Total deferred tax liability	**1,20,51,766**	**1,25,55,030**

9 Financial liabilities (Current)

9.1 Borrowings

Particulars	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Loans and Advances from Related Parties		
Unsecured, repayable on demand	-	42,56,978
Interest Accrued but not Payable	-	
Inter Corporate Deposits		
Unsecured, repayable on demand	2,95,55,000	2,95,55,000
Total Borrowings (Current)	**2,95,55,000**	**3,38,11,978**

9.2 Other financial liabilities

	As at 31st March,2019	As at 31st March, 2018
Employee Benefits Payable	-	2,07,910
Total Other Financial Liabilities	**-**	**2,07,910**

10 Other Current Liabilities

	As at 31st March,2019 Rs.	As at 31st March, 2018 Rs.
Amount Payable to Government Authorities	12,46,200	74,590
Provision for Expense	50,000	50,000
Total Other Current Liabilities	**12,96,200**	**1,24,590**

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

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

11 Revenue From Operations

	Year ended 31st March,2019 Rs.	Year ended 31st March, 2018 Rs.
Sale of Services		
Licence Fees	1,21,08,827	68,10,843
Total Revenue from Operations	**1,21,08,827**	**68,10,843**

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is diaggregated by primary geograpy market and timing of revenue recognition. The Company believes that this disaggregation best depicts how the nature, amount, timing of our revenues and cash flows are affected by geography and other economic factors :

	Licence Fees	
	Year ended 31st March,2019 Rs.	Year ended 31st March, 2018 Rs.
Revenue by Geography		
Domestic	1,21,08,827	68,10,843
International	-	-
	1,21,08,827	**68,10,843**
Timing of Revenue Recognition		
Products and services transferred at a point in time	**1,21,08,827**	**68,10,843**
Products and services transferred over time	-	-
Total Revenue from Contracts with customers	**1,21,08,827**	**68,10,843**

Contract balances relating to receivables, contract assets and contract liabilities from contracts with customers is Rs.Nil (31 March, 2018 Rs.Nil).

12 Other Income

	Year ended 31st March,2019 Rs.	Year ended 31st March, 2018 Rs.
Interest Income (Gross)		
- on Income Tax Refund	34,178	24,340
Dividend income from equity investments designated at fair value through Other Comprehensive Income*	49,87,500	34,20,000
Total Other Income	**50,21,678**	**34,44,340**

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

13 Employee Benefits Expense

	Year ended 31st March,2019 Rs.	Year ended 31st March, 2018 Rs.
Salaries and Wages	1,80,000	2,85,000
Total Employee Benefits Expense	**1,80,000**	**2,85,000**

14 Finance Cost

	Year ended 31st March,2019 Rs.	Year ended 31st March, 2018 Rs.
Interest Expenses	3,89,251	7,14,924
Total Finance Costs	**3,89,251**	**7,14,924**

15 Other Expenses

	Year ended 31st March,2019 Rs.	Year ended 31st March, 2018 Rs.
Royalties	1,15,03,386	67,06,336
Rates and Taxes	57,700	22,071
Legal/Consultancy Expenses	84,716	29,956
Payment to Auditors	50,000	50,000
Miscellaneous Expense	40,375	11,418
Advances written off	1,05,878	-
Bank charges	803	-
Total Other Expense	**1,18,42,858**	**68,19,781**

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March,2019

16 Income Tax Expenses

	Year ended 31st March,2019 (Rs.)	Year ended 31st March, 2018 (Rs.)
A. Amount Recognised in Profit or Loss		
Current Tax		
Current Tax on Profits for the Year	2,70,649	2,12,191
Adjustment for Current Tax of Earlier Years	-	-
Total Current Tax	**2,70,649**	2,12,191
Deferred Tax		
Decrease/ (Increase) in deferred tax assets	-	-
(Decrease)/ Increase in deferred tax liabilities	-	-
Total Deferred Tax Expense Charge/(Credit)	-	-
Total Income Tax Expense	**2,70,649**	2,12,191.00

B. Amount Recognised in Other Comprehensive Income

	Year ended 31st March,2019 (Rs.)	Year ended 31st March, 2018 (Rs.)
The tax (charge)/credit arising on income and expenses recognised in Other Comprehensive Income is as follows:		
Deferred Tax		
On items that will not be reclassified to profit or loss		
Fair Value of equity Investment through OCI	5,03,264	(42,30,421)
Total	**5,03,264**	**(42,30,421)**

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

	Year ended 31st March,2019 (Rs.)	Year ended 31st March, 2018 (Rs.)
Profit Before Tax	47,18,396	24,35,478
Income tax expense calculated @ 19.24% (2017- 19.055%)	9,07,819	4,64,080
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Income exempt from income taxes	(9,59,595)	(6,51,681)
Expenses not deductible for tax purposes	3,22,425	3,99,792
Income Tax Expense	**2,70,649**	**2,12,191**

The tax rate used in the above reconciliation for the year 2018-19 is the tax rate of 19.24% (18.50% + surcharge @ Nil% and education cess @ 4%) as against tax rate of 19.055% (18.50% + surcharge @ Nil% and education cess @ 3%) for the year 2017-18 payable on taxable profits under the Income Tax Act, 1961.

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March,2019

17 Related Party Disclosures in keeping with Ind AS 24

Name of the Related Party	Nature of Relationship
Composure Services Private Limited	Ultimate Holding Company w.e.f. 29th March,2017
Saregama India Limited (SIL)	Holding Company
RPG Global Music Limited (RPGG)	Fellow Subsidiary Company
Saregama Plc	Fellow Subsidiary Company
Open Media Network Praivate Limited	Fellow Subsidiary Company
Saregama Inc.	Fellow Subsidiary Company
Saregama FZE	Fellow Subsidiary Company

Particulars	Period	SIL Holding Company	RPGG Fellow Subsidiary
Transactions with related parties			
Interest Expense	Current Period	**3,89,251**	
	Previous Period	7,14,924	
Licence Fees (Income)	Current Period	**1,21,08,827**	-
	Previous Period	68,10,843	-
Repayment of Advance	Current Period	**46,79,953**	-
	Previous Period	34,32,750	-
Receipt towards Advance	Current Period	**4,22,975**	-
	Previous Period	**9,48,086**	
Balance outstanding at year end.			
Borrowings	Current Period	-	-
	Previous Period	42,56,978	-
Loans & Advances	Current Period	-	**2,47,60,727**
	Previous Period	-	2,47,60,727

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

18 Fair Value Measurements

(i) Financial Instruments by Category

		Note No	As at 31st March, 2019 Carrying Amount / Fair Value Rs.	As at 31st March, 2018 Carrying Amount / Fair Value Rs.
A.	**Financial Assets**			
(a)	**Measured at Fair Value through OCI**			
	Investments			
	Equity Instruments	3	27,10,46,400	27,53,67,000
	Sub total		**27,10,46,400**	**27,53,67,000**
(b)	**Measured at Amortised Cost**			
	Cash and cash equivalents	4.1	9,87,996	2,04,063
	Loans	4.2	2,47,60,727	2,47,60,727
	Sub total		**2,57,48,723**	**2,49,64,790**
	Total Financial Assets		**29,67,95,123**	**30,03,31,790**
B.	**Financial Liabilities**			
	Measured at Amortised Cost			
	Borrowings	9.1	2,95,55,000	3,38,11,978
	Trade payables	9.2	-	-
	Other financial liabilities	9.3	-	2,07,910
	Total Financial Liabilities		**2,95,55,000**	**3,40,19,888**

(ii) Fair Value Hierarchy

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

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

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade payables, other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.
There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Particulars	Fair Value Hierarchy Level	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
Financial Assets			
Measured at Fair Value through OCI			
Investments			
Equity Instruments (Quoted)	1	27,10,46,400	27,53,67,000
		27,10,46,400	**27,53,67,000**

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

19 Capital Management

(a) Risk Management

The Company's objectives when managing capital are to

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

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

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturit profile of overall debt portfolio of the Company.
Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises al components attributable to the owners of the Company

The following table summarises the capital of the Company:

	As at 31st March, 2019 Rs.	As a 31st March, 201 Rs
Total Borrowings	2,95,55,000	3,38,11,978
Less: Cash and Cash Equivalents	(9,87,996)	(2,04,063
Net Debt	**2,85,67,004**	**3,36,07,915**
Equity	**25,53,01,317**	**25,46,70,906**
Total Capital (Equity+ Net Debt)	**28,38,68,321**	**28,82,78,821**
Net Debt to Equity Ratio	**11.19%**	**13.20%**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March 2019 and 31st March, 2018.

20 Financial Risk Management

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

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

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

(A) Credit Risk

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

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company's exposure to trade receivables on the reporting date, stood at Rs. Nil (2018 – Rs. Nil).

Other Financial Assets

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

(B) Liquidity Risk

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

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

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

Non-derivative financial liabilities	**As at March 31, 2019 Rs.**	**As at March 31, 2018 Rs.**
(i) Borrowings including interest obligation	2,95,55,000	3,38,11,978
(ii) Trade payables	-	-
(iii) Other financial liabilities	-	2,07,910
	2,95,55,000	**3,40,19,888**

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

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

(C) Market Risk

(i) Foreign Currency Risk

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

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Company may enter into interest rate swaps.The exposure of the Company's financial liabilities as at 31st March 2019 to interest rate risk is Rs.29,555,000 (31st March, 2018 - Rs.33,811,978).

Increase/ decrease of 50 basis points (holiding all other variables constant) in interest rates at the balance sheet date would result in an impact (decrease/increase of finance cost) of Rs.147,775 and Rs.169,060 on profit before tax for the year ended 31st March, 2019 and 31st March, 2018 respectively.

(iii) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2019 is Rs. 2,71,046,400 (31st March , 2018 - Rs 2,75,367,000;). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

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

The accompanying notes 1 to 21 are an integral part of these financial statements

As per our report of even date attached
For **P D Rungta & Co.**
Charetered Acountants
Firm registration no.: 001150C

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

Harsh Satish Udeshi
Partner
Membership No.301889

For and on behalf of the Board of Directors
Kolkata Metro Networks Limited
CIN : U23209WB1989PLC047337

Vineet Garg
Director
DIN-06935347

A.K.Mukherjee
Director
DIN-01626598

Pulak Banerjee
Company Secretary
FCS - 3075

Vikash Khanna
CFO

Place: Kolkata
Date: 2nd May, 2019

Place: Kolkata
Date: 2nd May, 2019

Place: Kolkata
Date: 2nd May, 2019

KOLKATA METRO NETWORKS LIMITED

Statement of Cash Flows for the year ended 31st March, 2019

	Year Ended 31st March, 2019 Rs.		Year Ended 31st March, 2018 Rs.	
A. Cash Flow from Operating Activities				
Profit Before Tax		4,718,396		2,435,478
Adjustment for:				
Dividend Income	(4,987,500)		(3,420,000)	
Finance Expenses	389,251		714,924	
		(4,598,249)		(2,705,076
Operating profit before changes in operating assets and liabilities		**120,147**		**(269,598**
Changes in operating assets and liabilities				
Increase / (Decrease) in trade payables	-		(11,402)	
Increase / (Decrease) in Other financial liabilities	(207,910)		207,910	
Increase / (Decrease) in other current liabilities	1,171,610		(15,560)	
(Increase)/ Decrease in Other current assets	8,095		(8,095)	
		971,795		172,853
Cash Generated from Operations		**1,091,942**		**(96,745**
Direct Taxes (net of refund)		(649,280)		(72,700
Net cash used in Operating Activities		**442,662**		**(169,445**
B. Cash Flow from Investing Activities				
Dividend Income	4,987,500		3,420,000	
		4,987,500		3,420,000
Net Cash from Investing Activities		**5,430,162**		**3,250,555**
C. Cash Flow from Financing Activities				
Repayment of short term borrowings	(4,256,978)		(2,484,664)	
Interest Paid	(389,251)		(714,924)	
		(4,646,229)		(3,199,588
Net cash used in Financing Activities		**(4,646,229)**		**(3,199,588**
Net Increase in cash and cash equivalents (A+B+C)		**783,933**		**50,967**
Cash and Cash Equivalents at the beginning of the year (Refer Note: 4.1)		204,063		153,096
Cash and Cash Equivalents at the end of the year (Refer Note: 4.1)		**987,996**		**204,063**

Notes:

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

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

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

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

P.D. RUNGTA & CO. Chartered Accountants KOLKATA

Harsh Satish Udeshi
Partner
Membership No.301889

Place: Kolkata
Date : 2nd May, 2019

For and on behalf of the Board of Directors
Kolkata Metro Networks Limited
CIN : U23209WB1989PLC047337

Vineet Garg
Director
DIN-06935347

A.K.Mukherjee
Director
DIN-01626598

Pulak Banerjee
Company Secretary
FCS - 3075

Vikash Khanna
CFO