

**KERALA TRANSPORT
DEVELOPMENT FINANCE
CORPORATION LTD**

KTDFC



**ANNUAL REPORT
2018-19**

**KERALA TRANSPORT DEVELOPMENT FINANCE
CORPORATION LIMITED**

**ANNUAL REPORT
2018-19**

KEY MANAGERIAL PERSONNELS OF THE COMPANY

SHRI. DR. B. ASHOK IAS (PRINCIPAL SECRETARY - TRANSPORT DEPARTMENT GOVT. OF KERALA)	:	CHAIRMAN & MANAGING DIRECTOR
SHRI. V. HARI NAIR (SECRETARY-LAW DEPARTMENT GOVT. OF KERALA)	:	DIRECTOR
SHRI. FEROLD ZAVIER (ADDITIONAL SECRETARY-FINANCE DEPARTMENT GOVT. OF KERALA)	:	DIRECTOR
SMT. K.S. VIJAYASREE (JOINT SECRETARY-TRANSPORT DEPARTMENT GOVT. OF KERALA)	:	DIRECTOR
SHRI. DR. CHIDAMBARAIYER .J	:	COMPANY SECRETARY

STATUTORY AUDITORS

**M/S RANJIT KARTHIKEYAN ASSOCIATES
(SR 1018), 12/654 PRANAM, THAMPURANMUKKU,
VANCHIYOOR P.O
THIRUVANATHAPURAM-695035**

REGISTERED OFFICE

**KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED
LEVEL 8 (6TH FLOOR) TRANS TOWER, VAZHUTHACAUD,
THIRUVANATHAPURAM-695014
CIN: U65923KL1991SGC005985**

**KEY MANAGERIAL PERSONNELS
DURING THE FINANCIAL YEAR 2018-19**

SL NO	NAME	DESIGNATION	PERIOD
1	Shri. JYOTHILAL IAS	CHAIRMAN	1/08/2016-CONTINUING
2	Shri. B G HARINDRANATH	DIRECTOR	13/11/2015- CONTINUING
3	Shri. SANJEEV KOUSHIK IAS	DIRECTOR	15/05/2018- CONTINUING
4	Shri. MINHAJALAM IAS	DIRECTOR	25/07/2016-02/05/2018
5	Shri. RAHUL R IRS	MANAGING DIRECTOR	26/11/2017-CONTINUING
6	Shri. VIMAL S V	COMPANY SECRETARY	27/11/2017-CONTINUING

OUR BANKERS

STATE BANK OF INDIA

HDFC BANK

CANARA BANK

IDBI BANK

DISTRICT TREASURY

DHANALAKSHMI BANK

KERALA GRAMIN BANK

SOUTH INDIAN BANK

KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED

A Government of Kerala undertaking
(A Non Banking Financial Company registered under Reserve Bank of India)



Regd. Office : Level 8 (6th Floor), Trans Towers, Vazhuthacaud, Thiruvananthapuram - 695 014
Tel : 0471 - 232 6883, 232 7881, 232 7882, 232 1144, Fax : 0471-232 6884
E-mail : mail@ktdfc.com, Web : www.ktdfc.kerala.gov.in, CIN : U 65923 KL 1991 SGC005985

NOTICE

Notice is hereby given that the **28th** Adjourned Annual General Meeting of the Shareholders of the Company will be held as under

Day: **Tuesday**

Date: **28.09.2021**

Time: **4 P.M.**

Venue: KTDfC, Level 8 (6th Floor), Trans Towers, Thiruvananthapuram
(Registered Office of the Company)

To transact with or without modifications, as may be permissible, the following business:

Ordinary Business

1. To receive, consider and adopt the Financial Statements of the Company for the year ended **31st March, 2019** along with the comments of the Comptroller & Auditor General of India, Secretary (Finance- Expenditure) and replies thereto and the reports of Board of Directors and statutory auditors thereon.
2. To take note of the appointment of Statutory Auditors of the Company.

By the order of the board of
Kerala Transport Development Finance Corporation Limited

DR.CHIDAMBARAIYER.J

Company Secretary

Place Thiruvananthapuram

Date 31/08/2021

Note:

1. The accounts for the financial year 2019 20 are not ready to be placed before the Annual General Meeting. The Annual General Meeting will have to be adjourned to a future date as and when the annual accounts with the Directors Report and Audit report will be ready.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of Himself and the proxy need not be a member of the Company. The instrument appointing proxy should however be deposited at the Registered office of the Company not less than 48 hours from the commencement of the meeting.

Directors' Report

Dear Members,

Your Directors are pleased to present the Directors Report of **Kerala Transport Development Finance Corporation Limited** for the financial year 2018-19 on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2019.

1. Financial Results & Performance Review (In Rupees)

Financial Highlights	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Turnover and other receipts	1,40,31,64,673.00	1,67,35,42,421.00
Depreciation and amortization expenses	8,47,00,633	8,32,36,936
Total expenditure	4,66,43,03,579	1,66,02,56,331
Profit before tax	(3,26,11,38,905)	1,32,86,090.00
Current tax	0.00	24,34,354.00
Deferred tax	(84,80,86,628)	6,12,37,673.00
Profit / (Loss) for the year	(2,41,30,52,277)	2,40,71,360.00
Earnings per share	(5,505)	55

The Company is in its Twenty Ninth year of incorporation and earned a total revenue of Rs. 140.31 crores for the financial year 2018-19 as compared to a total revenue of Rs. 167.35 Crores during the previous year and incurred an expenditure of Rs. 466.43 crores including depreciation and amortization expenses Rs. 8.47 Crore for the current financial year. The total revenue for the financial year 2018-19 included income from Loans and rental income from BOT projects. The Board of Directors and the management of the company is making sincere efforts to increase the turnover of the company and is following a strategy based on enhancing the net worth of the company thus shareholders value in the company.

2. Dividend

The Directors have not proposed any dividend on the equity shares for the current financial year since the company has recorded loss for the financial year 2018-19.

3. Change in Nature of the Business

During the financial year 2018-19, there was no change in the nature of the business of the Company.

4. Amounts Transferred to Reserves

The Company has incurred a net loss of Rs 3,26,11,38,905 during the Financial Year. Hence the Board of the company has decided not to transfer any amount to any reserves and decided to retain its entire profit in the company's profit and loss account.

5. Share Capital of the Company

The authorized share capital of the Company as at March 31, 2019 is Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,000 (Five Lakhs) equity shares of Rs. 1000/- (Rupees Thousand only) each. The issued, subscribed and paid up share capital of the company as on the mentioned date is Rs. 43,83,00,000/- (Rupees Forty Three Crores Eighty Three Lakhs only) divided into 4,38,300 (Four Lakhs Thirty Eight Thousand Three Hundred) equity shares of Rs. 1000/- (Rupees Thousand only) each. There was no change in the capital structure of the company during financial year.

6. Directors

The Company is a State Government Company and the Directors were appointed by the State Government. The Board of Directors of the Company is duly constituted and the structure as at the end of the financial year is as follows:

Sl. No	Name	DIN	Designation	Residential Status/Category	No of Shares Held
1	Kalluvila Veedu Ravindran Jyothilal	01650017	Chairman	Resident	10
2	Sanjeev Kaushik	02842527	Director	Resident	10
3	Rahul Raghuvaran Pillai	06994483	Managing Director	Resident	10
4	Harindranath Balakrishnan Gourinandan	07212620	Director	Resident	10

The Company had held 6 Board meetings during the financial year. The dates on which the meetings were held, Number of Directors associated as on the date of meeting and the attendance of the Directors are as follows:

Date of Board Meetings	Total No of Directors associated as on the date of meeting	Number of directors attended
15/05/2018	4	3
09/08/2018	4	3
19/09/2018	4	4
29/11/2018	4	3
17/01/2019	4	3
22/01/2019	4	3

Attendance of Directors

Sl. No	Dates of Meetings	15/05/2018	09/08/2018	19/09/2018	29/11/2018	17/01/2019	22/01/2019
	Names of Directors						
1	Kalluvila Veedu Ravindran Jyothilal	P	P	P	P	P	P
2	Sanjeev Kaushik	A	A	P	P	A	A
3	Rahul Raghuvaran Pillai	P	P	P	P	P	P
4	Harindranath Balakrishnan Gourinandan	P	P	P	A	P	P

“P” means Present in the meeting and “A” means Absent from the meeting.

7. Key Managerial Personnel and their remuneration

Following are the details of Key Managerial Personnel during the period, appointed as per section 203 of the Companies Act 2013

Name	Designation
Rahul Raghuvaran Pillai	Managing Director
Vimal SV	Company Secretary

8. Particulars of Employees

During the period under review, no employee of the Company has received remuneration at a rate, which, in the aggregate was more than Rs. 8,50,000/- or more per month or Rs. 102,00,000/- or more per annum and no employee was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company and hence there was no requirement of a statement under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

9. Statutory Auditors and the Auditors report

Ranjit Karthikeyan Associates, Chartered Accountants, Thiruvananthapuram were appointed as the Statutory Auditors of the Company by Comptroller and Auditor General of India, as per section 139 (5) of the Companies Act 2013

The Report of the Auditors of the Company and notes to accounts are self-explanatory and therefore do not call for any further explanation. The reply for the comments/ qualifications of the statutory auditors is enclosed as addendum to Directors Report.

10. Audit by Comptroller and Auditor General of India

The audited financial statements for the period were submitted to the CAG as per section 143 (5) of the Companies Act 2013 for their supplementary audit. The CAG had issued their certificate and enclosed the same with this Directors Report as **Annexure I**

11. Public Deposits

The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company in the category ND-SI (Non Deposit Taking Systematically Important) and accepting deposits from public as per the guidelines issued by Reserve Bank of India from time to time. The repayment of Deposits accepted by the Company up to Rs.4500 crores, including interest accrued thereon is guaranteed by the Government of Kerala. Hence the deposits accepted by the Company does not come under the purview of acceptance of Public Deposits as per Companies Act 2013

12. Loans, Guarantees & Investments

The details of loans given and guarantees made within the meaning of Section 186 of the Companies Act 2013 and rules made there under are given in the notes to Financial Statements.

13. Subsidiaries, Joint Ventures & Associates

During the year, no Companies had become Subsidiaries, Joint ventures, and Associated Companies of the Company. This information may be considered as per Rule 8(5) of the Companies (Accounts) Rules, 2014.

14. Extract of Annual Return u/s 92

As required under Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return under Section 92 in the prescribed Form MGT-9 forms part of this report is available in company's online portal.

15. Contracts with Related Parties

The Particulars of Contracts or Arrangements with related Parties referred to in subsection (1) of section 188 entered by the Company during the Financial Year ended 31st March 2019 in based on the Governmental orders.

16. Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

During the Financial Year, there were no cases reported or filed regarding sexual harassment of women at workplace.

17. Fraud Reporting

During the Financial Year, there were no cases regarding fraud have been reported to the Board/Central Government.

18. Details of Significant & Material Orders Passed by the Regulators or Courts or Tribunal

There is no order in materials passed by the regulators or courts or tribunal.

19. Voluntary Revision of Financial Statements or Board's Report

There was no voluntary revision of Financial Statements or Board's Report in respect of preceding three financial years.

20. Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements

The Company has adequate internal control and process on place with respective Financial Statements which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements. These Controls and processes are driven through various policies, procedures and certification. The processes and controls are reviewed periodically. The Company has a mechanism of

testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

21. Risk Management

Pursuant to Section 134 (3) (n) of the Companies Act 2013, a Risk Management Policy has been laid down to identify the elements of risk associated with the functioning and threatening the existence of the Company.

22. Conservation of Energy, Technology Absorption

The Company has adopted adequate technologies for the Conservation of energy.

The Company has not carried out any activity relating to Research and Development and technology absorption, adaptation, and innovation.

23. Foreign Exchange Earnings & Outgo

The company has not earned or incurred any foreign currency from the export or import during the financial year 2018-19.

24. Corporate Governance

The Company has been complying with Principles of Good Corporate Governance over the years and is committed to the highest standards of compliances.

25. Directors' Responsibility Statement

In compliance to the provisions of Section 134 (5) of the Companies Act, 2013 your Directors wish to place on record:

- (i) that in preparing the annual accounts, all the applicable accounting standards have been followed and that there are no material departures.
- (ii) that the accounting policies are adopted and consistently followed and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- (iii) that proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud and irregularities.
- (iv) that the Annual Accounts have been prepared on going concern basis.
- (v) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating efficiently.

26. Appreciation

We take this opportunity to thank all employees for their contribution to the growth and success of your Company. We would also like to thank bankers, stakeholders, and business associates for their extended support during the year

On behalf of the board of Directors of
KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED


DR.B.ASHOK

CHAIRMAN AND MANAGING DIRECTOR

Place: Thiruvananthapuram

Date: 24th June, 2021

ADDENDUM TO THE DIRECTORS' REPORT

SL.NO.	COMMENTS OF STATUTORY AUDITOR	REPLY TO THE COMMENTS
I.	The method of accounting adopted for the purpose of BOT projects are not as per the accounting method adhering to the terms and conditions in the concerned government orders. Hence the income from leasing/expenditure on BOT operations included in the Statement of Profit & Loss Account neither the income nor the expenditure of the company	As per the comments of the Comptroller & Auditor General of India under Sec 143(6)(b) of the companies Act 2013 issued for the year ended 31st March 2018, Income from leasing is the rental income of the company from BOT projects which is derived after adjusting expenses and share of KSRTC from the same. Share of KSRTC is 50% of Net Income(i.e, Rental Income- Expenses). The method of accounting adopted has not been disclosed separately under accounting policies. Here in the above said Comments on disclosure of Comptroller & Auditor General is only pointing out the disclosure requirement and accepting that rental income is the income of the company. Moreover Since the receipt of rental income none of the Statutory Auditors had pointed out the income from leasing/expenditure on BOT operations included in the Statement of Profit & Loss Account neither the income nor the expenditure of the company. Hence the contention of Statutory Auditor FY-2018-19 is unjustifiable.
II.	The company has defaulted in transferring Rs.14.65Lakh to the Investor Education Protection Fund as per the provisions of Companies Act,2013.	In the 161 st Board Meeting held on 29.11.2018, decision has been taken to transfer the unclaimed deposits to Investor Education and Protection Fund. This was placed before the Annual General Meeting held on 28/03/2019 for approval and hence an amount of Rs.14.65 Lakh has been transferred to Investor Education Protection Fund on 01.06.2019 in compliance with the provisions of the Act. Hence the qualification made by the Statutory Auditor even after the act is done is not justifiable.
III.	The realisability of old outstanding receivables is doubtful for which adequate provisions are not made in the accounts due to lack of information.	KTDFC has the age wise analysis of outstanding receivable for more than 6 months as well as less than 6 months. Those receivable were aroused as part of our BOT projects and the same are still our existing tenants, so there is a chance of recoupment. Hence the said contention of Statutory Auditor is not valid.

IV.	The confirmation of balances for receivables on 31.03.2019 has not been obtained.	Obtaining confirmation of balance for receivables are impractical in case of KTDFC as the said receivables aroused as part of our BOT projects and moreover most of them are individual parties not being technically competent to provide such confirmations. However KTDFC maintains proper books of records and files for the tenants.
V	<p>Fixed deposit from public is Rs.976.25 Crore(in Note No.3.3 and Note No.3.7).This deposit, excluding the FD suspense and FD payable, comes to Rs.958.59 crore, which does not tally with the subsidiary ledger which shows a balance of Rs.959.06 crore. It was explained that the difference of Rs.0.47crore is not reconciled due to non-availability of data. In the absence of records we are not in a position to form an opinion on this.</p> <p>Further footnote(iv) of the Note 3.3 says that there is no default in repayment of deposits and interest there on, whereas foot note (v) says that Rs.33.15 Lakh shows under Suspense Account because of non-receipt of application from the concerned parties, i.e. depositors. In other words the repayment of principal and interest on deposit under Suspense Account is pending.</p>	<p>Since the FD term is only 5 years, there have been no claims from any depositors for the past 7 years. The amount of Rs.0.47Crore is due to duplication of data which cannot be reconciled due to the non-availability of detailed ledgers prior to 2011-12.</p> <p>The amount in FD suspense cannot be cleared or interest provided for till the depositors submitted the application for the said amount deposited.</p> <p>Moreover the said qualification was already raised in FY-2017-18. Before RBI & AG, KTDFC has given the same explanation and that the management in consultation with Statutory Auditor will take a decision as to the treatment of the amounts in the books of accounts for the FY-2019-20.</p> <p>We had provided the copy of explanatory statement submitted to the Statutory Auditor and even after going through the explanation; without providing/ recommending a solution the adverse opinion of the Statutory Auditor is not justifiable.</p>

VI.	<p>Other Long term liabilities (in Note No.3.4) of Rs.37.56 Crore include 'Sundry Creditors for Fixed Assets' of Rs.0.37Crore and "Trans tower expenses payable to Government of Kerala of Rs.5.83Lakh which are outstanding over a period of time in respect of which no confirmation was obtained. We are not in a position to form an opinion on the correctness of the amount & its nature due to lack of information and explanation.</p>	<p>Prior to 2011-12 KTDFC does not have the detailed ledgers. The said amount of Rs.0.37Crore is pending in the books of accounts since 2007-08. But out of which an amount of Rs.6,82,940/- is towards the payment of a contractor. Balance amount of to Rs.0.30Crore is an excess provision.</p> <p>In the case of Rs.5.83Lakh in 2007-08 as per the recommendation of Statutory Auditor the net rental income(Rent Income – Rental Expenses) was accounted as payable to Govt. of Kerala. But from 2008-09 the then newly appointed Statutory Auditor advised that since the BOT terms for Trans Tower was not yet finalized by Govt. provisions should not be made for net rental income. Hence the said amount is pending for the past 10 years.</p>
VII.	<p>Other Long Term Liability of Rs.8.24 crore(in Note No.3.4) includes Rs.4.18 Lakh which represents excess tax deducted and remitted by various parties from taxable payments made to the company for the previous years in respect of which credit has been availed in the Income Tax return for that year but no adjustments have been made in the books of accounts.</p>	<p>The amount of Rs.4.18Lakh represents the excess TDS remittance by our bankers on the Interest of Term Deposits made with them during the FY-2015-16, in respect of which we had availed the credits in the Income Tax return of that year itself but no adjustments have been made in the books of accounts.</p> <p>Moreover the said qualification was already raised in FY-2017-18. Before RBI & AG, KTDFC has given the same explanation and that the management in consultation with Statutory Auditor will take a decision as to the treatment of the amounts in the books of accounts for the FY-2019-20.</p> <p>We had provided the copy of explanatory statement submitted to the Statutory Auditor and even after going through the explanation; without providing/ recommending a solution the adverse opinion of the Statutory Auditor is not justifiable.</p>
VIII.	<p>The Suspense Account balance of Rs.20.16 Lakh(in Note No.3.4) not adjusted or transferred to respective heads due to lack of necessary supporting evidences and it includes transactions with various banks and Kerala Building and Construction Workers Welfare which are subject to</p>	<p>The Suspense Account balance represents the major portion relating to the amount received from our tenants as well as FD suspense. The reason for FD suspense is due to the non-submission of application and KYC details of FD holder at the time of transferring the amount to our bank account maintained exclusively for the purpose of FD mobilization, as a result of</p>

	clearance(Refer Note No.4.2.i). In the absence of relevant records we are not in a position to form an opinion on the above.	that we are forced to book these amounts to a separate ledger called "FD Suspense". Whereas in case of tenants the amount may be transferred or deposited in cash by self without intimating us, so we could not be able to identify the amounts. However our earnest efforts are being made to clear the suspense amounts through bank reconciliation and follow up of transactions with Bank officials. Further KTDFC is in consultation with various Bank to provide a module for rent collection whereby a portal will be created to facilitate online payments and reconciliation of monthly rental income.
IX.	The liability in respect of gratuity and encashment of earned leave to the employees are not provided as per Accounting Standard 15 on 'Employee Benefits' (Refer Note No.4.3.i). We are not in a position to comment on the adequacy of the provision of the above accounts.	Since KTDFC has only 9 permanent employees. AS-15 is not followed for valuation purpose. KTDFC has computed employee benefits as per the rules of Gratuity Act 1972.
X.	Other Liabilities of Rs.102.96 Lakh(in Note No.3.7) include credit balance in the various loan accounts, amounting to Rs.12.77 Lakh. This is yet to be reconciled with the subsidiary ledgers. In the absence of relevant papers we are not in a position to make opinion on the same	During the FY-2017-18 there are 361 loans with credit balance amounting to Rs.3.01Crores. Out of which loan amounting to Rs.19.61Lakhs is considered as income for the FY-2018-19 with the approval of board for those loans having no transaction for the past 3 years. The balance amounting to Rs.12.77Lakhs for 106 loans for which files are available with KTDFC.
XI.	The correctness of the "Statutory Liabilities" of Rs.391.44 Lakh(in Note No.3.7) is not verifiable due to the lack of supporting documents. Interest on such statutory liabilities are not worked out and accounted.	The correctness of the "Statutory Liabilities" of Rs.391.44Lakh is verifiable. Out of Rs.391.44 Lakh an amount of Rs.369.64Lakh is due on 31 st March 2019 and it is paid in the subsequent month complying with the due dates of viz, TDS, GST, PF, ESI etc. on 7 th April, 20 th April & 15 th April 2019 respectively. Apart from that an amount of Rs.9.47Lakhs is pertaining to Service Tax liability for the FY-2016-17. This amount might be due to duplication of data which cannot be reconciled due to the bulk payment of service tax in single challan and an amount of Rs.12.32Lakhs pertaining to the Service Tax liability towards "Centage Charges" of Tagore Theater, which can be payable only upon the receipt of such payment received from I & PRD. Hence the contention of Statutory Auditor regarding its verifiability is unjustifiable.

XII.	Interest accrued but not due has not been classified into current and non-current liabilities.	Interest accrued but not due is available as current and non-current liabilities. Statutory Auditor has not considered the split up.
XIII.	Loan outstanding against KSRTC (in Note No.3.11 & 3.15) amounting to Rs.598.21 Crore is subject to reconciliation with repayment schedule and supporting documents. The amount of loan receivable from KSRTC(in Note No.3.11) amounting to Rs.119.65Crore is wrongly disclosed as "Receivable from Government of Kerala"	Supporting documents are available for all loans of KSRTC. Govt. of Kerala vide G.O.(Rt) No.130/2018/Trans Dtd.27.03.2018 has stated "the approval of all the terms and conditions regarding the erstwhile loan outstanding with KSRTC either to settle the outstanding loan by KSRTC or to be taken over by Govt. of Kerala". Relying upon the above said G.O the name of the Ledger account representing the pending outstanding loans of KSRTC was named as "Receivable from Government of Kerala". If the Statutory Auditor had recommended, KTDFC would have altered the ledger name.
XIV.	Construction Loan, Housing Loan, Vehicle Loan, Personal Loan & other loan totaling to Rs.56.32Crore disclosed under 'Long Term Loans & Advance'(in Note No.3.11) and Rs.0.17Crore as 'Current Maturities of Loan Assets' (in Note No.3.15) are subject to confirmation	Obtaining confirmation of balance for loans are impractical in case of KTDFC as the said loans were aroused as part of our KTDFC banking business and moreover most of them are individual parties not being technically competent to provide such confirmations. However KTDFC maintains proper books of records and files for the said loans.
XV.	Other Non-Current Assets (in Note No.3.12) includes an amount Rs.1.29Lakh towards Long Term Trade Receivable which are categorized as Doubtful against which no provision was made during the current year.	Out of Rs.1.29Lakh we have provided for Rs.0.63Lakh FY-2018-19 and the balance amounting to Rs.0.66Lakh consists of Rs.0.19Lakh against "M.R.Sunil" and Rs.0.47Lakh is against the tenant "Kerala Road Safety Authority" who are still our continuing tenants so there may be a chance of recoupment in the FY-2019-20.
XVI.	Other Current Asset Rs.1.01Crore (in Note No.3.16) include Rs.9.26Lakh being the balance in TDS(Interest on FD) relating to earlier years and Rs.4.21Lakh being excess TDS recovered from deposit holders for which details are not available and hence adjustments are not made in the books of accounts.	These amounts are due to duplication of data which cannot be reconciled due to error of principle by posting current year TDS along with Arrear TDS to be recoverable from the Deposit holders pertaining to the FY-2014-15 & 2015-16. Reconciliation is not possible as current year bulk positing is done.
XVII.	The Company has not accounted the penal interest on belated receipt of monthly lease rent from tenants, contrary to lease agreements entered into with lessees, the amount of which is not ascertainable for want of supporting information.	The penal interest is accounted on receipt basis as followed in NPA provisioning.

XVIII	<p>The annuity payable to KSRTC from April to Sept-2018 is worked out and paid. However, the same is not as per the terms and conditions of the concerned government order. The annuity from the period commencing from Oct to Mar-2019 is not accounted.</p>	<p>As per GO No.42/2007/Tran, the BOT Operator(KTDFC) shall pay KSRTC an operating fee (Annuity) @ 50% of the net monthly income(income after deducting all expenses related to operation and maintenance of the building, rate of which will be fixed on agreement between KSRTC & KTDFC) During the financial year 2018-19 an External Chartered Accountant has appointed to compute the Annuity payable to KSRTC as on 30/09/2018 and the same is charged in the financial statements of the FY-2018-19. The certification was done on the basis of unaudited figures as on 30/09/2018. Once the audit is complete, the final certificate will be done for 2018-19 and the provision will be given in the books of accounts in that relevant year.</p>
XIX.	<p>As per the Government order Company had to pay the guarantee commission to Government of Kerala in two equal installments, on 1st April & 1st Oct of every financial year. Simple Interest at 12 percent will be charges for the defaulted payments w.e.f the due date of payments. The company defaulted the payment due on 01.10.2018. The said simple interest at 12 percent for the defaulted payment is not accounted.</p>	<p>Due to financial stringency faced by KTDFC during the period of Oct 2018- Feb 2019 the company was not in position to pay off the guarantee commission payable against FD accepted by KTDFC. Since earlier years there is a balance of excess guarantee commission paid to Govt. of Kerala amounting to Rs.58Lakhs and more over no further steps have been taken from the part of Govt. of Kerala to reconcile it to confirm the balance. KTDFC will adjust the interest on default if demanded by Govt. of Kerala or against the EDI difference guaranteed by Govt. of Kerala against consortium loan.</p>

For and on behalf of Board Of Directors

DR.B.ASHOK IAS

CHAIRMAN AND MANAGING DIRECTOR

Date: 24th June, 2021

Place: Thiruvananthapuram

FORM NO. 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 arms length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended on 31st March, 2019, which were not at arms' length basis

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	KERALA STATE ROAD TRANSPORT CORPORATION, GOVERNMENT OF KERALA UNDERTAKING
b)	Nature of contracts/arrangements/transaction	Loans Given to KSRTC
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-----
e)	Date of approval by the Board	As per Board Approval and Government Orders issued for each loan
f)	Amount paid as advances, if any	Nil

For and On behalf of

Kerala Transport Development Finance Corporation Limited

Thiruvananthapuram

24.06.2021


DR. B. ASHOK IAS

DIN: 05230812

CHAIRMAN AND MANAGING DIRECTOR

Independent Auditor's Report

To the Members of
KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Notes to the financial statements, including a summary of Significant Accounting Policies and Other Explanatory Information.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the aforesaid standalone financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its loss for the year ended on that date.

Basis for Adverse Opinion

- I. The methods of accounting adopted for the purpose of BOT Projects are not as per the accounting method adhering to the terms and conditions in the concerned government orders. Hence the income from leasing / expenditure on BOT Operations included in the Statement of Profit and Loss Account is neither the income nor the expenditure of the Company.
- II. The Company has defaulted in transferring Rs. 14.65 lakh to the Investor Education Protection Fund as per the provisions of Companies Act, 2013.



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- III. The realisability of old outstanding receivables are doubtful for which adequate provisions are not made in the accounts due to lack of information.
- IV. The confirmation of balances for receivables on 31.03.2019 has not been obtained.
- V. Fixed deposit from public is Rs. 976.25 crore (in Note No. 3.3 and Note No. 3.7). This deposit, excluding the FD suspense and FD payable, comes to Rs. 958.59 crore, which does not tally with the subsidiary ledger which shows a balance Rs. 959.06 crore. It was explained that the difference of 0.47 crore is not reconciled due to non-availability of data. In the absence of records we are not in a position to form an opinion on this.

Further footnote (iv) of the Note 3.3 says that there is no default in repayment of deposits and interest there on, whereas foot note (v) says that Rs. 33.15 lakh shown under Suspense Account because of non-receipt of application from the concerned parties, i.e. depositors. In other words the repayment of principal and interest on deposit under Suspense Account is pending.

- VI. Other Long term Liabilities (in Note No. 3.4) of Rs. 37.56 crore include 'Sundry creditors for Fixed Assets' of Rs. 0.37 crore and 'Trans tower expenses payable to Government of Kerala' of Rs. 5.83 lakh which are outstanding over a period of time in respect of which no confirmation was obtained. We are not in a position to form an opinion on the correctness of the amount & its nature due to lack of information and explanation.
- VII. 'Other Long Term Liability' of Rs. 8.24 crore (in Note No 3.4) includes Rs. 4.18 lakh which represents excess tax deducted and remitted by various parties from taxable payments made to the Company for the previous years in respect of which credit has been availed in the Income Tax Return for that year but no adjustments have been made in the books of accounts.
- VIII. The Suspense Account balance of Rs. 20.16 lakh (in Note No 3.4) not adjusted or transferred to respective heads due to lack of necessary supporting evidences and it includes transactions with various banks and Kerala Building and Construction Workers Welfare which are subject to clearance (Refer Note no 4.2.i). In the absence of relevant records we are not



in a position to form an opinion on the above.

- IX. The liability in respect of gratuity and encashment of earned leave to the employees are not provided as per Accounting Standard 15 on 'Employee Benefits' (Refer Note No 4.3.i). We are not in a position to comment on the adequacy of the provision of the above accounts.
- X. 'Other Liabilities' of Rs. 102.96 lakh (in Note No.3.7) include credit balance in the various loan accounts, amounting to Rs. 12.77 lakh. This is yet to be reconciled with the subsidiary ledgers. In the absence of relevant papers we are not in a position to make an opinion on the same.
- XI. The correctness of the "Statutory Liabilities" of Rs. 391.44 lakh (in Note No. 3.7) is not verifiable due to the lack of supporting documents. Interest on such Statutory Liabilities are not worked out and accounted.
- XII. 'Interest accrued but not due' has not been classified into current and non-current liabilities.
- XIII. Loan outstanding against KSRTC (in Note No 3.11 & 3.15) amounting to Rs. 598.21 crore is subject to reconciliation with repayment schedule and supporting documents. The amount of loan receivable from KSRTC (in Note No 3.11) amounting to Rs. 119.65 ^{crore} is wrongly disclosed as "Receivable from Government of Kerala".
- XIV. Construction Loan, Housing Loan, Vehicle Loan, Personal loan and Other loan totalling to Rs. 56.32 crore disclosed under 'Long Term Loans and Advances' (in Note No 3.11) and Rs. 0.17 core as 'Current maturities of Loan Assets' (in Note No 3.15) are subject to confirmation.
- XV. Other Non-Current Assets (in Note No 3.12) includes an amount Rs. 1.29 lakh towards Long Term Trade Receivable which are categorized as Doubtful against which no provision was made during the current year.
- XVI. 'Other Current Asset' Rs. 1.01 crore (in Note No. 3.16), include Rs. 9.26 lakh being the balance in 'TDS (Interest on FD) relating to earlier years' and Rs.4.21 lakh being 'excess TDS recovered from deposit holders' for which details are not available and hence adjustments are not made in books of accounts.



accounts.

- XVII. The Company has not accounted the penal interest on belated receipt of monthly lease rent from tenants, contrary to lease agreements entered into with lessees, the amount of which is not ascertainable for want of supporting information.
- XVIII. The annuity payable to KSRTC from April to September 2018 is worked out and paid. However, the same is not as per the terms and conditions of the concerned government order. The annuity from the period commencing from October 2018 to March 2019 is not accounted.
- XIX. As per the government order Company had to pay the guarantee commission to Government of Kerala in two equal instalments, on 1st April and 1st October of every financial year. Simple interest at 12 percent will be charged for the defaulted payments w.e.f the due date of payments. The Company defaulted the payment due on 1-10-18. The said simple interest at 12 percent for the defaulted payment is not accounted.

Going Concern

The main object of the company is to finance transport vehicle particularly for KSRTC and for building up commercially viable infrastructural facilities of KSRTC. The fund expended for BOT Project together with the rate of return and the loans extended to KSRTC are on the basis of government orders/undertaking. The Going concern concept is entirely dependent on the realisability of amount from KSRTC / Government of Kerala.

Key Audit Matters

As per the concerned government order "BOT period will be the duration of the operating period of the project till the total project cost and the rate of interest (ROI) of the period (which shall be fixed by Kerala Transport Finance Development Finance Corporation and approved by the Government) is realized fully from the project by way of net rental income generated and collected by the BOT operator from the BOT project after payment of annuity to KSRTC. "

The government orders stipulates that the company should fix a rate for charging interest/ returns on BOT investment during the operating period of the BOT and get it approved by the government. The interest/ returns is yet to be fixed. As such one of the major income is not accounted.



Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Other Reporting Responsibilities

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, in the Annexure B on the directions issued by the Comptroller and Auditor General of India.



3. As required by Section 143 (3) of the Act, we report that :-

- (a) except for the effects of the matter described in the Basis for Adverse Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been generally maintained by the Company so far as appears from our examination of those books. However as per the existing system maintained by the company the historical data can be tampered;
- (c) the Balance Sheet and the Statement of Profit and Loss, Cash Flow Statement dealt with by this Report are in agreement with the so called books of account;
- (d) in our opinion, except for the effects of the matter described in the Basis for Adverse Opinion paragraphs above, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Amendment Rules, 2016;
- (e) on the basis of information provided by the Company, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act. However, no written representation was received in respect of the same.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2016, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has not provided for or disclosed the impact of the following pending litigations on its financial position in its standalone financial statements, which would impact its financial position:



a. Service Tax & Income Tax under Dispute

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (IN RUPEES)	PERIOD TO WHICH DISPUTE RELATES	FORUM WHERE DISPUTE PENDING
Service Tax, Chapter V of Finance Act, 1994	Service Tax	8,49,586/-	2007-08, 2009-10 and 2011-12	Commissioner of Central Excise (Appeals) Cochin
Service Tax, Chapter V of Finance Act, 1994	Service Tax	1,60,95,371/-	01/07/2012 to 31/03/2014	Customs Excise and Service Tax Appellate Tribunal
Service Tax, Chapter V of Finance Act, 1994	Service Tax	1,34,10,434/-	01/04/2014 to 31/03/2015	Customs Excise and Service Tax Appellate Tribunal
Service Tax, Chapter V of Finance Act, 1994	Service Tax	1,51,83,360/-	01/04/2015 to 31/03/2016	Commissioner of Central Excise (Appeals) Cochin
Income Tax Act, 1961	Income Tax	95,62,420/-	01/04/2009 to 31/03/2010	Income Tax Appellate Tribunal has referred back to Assessing Officer
Income Tax Act, 1961	Income Tax	12,76,940/-	01/04/2010 to 31/03/2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5,40,79,450/-	01/04/2010 to 31/03/2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	75,10,420/-	01/04/2011 to 31/03/2012	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,81,03,749/-	01/04/2013 to 31/03/2014	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,46,94,750/-	01/04/2014 to 31/03/2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	29,52,40,330/-	01/04/2015 to 31/03/2016	Commissioner of Income Tax (Appeals)



Income Tax Act, 1961	Tax Deducted at Source	5,71,19,205/-	01/04/2014 to 31/03/2015	Commissioner of Income Tax (Appeals)
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b. Petitions Pending Before the Hon'ble High Court Of Kerala

Sl. No	Case No	Petitioner	Date of filing	Nature	Dispute amount (Rs.)
1	WP(C) No.22290/2018	M/s V.Tech Electric Pvt Ltd	03.07.2018	Works contract	1,94,85,711.73/-
2	WP(C) No.17077/2019	M/s Square Associates	21.06.2019	Works contract	8,43,514/-
3	WP(C) No.22505/2019	M/s Johnson Lifts Pvt Ltd	16.08.2019	Works contract	84,72,960/-

- ii. the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. an amount of Rs. 14.65 lakh which were required to be transferred to the Investor Education and Protection Fund, was not transferred by the Company with respect to the current audit period.



For **RANJIT KARTHIKEYAN ASSOCIATES**
Chartered Accountants
B. Chandrasekharan Nair
B. Chandrasekharan Nair B.Com., FCA
(Membership No. 019922)
Partner
FRN : 006705S

UDIN:19019922AAAAAJ1079

Trivandrum
19.12.2019

ANNEXURE –A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of Companies (Auditor's Report) Order 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that:-

- i. In respect of fixed assets:
 - a) the Company has maintained a Fixed Asset Register and the current year additions to the fixed assets have been updated.
 - b) the fixed assets have not been physically verified by the management during the year.
 - c) the immovable property in the nature of Buildings, Level 8 – VIth floor of Trans Towers is permitted to occupy by the Company at free of cost and the title deeds of the land is retained by the Motor Vehicles Department, Government of Kerala.
- ii. The Company being Non-Banking Financial Company does not have any inventory and hence the provisions of Clause (ii) of the aforesaid Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLPs, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, Clause (iii) of the Order is not applicable.
- iv. In our opinion, the provisions of section 185 of the Act are not applicable to a company that provides loans, give guarantees, or securities in the normal course of business at specified interest rate.

Further, in our opinion and according to the information and explanations given to us, the company being a Non-Banking Financial Company is exempt from the provisions of section 186 of the Act and the relevant rules in respect of loans and guarantees. In respect of investments, the company has complied with the provisions of 186(1) of the Act.

- v. The deposits accepted from the public by the Company have been guaranteed by Government of Kerala and hence it does not come under the definition of 'Public



Deposit'. However the guarantee deed as per the government order stipulating the terms and conditions of the guarantee and period of the guarantee is not executed.

- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, Income Tax, sales-tax, service tax, Goods and Service Tax have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues which were outstanding as at the year end, for a period of more than six months from the date they become payable except the following:

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount	Due On	Paid On
Service Tax, Chapter V of Finance Act, 1994	Centage charges (Other Services)	FY 2012-13	61,133	31-03-2013	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Centage charges (Other Services)	FY 2013-14	4,73,616	31-03-2014	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Centage charges (Other Services)	FY 2014-15	4,58,963	31-03-2015	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Centage charges (Other Services)	FY 2015-16	2,14,008	31-03-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Centage charges (Other Services)	FY 2016-17	24,603	31-03-2017	Not yet paid



Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2013-14	1,210	31-03-2014	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2014-15	96	06-06-2014	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2014-15	99	06-01-2015	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2014-15	754	06-02-2015	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2014-15	449	31-03-2015	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2015-16	670	06-05-2015	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2015-16	791	06-07-2015	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2015-16	3,352	06-12-2015	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	1,66,621	06-05-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Works Contract	FY 2016-17	1,674	06-07-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	1,02,432	06-08-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Works Contract	FY 2016-17	356	06-08-2016	Not yet paid



Service Tax, Chapter V of Finance Act, 1994	Reverse Charge	FY 2016-17	205	06-08-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	204	06-09-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	23,525	06-10-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Works Contract	FY 2016-17	1,491	06-10-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	18,723	06-11-2016	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	806	06-01-2017	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	5,04,890	06-03-2017	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Reverse Charge	FY 2016-17	368	06-03-2017	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	1,58,002	31-03-2017	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2017-18	79,158	06-07-2017	Not yet paid
Service Tax, Chapter V of Finance Act, 1994	Renting of Immovable Property	FY 2016-17	105	06-08-2016	Not yet paid



(b)

- I. According to the information and explanations given to us and the records of the company examined by us, dues towards income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of disputes are given below:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (IN RUPEES)	PERIOD TO WHICH DISPUTE RELATES	FORUM WHERE DISPUTE PENDING	REMARKS, IF ANY
Service Tax, Chapter V of Finance Act, 1994	Service Tax	8,49,586/-	2007-08, 2009-10 and 2011-12	Commissioner of Central Excise (Appeals) Cochin	The demand was reduced to Rs. 3,89,886 and equal penalty was reduced to Rs. 2,97,758 and Rs. 7,000 respectively under Section 78 and 77
Service Tax, Chapter V of Finance Act, 1994	Service Tax	1,60,95,371/-	01/07/2012 to 31/03/2014	Customs Excise and Service Tax Appellate Tribunal	Of the amount disputed, Rs.12,07,152 was paid on 09/06/2017 and Rs.4,02,385 was paid on 30/11/2018
Service Tax, Chapter V of Finance Act, 1994	Service Tax	1,34,10,434/-	01/04/2014 to 31/03/2015	Customs Excise and Service Tax Appellate Tribunal	Of the amount disputed, Rs.10,05,782 was paid on 09/06/2017 and Rs.3,35,261 was paid on 30/11/2018
Service Tax, Chapter V of Finance Act, 1994	Service Tax	1,51,83,360/-	01/04/2015 to 31/03/2016	Commissioner of Central Excise (Appeals) Cochin	Of the disputed amount, Rs.11,38,752/- was paid on 11/10/2018



Income Tax Act, 1961	Income Tax	1,46,94,750/-	01/04/2014 to 31/03/2015	Commissioner of Income Tax (Appeals)	Of the disputed amount, Rs.29,38,950/- was paid on 08/01/2018. And for remaining balance of Rs.1,17,55,800, stay was obtained by the Company
Income Tax Act, 1961	Income Tax	29,52,40,330/-	01/04/2015 to 31/03/2016	Commissioner of Income Tax (Appeals)	Appeal to be filed.
Income Tax Act, 1961	Tax Deducted at Source	5,71,19,205/-	01/04/2014 to 31/03/2015	Commissioner of Income Tax (Appeals)	Stay has been obtained for the amount disputed.

- II. According to the information and explanations given to us and the records of the company examined by us, dues towards Income Tax, sales-tax, Service tax, Goods and Service Tax which have been deposited under protest and appeal has been filed on account of disputes are given below:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (IN RUPEES)	PERIOD TO WHICH DISPUTE RELATES	FORUM WHERE DISPUTE PENDING
Income Tax Act, 1961	Income Tax	95,62,420/-	01/04/2009 to 31/03/2010	Income Tax Appellate Tribunal has referred back to Assessing Officer
Income Tax Act, 1961	Income Tax	12,76,940/-	01/04/2010 to 31/03/2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5,40,79,450/-	01/04/2010 to 31/03/2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	75,10,420/-	01/04/2011 to 31/03/2012	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,81,03,749/-	01/04/2013 to 31/03/2014	Commissioner of Income Tax (Appeals)



- viii. According to the information and explanations given to us, the company has raised loans from banks or other financial institutions.

Name of bank/financial institution	Amount borrowed
District Co-operative Bank, Ernakulam	1,50,00,00,000
District Co-operative Bank, Palakkad	2,00,00,00,000

Interest payments were defaulted with respect to August, September, November, December and February which were subsequently made. The interest payable as on year end amounts to Rs. 2,82,39,726.

The company has not issued any debentures.

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the provisions of section 197 read with Schedule V to the Act is not applicable to the Company vide Notification No. 463(E) dated 05.06.2015, on 'Exemptions to Government Companies under section 462 of Companies Act 2013'.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is registered under section 45-IA of the Reserve Bank of India Act 1934 and Certificate of Registration No is 16.00026.



For RANJIT KARTHIKEYAN ASSOCIATES
Chartered Accountants

B. Chandrasekharan Nair B.Com., FCA
(Membership No. 019922)
Partner
FRN : 006705S

UDIN : 19019922AAAAA J1079

Trivandrum
19.12.2019

ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2019

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Directions issued by the C & AG under section 143(5) of the Companies Act, 2013

Sl. No.	Directions	Replies
1	Whether the company has clear title/Lease Deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/Lease Deeds are not available.	Not Applicable
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	During the year under audit, the company has waived off Rs.1,59,21,617 at the request of the borrower and as per the resolution passed by the Board of Directors.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other Authorities.	Not Applicable



For **RANJIT KARTHIKEYAN ASSOCIATES**
Chartered Accountants

B. Chandrasekharan Nair
B. Chandrasekharan Nair B.Com., FCA
(Membership No. 019922)
Partner
FRN : 006705S

UDIN:19019922AAAAAJ1079

Trivandrum
19.12.2019

ANNEXURE – C TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2019

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 Kerala Transport Development Finance Corporation Limited ("the Company") as at 31st March 2019 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 ('ICAI').

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.

Auditor's 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 Notes 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

- a.** There is material weakness in maintenance of records relating to Fixed deposit collected



from public under various schemes like MMS, PIPS, Salute etc as detailed below:

i. The total balance of Fixed deposit in respect of individual deposit holders as per subsidiary ledgers is not tallying with the consolidated balance of fixed deposit in the books of accounts (amount of fixed deposit as per books Rs. 959.59 crore after exclusion of Rs. 33.15 in relation to FD Suspense and Rs. 17.32 crore in relation to FD Payable and as per subsidiary ledger is Rs. 959.07 crore and difference is Rs. 47.61 lakh).

Sl No.	Scheme	As per Subsidiary Ledger	As per Books	Difference
1	FD SPECIAL	17,06,93,000.00	17,06,93,000.00	-
2	FD SALUTE	57,00,033.00	57,00,010.00	23.00
3	FD MMS	3,27,22,24,091.00	3,27,66,36,359.00	(44,12,268.00)
4	FD PIPSM	1,14,55,11,952.00	1,14,48,37,457.00	6,74,495.00
5	FD PIPSQ	4,99,65,50,679.00	4,98,23,39,444.00	1,42,11,235.00
	TOTAL	9,59,06,79,755.00	9,58,02,06,270.00	1,04,73,485.00
	AUTO RENEWAL			(57,12,450.00)
				47,61,035.00

ii. The deposit accounted as 'Term Deposit Auto Renewal' (Rs. 57.12 lakh) in the books of accounts are not identifiable in the subsidiary ledgers maintained.

iii. Fixed deposit are accounted under 'FD Suspense Account' (Rs. 33.15 lakh) in the books of accounts for want of information about particulars of Fixed Deposit terms and conditions.

b. There are several transactions especially Bank transactions, the origin of which are not properly identified and hence accounted in 'Suspense Account' in the books of accounts. (Rs. 20.16 lakh)

c. There is no reconciliation between TDS demand by Income Tax Department and the amount accounted in the books as 'Arrear TDS 194 A' (Rs. 1.74 lakh) and 'TDS (Interest on FD) for earlier years' (Rs. 9.26 lakh)

d. The balances of individual Loans given to public under Construction Loan, Housing Loan, Vehicle Loan , Personal loan and Other loan as disclosed in the books of accounts are not tallying with the subsidiary ledgers.

e. The company has not calculated and accounted Penal interest on delay of lease rentals



received which are contrary to the Lease Agreement.

f. The Company does not follow system of obtaining confirmation and reconciliation of dues from tenants.

g. The historical data maintained in the software which contains the books of accounts can be tampered with.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, based on the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2019, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and these material weaknesses does not affect our opinion on the standalone financial statements of the Company.



For RANJIT KARTHIKEYAN ASSOCIATES
Chartered Accountants

B. Chandrasekharan Nair B.Com., FCA
(Membership No. 019922)
Partner
FRN : 006705S

UDIN : 19019922AAAAAJ1079

Trivandrum
19.12.2019

KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED
Regd Office : Level 8(6th Floor), Trans Towers, Vazhuthacaud , Thiruvananthapuram - 695014


Balance Sheet as at 31st March, 2019


(Amount in Rs.)

1	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
2	3	4		
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share capital	3.1	43,83,00,000	43,83,00,000
(b)	Reserves and surplus	3.2	(2,11,15,07,134)	30,15,45,143
2	Non-current liabilities			
(a)	Long-term borrowings	3.3	5,46,56,89,950	5,79,09,82,140
(b)	Other Long term liabilities	3.4	37,55,91,804	30,99,95,512
(c)	Long-term provisions	3.5	3,50,04,68,062	54,83,25,642
(d)	Deferred tax liabilities (Net)	3.6	-	21,82,32,868
3	Current liabilities			
(a)	Other current liabilities	3.7	8,27,34,63,060	25,09,66,13,430
(b)	Short-term provisions	3.8	89,09,986	60,65,225
			15,95,09,15,728	32,71,00,59,960
II.	ASSETS			
	Non-current assets			
1	(a) Property, Plant and Equipment			
(i)	Property, Plant & Equipment	3.9	89,73,980	96,54,805
(ii)	Intangible assets	3.9	2,20,45,18,209	2,20,93,12,492
(iii)	Capital work-in-progress			
(iv)	Intangible assets under development			
(b)	Non-current investments	3.10	1,10,79,000	1,10,79,000
(c)	Long-term loans and advances	3.11	1,79,51,49,322	11,26,41,73,220
(d)	Other non-current assets	3.12	30,24,78,575	24,53,28,972
(e)	Deferred tax Asset (Net)	3.6	62,98,53,759	-
2	Current assets			
(a)	Current investments			
(a)	Inventories			
(a)	Trade receivables	3.13	1,38,37,957	65,32,823
(b)	Cash and cash equivalents	3.14	6,16,26,19,757	48,46,15,892
(c)	Short-term loans and advances	3.15	4,79,09,10,126	18,45,88,20,999
(d)	Other current assets	3.16	3,14,95,044	2,05,41,758
	TOTAL		15,95,09,15,728	32,71,00,59,960
	Significant Accounting Policies and Notes to Accounts	1,2,3&4		

For and on behalf of Board

As per our Report of even date


K R Mothilal IAS
Chairman
Thiruvananthapuram
22.11.2019


Rahul R IRS
Managing Director


S V Vimal
Company Secretary

For **RANJIT KARTHIKEYAN ASSOCIATES**
Chartered Accountants

B. Chandrasekharan Nair B.Com., FCA
(Membership No. 019922)
Partner
FRN : 006705S

UDIN:19019922AAAAA1079



KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED

Regd Office : Level 8(6th Floor), Trans Towers, Vazhuthacaud , Thiruvananthapuram - 695014


Statement of Profit and Loss for the year ended 31st March, 2019

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I. Income:			
Revenue from Operations	3.17	1,23,23,84,114	1,57,85,82,642
II. Other income	3.18	17,07,80,559	9,49,59,779
III. Total Revenue (I + II)		1,40,31,64,673	1,67,35,42,421
IV. Expenses:			
Employee benefits expense	3.19	2,49,74,215	2,64,66,307
Finance costs	3.20	1,47,79,26,442	1,44,07,78,380
Depreciation and amortization expense	3.9	8,47,00,633	8,32,36,936
Other expenses	3.21	6,28,56,362	5,35,96,697
Provisions and Write offs	3.22	3,01,38,45,926	5,61,78,011
Total expenses		4,66,43,03,579	1,66,02,56,331
Profit before exceptional and extraordinary items and tax (III-IV)		(3,26,11,38,905)	1,32,86,090
Extraordinary Items		-	-
VI. Profit before tax (V-VI)		(3,26,11,38,905)	1,32,86,090
VII. Tax expense:			
Current tax		-	24,34,354
MAT Credit Entitlement		-	(24,33,354)
Deferred tax		(84,80,86,628)	6,12,37,673
(Excess) or Short provision relating to prior years	3.23		(7,20,23,943)
VIII. Profit (Loss) for the period		(2,41,30,52,277)	2,40,71,360
IX. Earnings Per Equity Share :	3.24		
Basic Earnings per equity share		(5,505)	55
Diluted Earnings per equity share		(5,505)	55
Face Value per equity share		1,000	1,000
Significant Accounting Policies and Notes to Accounts	1,2,3&4		

For and on behalf of Board

As per our Report of even date


K.R. Jyothilal IAS
Chairman


Rahul R. IRS
Managing Director


S.V. Vimal
Company Secretary

For RANJIT KARTHIKEYAN ASSOCIATES
Chartered Accountants


B. Chandrasekharan Nair B.Com., FCA
(Membership No. 019922)
Partner
FRN : 006705S

UDIN:19019922AAAAAJ1079

Thiruvananthapuram
22.11.2019



KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED

Regd Office : Level 8 (6th Floor), Trans Towers, Vazhuthacaud , Thiruvananthapuram - 695014.

Cash Flow Statement for the year ended 31st March, 2019

(Amount in Rs.)

PARTICULARS		For the year ended 31st March 2019	For the year ended 31st March 2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net (Loss)/ Profit Before Tax	(3,26,11,38,905)	1,32,86,090
	Adjustments for:		
	Depreciation and Amortization	8,47,00,633	8,32,36,936
	Finance Cost	30,03,56,640	-
	Profit or loss on sale of assets	-	(37,280)
	Provision for Doubtful Loan Assets	2,99,78,61,586	5,02,45,701
	Provision for Doubtful Projects	-	42,23,345
	Provision for Gratuity and other Employee benefits	7,34,833	(2,51,160)
	Dividend income	(12,50,000)	(13,50,958)
	Interest income	(2,52,90,623)	(2,46,36,966)
	Operating (Loss)/ Profit before Working Capital Change	9,59,74,164	12,47,15,708
	Adjustment for:		
	Decrease/(Increase) in trade receivables	(73,05,134)	(32,00,129)
	Decrease/(Increase) loans and advances and other assets	23,06,88,31,882	(17,89,81,58,240)
	Increase/(Decrease) in liabilities and provisions	(17,12,64,55,507)	(95,78,13,157)
	Cash used in operations	6,03,10,45,405	(83,30,97,449)
	Income tax paid	-	(1,15,55,080)
	NET CASH (USED IN)/ FROM OPERATING ACTIVITIES	6,03,10,45,405	(84,46,52,529)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed assets, Changes in work in progress	(7,94,35,561)	(3,03,02,458)
	Proceeds from Sale of Fixed Assets	-	1,17,565
	Asset wrongly booked in previous year rectified	2,10,038	-
	Dividend income	12,50,000	13,50,958
	Interest income	2,52,90,623	2,46,36,966
	NET CASH FROM/ (USED IN) INVESTING ACTIVITIES	(5,26,84,899)	(41,96,968)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividends paid during the year	-	(4,38,30,000)
	Dividend Tax paid during the year	-	(90,56,597)
	Finance Cost	(30,03,56,640)	-
	NET CASH USED IN FINANCING ACTIVITIES	(30,03,56,640)	(5,28,86,597)
	NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	5,67,80,03,865	(90,17,36,094)
	Cash and Cash Equivalents at the beginning of the year	48,46,15,892	1,38,63,51,986
	Cash and Cash Equivalents at the end of the year	6,16,26,19,757	48,46,15,892
	(Refer Note No.3.14 below)		

For and on behalf of Board

As per our Report of even date

K R. Jayatilal IAS
ChairmanRahul R/IRS
Managing DirectorS Vimal
Company SecretaryFor RANJIT KARTHIKEYAN ASSOCIATES
Chartered AccountantsB. Chandrasekharan Nair B.Com., FCA
(Membership No. 019922)
Partner
FRN : 0067055

UDIN : 19019922AAAAAJ1079

Thiruvananthapuram
22.11.2019

NOTES TO THE ACCOUNTS

3.1 SHARE CAPITAL

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Authorised: 5,00,000 Equity Shares of ₹ 1,000/- each [Previous year 5,00,000 Equity Shares of ₹ 1,000/- each]	50,00,00,000	50,00,00,000
Issued, Subscribed and Paid up: 4,38,300 Equity Shares of ₹ 1,000/- each [Previous year 4,38,300 Equity Shares of ₹ 1,000/- each]	43,83,00,000	43,83,00,000
TOTAL	43,83,00,000	43,83,00,000

Reconciliation of shares outstanding at the end of the reporting year:-

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Number of shares outstanding at the beginning of the year	4,38,300	4,38,300
Add :- Shares issued during the year	-	-
Number of shares outstanding at the end of the year	4,38,300	4,38,300

Details of shareholders holding more than 5% shares in the Company :-

Name of Shareholder	Equity Shares			
	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Governor of Kerala and 3 Nominees of Government of Kerala	4,38,300	100.00	4,38,300	100

3.2 RESERVES AND SURPLUS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
General Reserve - Opening Balance	4,75,82,344	4,75,82,344
	4,75,82,344	4,75,82,344
Surplus - Opening balance	25,39,62,799	25,71,74,114
(+) Net Profit/(Net Loss) For the current year	(2,41,30,52,277)	2,40,71,360
(-) Dividend Paid	-	(2,19,15,000)
(-) Dividend Distribution Tax on Equity dividend	-	(53,67,674)
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
	(2,15,90,89,478)	25,39,62,799
TOTAL	(2,11,15,07,134)	30,15,45,143



3.3 LONG-TERM BORROWINGS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Deposits		
Fixed Deposits from public	5,46,56,89,950	5,79,09,82,140
TOTAL	5,46,56,89,950	5,79,09,82,140

- (i) the above loans are covered under the general purpose guarantee given by the Government of Kerala
- (ii) the rate of interest implicit in the above is in the range of 8.25% to 10.50% p.a.
- (iii) deposits are repaid on maturity and interest monthly and/or quarterly. The period of deposits ranges from 12 to 60 months
- (iv) there were no default in repayment of these deposits and interest thereon.
- (v) fixed deposits include a suspense amount of Rs.33,15,391/- for which application is yet to be received from the concerned parties.
- (vi) fixed deposits include an amount of Rs.57,12,450/- classified as term deposit auto renewal which are matured term deposits yet to be renewed/closed for want of necessary instructions from the concerned deposit holders.

3.4 OTHER LONG-TERM LIABILITIES

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Others		
EMD and Security Deposit	26,85,07,135	25,99,27,532
Retention Payable	1,83,19,110	1,83,36,078
Sundry creditors for Fixed Assets	37,33,070	34,00,646
Transtower expenses payable to GOK	5,83,103	5,83,103
Suspense Account	20,16,102	36,21,084
Other Long Term Liability	8,24,33,284	2,41,27,069
TOTAL	37,55,91,804	30,99,95,512

Suspense account represents the net of balance which is not adjusted/transferred to respective heads due to lack of supporting evidence.

3.5 LONG-TERM PROVISIONS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Provision for Leave Encashment	12,76,640	15,29,497
Provision for Gratuity	38,03,654	35,91,236
Provision For Rent Deposit	1,70,400	1,70,400
Provision for Doubtful Tenents	62,723	-
Provision for Doubtful Loan Assets	3,49,51,54,645	54,30,34,509
TOTAL	3,50,04,68,062	54,83,25,642



3.6 DEFERRED TAX LIABILITIES/ASSET (NET)

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Deferred Tax Asset		
Disallowances	(1,06,13,15,375)	(10,73,34,408)
Provisions	-	(5,62,53,577)
Deferred Tax Liability		
Depreciation	43,14,61,616	38,18,20,854
TOTAL	(62,98,53,759)	21,82,32,868

DTL relates to timing difference of depreciation effect @30.9% on Rs.19,09,26,008/-

DTA relates to timing differences on disallowances @30.9% on Rs.3,45,27,97,653

duly adjusted for opening DTL

3.7 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Current maturities of long term borrowings :		
Deposits from Public	4,29,68,35,388	24,24,86,71,711
Term Loan DCB	3,50,00,00,000	-
Interest accrued but not due	41,40,88,795	74,19,55,014
Others;		
Statutory Liabilities	3,91,44,091	2,18,13,175
Expenses Payables	91,53,118	1,53,31,664
EMD Payable	39,46,068	5,12,00,000
Other Liabilities	1,02,95,600	1,76,41,866
TOTAL	8,27,34,63,060	25,09,66,13,430

3.8 SHORT-TERM PROVISIONS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Dividend Payable	-	-
Dividend Tax Payable	-	-
Provision for Pension Contribution		5,22,747
Provision for CSR	35,09,484	-
Provision for gratuity	2,29,980	4,11,810
Provision for leave encashment	9,17,506	6,41,209
Pay Revision Arrear		2,66,114
Provision for Staff Expenses	29,670	-
Provision For doubtful Project	42,23,345	42,23,345
TOTAL	89,09,985	60,65,225



DEPRECIATION AS PER THE COMPANIES ACT, 2013 FOR THE PERIOD ENDED 31st MARCH 2019

SCHEDULE NO 3.9

Sl.no	PARTICULARS	GROSS BLOCK AS ON 01.04.2018	ADDITION	DELETION/ ADJUSTMENTS	GROSS BLOCK AS ON 31.03.2019	DEPN AS ON 01.04.2018	CURRENT YEAR DEPN	DELETION/ ADJUSTMEN TS	DEPN AS ON 31.03.2019	NET BLOCK AS ON 31.03.2019	NET BLOCK AS ON 31.03.2018
I	<u>PROPERTY, PLANT EQUIPMENT</u>										
1	Building	1,15,00,680			1,15,00,680	49,93,080	3,15,851		53,08,931	61,91,749	65,07,600
2	Plant & Machinery	1,27,750			1,27,750	64,683	11,417		76,100	51,650	63,067
3	Electrical Fittings	53,03,910	31,131		53,35,041	48,90,428	52,620	74,964	48,68,084	4,66,957	4,13,482
4	Furniture & Fittings	1,28,91,734			1,28,91,734	1,18,56,048	1,27,936		1,19,83,984	9,07,750	10,35,686
5	Computers	2,19,55,930	47,134		2,20,03,064	2,17,11,390	37,275		2,17,48,665	2,54,399	2,44,540
6	Office Equipments	82,66,498	5,300		82,71,798	76,89,701	86,565		77,76,266	4,95,532	5,76,797
7	Vehicles	53,62,039			53,62,039	45,48,405	2,07,691		47,56,096	6,05,943	8,13,634
	SUB - TOTAL (A)	6,54,08,541	83,565	-	6,54,92,106	5,57,53,736	8,39,355	74,964	5,65,18,127	89,73,979	96,54,805
II	<u>INTANGIBLE ASSETS</u>										
1	Rights in Trans-tower	16,37,00,533			16,37,00,533	6,32,62,427	43,94,150		6,76,56,577	9,60,43,956	10,04,38,106
2	Rights in BTC Angamaly	37,68,82,574	3,24,637	3,05,419	37,69,01,792	3,74,10,055	1,25,79,085	20,417	4,99,68,722	32,69,33,070	33,94,72,519
3	Computer Software	32,71,688	10,464		32,82,152	27,24,543	1,10,843		28,35,386	4,46,766	5,47,145
4	Rights in BTC Thampanoor	77,34,17,868	3,63,93,948		80,98,11,816	7,54,87,148	2,65,25,228		10,20,12,376	70,77,99,440	69,79,30,720
5	Rights in BTC Thiruvalla	45,13,24,899	1,79,62,054		46,92,86,953	4,02,75,096	1,54,90,444		5,57,65,539	41,35,21,413	41,10,49,803
6	Rights in BTC Kozhikodu	72,62,28,467	2,46,60,893		75,08,89,360	6,63,54,269	2,47,61,528		9,11,15,797	65,97,73,563	65,98,74,198
	SUB - TOTAL (B)	2,49,40,26,029	7,93,51,996	3,05,419	2,57,38,77,606	28,55,13,537	8,38,61,278	20,417	36,93,54,397	2,20,45,18,208	2,20,93,12,492
	TOTAL (A+B)	2,56,02,34,569	7,94,35,561	3,05,419	2,63,93,64,711	34,12,67,272	8,47,00,633	95,381	42,58,72,524	2,21,34,92,187	2,21,89,67,297



3.10 NON-CURRENT INVESTMENTS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
In fully paid up Equity shares		
a. Quoted - valued at cost		
State Bank of India	20,79,000	20,79,000
[38830 Equity shares of Rs.1 each of SBI, Previously 17650 shares of SBT having a face value of ₹ 10 each, exchanged at 22 shares for every 10 shares held at the time of merger of SBT with SBI in April 2017 (These shares were acquired as 1465 Equity shares of ₹100 each at a premium of ₹ 500 per share & 3000 Equity shares as rights issue at a face value of ₹ 10 each at a premium of ₹ 390 per share)]		
b. Unquoted - valued at cost		
Cochin International Airport Limited	90,00,000	90,00,000
[4,00,000 Equity shares of ₹ 10 each & 100000 Equity shares as rights issue at a face value of Rs.10/- each with a premium of Rs.40/- per share)		
TOTAL	1,10,79,000	1,10,79,000

I Market value of quoted shares in SBI is at Rs.320.55 per share as at the close of the year

II. Aggregate market value of quoted shares is Rs.97.04 Lakhs.

3.11 LONG-TERM LOANS AND ADVANCES

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Secured, considered good		
(a) Loans and Advances to related parties;		
Loan to Kerala State Road Transport Corporation	-	9,40,50,00,000
Receivable From Government of Kerala	1,19,65,84,897	1,19,65,84,894
Advance to BOT Projects of Government of Kerala	42,23,345	42,23,345
Tagore theatre modernization	2,34,01,814	2,01,23,858
(b) Others		
Construction Loan	-	35,82,550
Housing Loans	4,59,23,375	5,40,12,945
Vehicle Loans	79,86,253	1,11,43,342
Personal Loans	1,06,48,396	1,60,10,830
Other Loans	14,35,101	27,06,854
Unsecured, considered good		
Security Deposits	17,21,987	17,36,874
Other Advances	60,13,219	60,13,219
Doubtful		
Construction Loan	42,63,19,002	47,56,32,665
Housing Loans	1,70,50,562	1,46,81,344
Vehicle Loans	4,64,23,369	4,65,72,711
Personal Loans	74,18,001	61,47,789
TOTAL	1,79,51,49,322	11,26,41,73,220



3.12 OTHER NON-CURRENT ASSETS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
(a) Long Term Trade Receivables		
Unsecured, considered good	-	61,29,578
Doubtful	1,28,863	62,723
(b) Others		
Unsecured, considered good		
In Term Deposits (more than 12 months maturity)	-	-
RBI Deaf Fund		1,44,781
Income Tax Refundable for AY 2015-16	34,80,870	34,80,870
Income tax Refund for AY 2017-18	5,75,90,740	5,75,90,740
Income tax and service tax Demand	15,22,48,448	9,13,23,980
Centage Charges Receivable	1,16,68,063	1,16,68,063
Prepaid Taxes (MAT Credit)	5,57,94,407	5,33,61,053
Considered doubtful		
Dividend Income Receivable	88,250	88,250
Interest Receivable (transtower cost)	2,14,78,934	2,14,78,934
TOTAL	30,24,78,575	24,53,28,972

3.13 TRADE RECEIVABLES

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Debts outstanding for a period exceeding six months		
Unsecured, considered good	42,89,652	16,42,888
Other Debts		
Unsecured, considered good	95,48,305	48,89,935
TOTAL	1,38,37,957	65,32,823

3.14 CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
(a) Balances with Banks		
In Current Accounts	11,65,28,989	7,88,05,125
In Deposit Accounts	6,04,57,47,682	40,05,00,000
Balance with Government of Kerala Treasury SB Account	2,95,340	52,64,925
(b) Cash on Hand		
Cash on Hand	47,745	45,842
TOTAL	6,16,26,19,757	48,46,15,892



3.15 SHORT-TERM LOANS AND ADVANCES

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
a. Loans and Advances to related parties		
Secured, considered good		
KSRTC Short Term Loan	3,32,36,83,156	16,82,35,95,311
Current maturities of Loan Assets	1,46,17,95,214	1,59,50,00,000
Interest accrued but not received		3,10,93,333
Unsecured, considered good		
b. Others		
Secured, considered good		
Current maturities of Loan Assets	17,47,984	29,52,298
Unsecured, considered good		
Advance recoverable in cash or in kind	1,64,802	2,53,602
Advance Tax & Tax Deducted at Source	24,63,435	24,49,803
Prepaid Expenses	10,55,535	10,43,298
Prepaid Taxes		24,33,354
TOTAL	4,79,09,10,126	18,45,88,20,999

3.16 OTHER CURRENT ASSETS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Income tax Refund for AY 2016-17	8,99,319	8,99,319
Income tax Refund for AY 2018-19	38,14,084	38,14,084
Income tax Refund for AY 2019-20	65,11,485	
Interest Receivable on Term Deposits	1,02,16,882	13,48,732
Interest Receivable on Loan on Fd	-	79,664
Other current assets	1,00,53,274	1,43,99,959
TOTAL	3,14,95,044	2,05,41,758

3.17 Revenue from Operations

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Sale of Services		
Income from Loan Assets	1,23,23,84,114	1,57,85,82,642
TOTAL	1,23,23,84,114	1,57,85,82,642



3.18 OTHER INCOME

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Income from Leasing	9,67,67,836	6,65,20,714
Centage Charges Received	-	12,12,255
Dividend Received	12,50,000	13,50,958
Interest Received	2,52,90,623	2,46,36,966
Profit on sale of Batteries	-	37,280
Prior Period Income (Refer Note No.3.26(b))	4,74,12,014	3,67,648
Miscellaneous Receipts	60,087	8,33,957
TOTAL	17,07,80,559	9,49,59,778

3.19 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Salaries and Allowances	1,98,11,212	2,05,49,513
Stipend to Trainees	6,57,744	11,76,711
Employer Contribution to EPF	12,82,670	15,04,312
Employer Contribution to ESI	1,86,963	1,85,368
Pension Contribution	12,55,969	17,72,344
Leave Surrender	11,77,149	5,56,556
Gratuity	4,42,398	5,63,250
Others	-	27,198
Staff Welfare	1,60,110	1,31,055
TOTAL	2,49,74,215	2,64,66,307

3.20 FINANCE COSTS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Interest Expenses :		
Interest paid on Fixed Deposits	1,05,53,77,091	1,31,02,40,907
Other Borrowing Cost :		
Commission & Brokerage	1,39,43,111	1,75,14,143
Guarantee Fee paid to GOK	10,81,81,954	11,29,29,379
Interest Expenses On Loan DCB	30,03,56,640	-
Bank Charges	67,646	93,951
TOTAL	1,47,79,26,442	1,44,07,78,380



3.21 OTHER EXPENSES

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Advertisement	12,25,187	25,08,065
To Auditors		
Statutory Audit	2,18,000	2,46,000
Internal Audit	4,09,755	3,92,400
BOT Expenses	5,32,84,976	4,12,38,382
Annuity-KSRTC	5,93,510	-
General Expenses	5,64,428	3,72,243
Interest & Penal Charges	38,470	3,44,413
Legal and Professional Charges	14,60,552	20,51,982
Postage & Courier	2,18,281	2,48,488
Printing and Stationery	2,64,694	4,09,170
Term Loan- PROCESSING FEE	1,92,750	-
Rates & Taxes	52,541	1,84,360
Rent	5,00,854	12,99,778
Repairs & Maintenance (Others)	6,72,332	5,79,590
Repairs & Maintenance (Vehicle)	5,56,905	6,57,471
Security Charges	4,34,066	2,58,787
Telephone & Internet Expenses	2,88,133	2,84,148
Travel Expenses	88,239	7,426
Water and Electricity Charges	17,92,688	25,13,994
Prior period Expenses (Refer Note No.3.26(b))	-	-
TOTAL	6,28,56,362	5,35,96,697

3.22 PROVISIONS AND WRITE OFFS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Provision for Doubtful Loan Assets(NPA)	2,99,78,61,586	5,02,45,701
Provision for Doubtful tenents	62,723	
Provision For doubtful projects	-	42,23,345
Loans / Bad debts Written Off	1,59,21,617	17,08,965
TOTAL	3,01,38,45,926	5,61,78,011

Provision made for Doubtful Loan Assets during the year of Rs.2,99,78,61,586 represents the balance outstanding in loan accounts transferred to Revenue Recovery AS ON 31.03.2019 & provision for Non-Performing Assets.



Provision for NPA as follows:-

Provision for Sub-Standard Assets	Rs.2,02,529/-
Provision for Doubtful Assets	Rs.299,22,27,562/-
Provision for Loss Assets	Rs.52,38,692/-
Provision for Standard Asset	Rs.1,92,803/-

3.23 (EXCESS) OR SHORT PROVISION RELATING TO PRIOR YEARS

Particulars	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Excess provision for tax relating to AY 2012-13 (Refer Note No.4.8)	-	(1,82,46,103)
Income tax Refund AY2011-12 (Refer Note No.4.8)	-	(20,56,933)
Income Tax Demand AY 2010-11 (Refer Note No.4.8)	-	(9,61,347)
Income Tax Demand AY 2011-12 (Refer Note No.4.8)	-	(5,07,59,560)
TOTAL	-	(7,20,23,943)

3.24 EARNINGS PER SHARE

Particulars	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Net profit / (loss) for the year from continuing operations	(3,26,11,38,905)	1,32,86,090
Net profit/ (loss) available to equity share holders	(2,41,30,52,277)	2,40,71,360
Weighted average number of equity shares	4,38,300	4,38,300
Earnings per share from continuing operations	(5,505)	55
Par value per share	1,000	1,000

3.25 MSME DISCLOSURE

The Company has not received any information from its supplier regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006, and hence disclosure, if any, relating to amounts unpaid as on 31st March, 2019 together with interest paid/payable as required under the Act, have not been given.

3.26 (a) PAYMENT TO AUDITORS

Particulars	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
(a) As auditors - Statutory audit (including taxes)	2,18,000	2,46,000
(b) As auditors - Internal Audit	4,09,755	3,92,400
(c) For company law matters	-	-
(d) For other services	-	-
TOTAL	6,27,755	6,38,400

3.26 (b) PRIOR PERIOD ADJUSTMENTS

PARTICULARS	As at 31.03.2019 Amount in Rs.	As at 31.03.2018 Amount in Rs.
Prior period Expenses	21,93,593	15,68,515
Prior Period Income	(5,33,86,111)	(17,65,819)
Interest accrued on Term Deposits understated	-	-
Interest accrued on Term Deposits overstated	2,95,396	20,42,500
Interest on FD MMS	-	-
Provision for CSR	38,77,484	-
KRSA	-	16,79,632
FD Payable	4	15,35,024
Service Tax Input credit	-	(44,92,500)
Forfeiture of EMD/Security Deposit	(3,92,380)	(9,35,000)
TOTAL	(4,74,12,014)	(3,67,648)



1. Corporate Information

Kerala Transport Development and Finance Corporation Limited is an NBFC situated at level 8, 6th Floor of Trans-towers, Thiruvananthapuram - 695014 and is fully owned by Government of Kerala. The Corporation is primarily engaged in extending financial assistance to the transport sector of the State. The other activities of the Corporation are partially providing housing/personal finance and undertaking BOT projects for Government of Kerala.

2 Significant Accounting Policies**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2016 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention as a going concern. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Policies requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

2.3 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of Property, Plant & Equipments comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure on Property, Plant & Equipments after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is provided on pro rata basis for property, plant and equipment after providing 5 % residual value and on written down value method on the useful life as specified in Part-C of Schedule II of the Companies Act, 2013, except on those assets whose useful lives are determined based on the technical evaluation made by the company and in the manner provided therein.

Intangible Assets

Intangible assets are amortised over their estimated useful life considering the terms of business and purchase agreements on straight line method as below.

Right in Trans-tower - 30 Years, Other BOT Assets - 30 Years, Software - 6 Years.

The factors that played a significant role in the estimated useful life of the assets are based on the period that would be necessary for the company to recover the total project cost incurred together with interest in the form of lease rentals as per agreement with the party.



2.4 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit ("CGU"). If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

2.5 Investments

Long Term Investments are stated at cost. A provision of diminution is made to recognise a decline, other than temporary, in the value of Long Term Investments. Any reduction in the investment and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Current Investments, if any, are stated at lower of the cost or fair market value.

2.6 Revenue Recognition

Interest income is recognized in the Statement of Profit and Loss on an accrual basis in accordance with Accounting Standard AS-9 'Revenue Recognition'. Income arising out of Non-banking business transactions has been recognized before applying the provisions of NBFC Prudential Norms (Reserve Bank) Directions 2007, since such norms are not applicable to the Government Company as defined under clause 45 of section 2 of the Companies Act 2013 for the year ended 31st March 2019. Upfront / processing fees are recovered and recognised at the time of disbursement of loan. In case of default on the repayment of loans, overdue and penal interest is charged only on their realisation.

In case of the Loans, against which Recovery proceedings have been initiated, interest income is recognised on realisation of interest.

BOT Revenue is recognized to the extent it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured.

Income from dividend is recognized in the Statement of Profit and Loss as and when the right to receive is established.

2.7 Employee Benefits

Company's contributions in the year towards government administered Provident and other funds are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. Contribution as applicable to the employees on deputation is paid to the respective Parent Department. However the liability in respect of gratuity and encashment of earned leave to the employees are provided in books of account on the basis of probable liability that may arise if the employee retire at the end of the year and not on the basis of actuarial valuation as required by Accounting standard 15, issued by the Institute of Chartered Accountants of India

2.8 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit or (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals for future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



2.9 Taxes on income

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the year.

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and excess or short provision for tax relating previous years.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

In respect of disputed income tax demands, where the company is in appeal, provision for tax is made when the matter is finally decided.

2.10 Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS 20, Earnings Per Share issued, by the Institute of Chartered Accountants of India. Basic earnings per equity share have been computed by dividing net profit / loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive. During the year there is no adjustments in respect of dilution of equity shares, hence Basic EPS and Diluted EPS are same.

2.11 Provisions and Contingences

The Company recognizes provision when there is present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made.



Contingent assets are not recognized in the financial statements.

2.12 Previous year Figures

The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current period figures.



4.1 Fixed Deposits

Fixed deposit from public collected under various schemes like MMS, PIPS, Salute etc. totalling to Rs.976,25,25,338/- disclosed under Long Term Borrowings (Deposit from public – Rs. 546,56,89,950/- as per Note No. 3.3) and Other Current Liabilities (current maturities of long term borrowings Rs. 429,68,35,388/- as per Note No. 3.7) are not reconciled and tallied with the Subsidiary registers and records as on the closing date.

These Fixed Deposits include a Suspense amount of Rs. 33,15,391/- out of which Rs.25,74,173/- is outstanding from 31-03-2018. These Deposits also include an amount of Rs. 57,12,450/- classified as 'Term Deposit Auto Renewal' (since 2010-11) which though matured are neither renewed nor closed as on the closing date.

Further, interest accrued but not due amounting to Rs. 41,40,88,795/- disclosed under 'Other Current Liabilities' (Note 3.7) is not reconciled and tallied with the Subsidiary registers and records as on the closing date of which an amounting to Rs.2,82,39,726/- relating to the interest accrued of DCB Loan for the month of March 2019. The Non-Current portion of this liability is not bifurcated and disclosed separately under 'Other Long-Term Liabilities' due to the complexity involved in carrying out such bifurcation.

4.2 Other Long Term Liabilities

- i. The balance in Suspense Account amounting to Rs. 20,16,102/- comprises of unidentified transactions appearing in bank accounts, unreconciled salary deductions and contribution to KCWWF, EPF and miscellaneous items, the adjustments of which are pending in the books of accounts for want of sufficient and conclusive evidence as to the nature of such transactions.
- ii. Other Long Term Liability of Rs. 8,24,33,284/- as per Note No.3.4 includes Rs. 4,18,665/- which represents excess tax deducted and remitted by various parties from taxable payments made to the Corporation, in respect of which credit has been availed in the Income Tax Return for the previous years for which adjustments are still pending.
- iii. Other Long Term Liability of Rs. 8,24,33,284/- as per Note No.3.4 includes Rs. 5,93,510/-, towards annuity payable to KSRTC up to 30-09-2018 computed by M/s. Unnikrishnan Nair & Associates, Chartered Accountants.

4.3 Long-Term Provisions

- i. The Corporation provides the encashment of earned leave to all employees working in the organisation. The Permanent and Deputation employees are eligible for carry forward option for a maximum of 300 days of leave till Retirement. However, in case of Deputation employees, the amount due will be paid by the concerned parent Department at the time of retirement and as such no provision for leave encashment in respect of these employees is created. The Contract employees are allowed to avail the encashment of earned leave for a maximum of 15 days with a restriction on availing the same within the financial year itself. Actuarial valuation was not carried out in determining the amount of provision towards earned leave encashment.
- ii. The company makes a provision for Doubtful Loan Asset to the extent of 100% of balance outstanding in respect of loans under Revenue Recovery. Accordingly, provision was created for the balance of Loan under Revenue Recovery available as on 31.03.2018 was reduced amounting to Rs.4,57,41,450/- due to excess provisions made during the previous years and a provision of Rs. 2,99,78,61,586/- was created during the year against non-performing assets as per RBI prudential norms w.e.f. 31-03-2019. The total provision for Doubtful Loan asset comes to Rs. 3,49,51,54,645/- which is disclosed under Long Term Provisions (Note 3.5).

4.4 Other Current Liabilities

- i. There were TDS demands from income tax department amounting to Rs.37,68,005 and Rs43,54,302 in respect of payment of interest on fixed deposits relating to 2014-15 and 2015-16 respectively, which was paid by the company from own resources. These amounts were booked under the heads 'Arrear TDS 194 A' and 'Tds (Interest on FD) for Earlier Years 2014-15'. The company started recovering the TDS so paid from the subsequent interest payable to the deposit holders. Now, the account 'Arrear TDS 194 A' shows excess recovery, the balance of which as on the closing date amounts to Rs. 1,74,334/-. This amount is disclosed as part of other current liabilities (Note No 3.7) under the head 'statutory liabilities'. And the 'Tds (Interest on FD) for Earlier Years 2014-15' showing debit balance is disclosed as part of 'other current asset' (Note No.3.16).
- ii. Other Liabilities of Rs. 1,02,95,600/- under the head Other Current Liabilities (Note No.3.7) includes an amount of Rs. 12,77,192/-, being credit balance in some of the loans given by the company, which are subject to suitable adjustments in the books of accounts.

4.5 Non-Current Investment

The company has investment in equity shares of State Bank of India (erstwhile State Bank of Travancore) and Cochin International Airport Limited out of which Shares of SBI are quoted securities, regularly traded in stock exchanges. The company originally had 17650 equity shares of the face value of Rs.10 each of State Bank of Travancore, which was later converted into 38830 equity shares of Re. 1 each of State Bank of India due to corporate merger between the two banks. The market value of quoted shares of SBI comes to Rs.320.55 per share as at the close of the year(29th March 2019). In respect of shares of Cochin International Airport Limited, there is no permanent diminution in its value and as such no adjustment in value has been made in the books in respect thereof.

4.6 Long- Term Loans and Advances

- i. The company rescheduled various loans together with interest thereon, outstanding from KSRTC on 31.12.2015 as a new loan of Rs.5,01,43,84,528/-with a repayment period of 5 years at the rate of 12.33%interest to be repaid in equated daily instalments (EDI) of Rs.36,81,486/- with effect from January 1,2016, on the basis of a report from special auditor GS Rajan & Co.At the time of reschedulement, the total of loans outstanding from KSRTC as per the books maintained by the company was Rs. 5,00,56,97,778/-. The difference is not incorporated in the books to bring it in line with the repayment schedule issued to KSRTC. And KSRTC is in the process of reconciliation of the difference with their books and records.

On 29th March 2018, through a Consortium formed by SBI, Vijaya Bank, Canara Bank and KTDFC, KSRTC was sanctioned Term Loan for an amount not exceeding Rs.3100 crores. KTDFC joined the consortium on the condition that the total amount outstanding from KSRTC will be taken over by the consortium to the extent of RS.1100 Crores and the balance amount receivable from KSRTC shall be settled by government of Kerala. Accordingly, the share of KTDFC in the Consortium arrangement is Rs.1100 crores at a lending rate of 9.2%. The balance amount outstanding from KSRTC as on the date of consortium was Rs.1219.65 crores and out which Rs.1100 crores was transferred to consortium loan arrangement and balance of Rs.119.65 crores being the amount receivable from Government is shown as receivable from Government of Kerala.

During the year 2018-19, Laxmi Vilas Bank, Union Bank and Andhra Bank has joined in the consortium by contributing RS.150Cr. on 25/04/2018, Rs.300Cr on 28/02/2019 and RS.495.03Cr on 30/03/2019 respectively and therefore our share in the consortium loan reduced to Rs.1,43,79,15,310/- shown under the head Long Term Loans & Advances (Note No.3.11).

- ii. During the year 2018-19, the company has created a provision of Rs. 3,24,637/- in respect of the amount due to the contractors for the completed work of Bus Terminal Complex, Angamally. The provision so created includes all statutory liabilities and other deductions required to be made from parties as such the asset is booked at Gross Value.



- iii. During the year 2018-19, the company has created a provision of Rs. 2,96,62,484/- in respect of the amount due to the contractors for the completed work of Bus Terminal Complex , Thampanoor. The provision so created includes all statutory liabilities and other deductions required to be made from parties as such the asset is booked at Gross Value.
- iv. During the year 2018-19, the company has created a provision of Rs. 75,83,120/- in respect of the amount due to the contractors for the completed work of Bus Terminal Complex , Kozhikode. The provision so created includes all statutory liabilities and other deductions required to be made from parties as such the asset is booked at Gross Value.
- v. During the year 2018-19, the company has created a provision of Rs. 1,45,71,822/- in respect of the amount due to the contractors for the completed work of Bus Terminal Complex , Thiruvalla. The provision so created includes all statutory liabilities and other deductions required to be made from parties as such the asset is booked at Gross Value.
- vi. Government has not yet finalised the rate of interest to be earned on BTC complexes.
- vii. The Loans given by the Company on which Revenue Recovery proceedings have been initiated are classified as Doubtful Loans under Long Term Loans and Advances. The company does not have a specific policy for initiating Recovery Proceedings against the Loanee under default. When recoveries are made, the amounts are first adjusted against penal and overdue interest till the date of recovery, and the balance is adjusted against the interest and the principle amount.

4.7 Other Non-Current Assets

- i. It includes Long Term Trade Receivable being considered as doubtful of Rs.1,28,863/- for which no provision has been made for the year 2018-19.
- ii. Other Non-Current Assets (Note No. 3.12) includes an amount of Rs. 34,80,870/-, towards Income Tax Refund claimed for the Assessment Year 2015-16. Since the status of this is not clear, no adjustment is made in the books in respect thereof.
- iii. Other Non-Current Assets (Note No. 3.12) includes an amount of Rs. 5,75,90,740/-, towards Income Tax Refund claimed for the Assessment Year 2017-18. Since the status of this is not clear, no adjustment is made in the books in respect thereof.
- iv. Other Non-Current Assets (Note No. 3.12) includes an amount of Rs. 5,90,48,070/-, towards Income tax Demand for the Assessment year 2016-17.
- v. Other Non-Current Assets (Note No. 3.12) includes an amount of Rs. 4,02,385/- & Rs. 3,35,261/- towards existing Service Tax Demand for the FY 2012-13 & 2014-15 respectively was demanded in addition to Rs. 12,07,152/- & 10,05,782/- respectively during the previous year.
- vi. Other Non-Current Assets (Note No. 3.12) includes an amount of Rs. 11,38,752/- towards Service Tax Demand for the financial year 2016-17.
- vii. Other Non-Current Assets, includes Rs.2,14,78,934/-being Interest receivable on Trans Tower cost from Government of Kerala which is outstanding for the past few years and is considered as doubtful for which no provision has been made for the year 2018-19.

4.8 Income Tax Demand



- i. Further, Other Non-Current Assets (Note No.3.12) include an amount of Rs.15,22,48,448 which is the income tax and service tax paid by the company on the basis of demand notices received from the concerned Departments, at appeals are pending at various forums, the details of which are as follows:

Period to which dispute relates to	Nature of tax	Demand Amount paid	Date of Payment
2009-10	Income Tax	14,61,250	04/06/2014
2009-10	Income Tax	65,85,780	26/05/2017
2009-10	Income Tax	1,00,000	18/08/2012
2010-11	Income Tax	3,88,380	22/02/2013
2011-12	Income Tax	6,89,990	07/10/2014
2011-12	Income Tax	* 5,33,89,460	26/03/2014
2012-13	Income Tax	73,60,420	10/12/2015
2012-13	Income Tax	1,50,000	12/10/2015
2014-15	Income Tax	1,81,03,749	07/02/2017
2015-16	Income Tax	29,38,950	08/01/2018
01/07/2012 to 31/03/2014	Service Tax	12,07,152	09/06/2017
2014-15	Service Tax	10,05,782	09/06/2017
2016-17	Income Tax	5,90,48,070	31/03/2019
2012-13	Service Tax	4,02,385	30/11/2018
2014-15	Service Tax	3,35,261	30/11/2018
2016-17	Service Tax	11,38,752	11/10/2018

*includes refund received of Rs.20,56,933/ (Note 4.8(iii) below

- ii. For the Assessment year 2010-11, the income tax department raised a demand of Rs.12,76,937 against which Rs.3,88,380 was paid on 22-02-2013 and the balance of Rs.8,88,557 was adjusted by the Income Tax Department against the refund issued for the Assessment Year 2011-12 (As per note 4.8(iii) below) in respect of which the company preferred an appeal. However, instead of retaining in the books as 'Current Asset' in the light of the appeal, the amount so paid was deducted from the surplus in the Profit and Loss account under the head 'Reserves & Surplus' in the year 2012-13, against the stated accounting policy. Consequently, this amount was also not disclosed as Contingent Liability in the Accounts for the subsequent years. This is now rectified by debiting the Profit and Loss account and reinstating the Tax Demand already paid as 'Other Non-Current Asset' in the books of accounts.
- iii. For the Assessment Year 2011-12, the company filed return of income based on provisional financial statements claiming a refund of Rs.29,60,790. The Income Tax Department issued refund of this amount and after setting off Rs.8,88,557 against the pending demand for the Assessment Year 2010-11, paid Rs.20,56,933 on 09-04-2013 which was accounted as 'Income Tax Refund' under 'Current Liabilities' for the year 2013-14. Later, when the revised return was filed for the Assessment Year 2011-12 with audited financial statements, the Income Tax Department raised a demand of Rs.5,43,72,730 on 26-03-2014 which included the amount of Rs.26,29,900 already refunded. The company paid an amount of Rs. 5,33,89,460 as Self Assessment Tax on 26.03.2014 which is adjusted against this demand for which appeal is pending before the Income Tax Department. However, instead of retaining in the books as 'Current Asset' in the light of the appeal, the amount so paid was deducted from the surplus in the Profit and Loss account under the head 'Reserves & Surplus' in the year 2013-14, against the stated accounting policy. Consequently, this amount was also not disclosed as Contingent Liability in the Accounts for the subsequent years. This is now rectified by debiting the Profit and Loss account and reinstating the Tax Demand already paid as 'Other Non-Current Asset' in the books of accounts.
- iv. For the Assessment Year 2012-13, the company created a provision for tax amounting to Rs. 5,90,75,000 against which an amount of 3,92,82,940 paid on 26-03-2013. The Income Tax Department issued a notice under section 156 on 29/03/2015 for the AY 2012-13 demanding Rs.73,60,420 which was paid on 10-12- 2015 and the amount so paid was wrongly adjusted against the provision for tax for the AY 2012-13 in the



year 2015-16, which was rectified in the current year. The excess provision amounting to Rs.1,82,46,101 (that is Rs.5,90,75,000 less Rs.3,92,82,940) was written back during the year.

- v. The company has not filed the income tax return for the Assessment Year 2008-09 and as such tax amount was not assessed and tax liability was not remitted for that year.

4.9 Other Current Assets

Other Current Asset of Rs. 1,00,53,274/- includes 'Rent Receivable From KSUDP' amounting to Rs. 1,39,691/- which is considered as doubtful for which no provision is made for the year 2018-19.

4.10 Others

KTDFC has been exempted from RBI Prudential norms up to 31-03-2018. For the financial year 2018-19 KTDFC has followed the Non-Performing Asset (NPA) Procedure of provisioning for NPA. The interest accrued on NPA Loans i.e, principal/interest pending for more than 90 days on loans advanced has been reversed & maintained as a memorandum account "Interest suspense" & "Interest accrued" for respective loans amounting to Rs.43,14,20,213.10/- will not reflect in the books of accounts.

4.11 Foreign Currency Transactions

The Corporation had no imports during the year and there were no income or expenses in foreign currency.

4.12 Contingent Liabilities

Claims against the Company not acknowledged as debt, the outcome of which is contingent are as follows:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (IN RUPEES)	PERIOD TO WHICH DISPUTE RELATES	FORUM WHERE DISPUTE PENDING
Service Tax, Chapter V of Finance Act,1994	Service Tax	8,49,586/-	2007-08,2009-10 and 2011-12	Commissioner of Central Excise (Appeals) Cochin
Service Tax, Chapter V of Finance Act,1994	Service Tax	1,60,95,371/-	01/07/2012 to 31/03/2014	Customs Excise and Service Tax Appellate Tribunal
Service Tax, Chapter V of Finance Act,1994	Service Tax	1,34,10,434/-	01/04/2014 to 31/03/2015	Customs Excise and Service Tax Appellate Tribunal
Service Tax, Chapter V of Finance Act,1994	Service Tax	1,51,83,360/-	01/04/2015 to 31/03/2016	Commissioner of Central Excise (Appeals) Cochin
Income Tax Act,1961	Income Tax	95,62,420/-	01/04/2009 to 31/03/2010	Income Tax Appellate Tribunal has referred back to Assessing Officer
Income Tax Act,1961	Income Tax	12,76,940/-	01/04/2010 to 31/03/2011	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	5,40,79,450/-	01/04/2010 to 31/03/2011	Commissioner of Income Tax (Appeals)



Income Tax Act, 1961	Income Tax	Income Tax	75,10,420/-	01/04/2011 to 31/03/2012	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	Income Tax	1,81,03,749/-	01/04/2013 to 31/03/2014	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	Income Tax	1,46,94,750/-	01/04/2014 to 31/03/2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	Income Tax	29,52,40,330/-	01/04/2015 to 31/03/2016	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax	Tax Deducted at Source	5,71,19,205/-	01/04/2014 to 31/03/2015	Commissioner of Income Tax (Appeals)

4.13 Segment Reporting

- i. Segments have been identified in line with the Accounting Standards AS-17, Segment Reporting, taking into account the organizational Structure as well as the differential risks and returns of these segments. The operations of the corporations predominantly relate to NBFC operations; the other business segment is BOT operations. The activities of the corporation are restricted to the State of Kerala and therefore no geographical segment disclosure is considered necessary.

The details of Business Segment information is presented below:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A. SEGMENT REVENUE:		
(a) NBFC Operation	12336.94	15,812.15
(b) BOT Operation	967.68	673.28
(c) Unallocated	727.03	249.99
Total	14031.65	16,735.42
Less: Inter Segment Revenue	-	-
Total Income	14031.65	16,735.42
B. SEGMENT RESULT:		
(a) NBFC Operation	(32843.92)	570.94
(b) BOT Operation	(410.35)	(605.64)
(c) Unallocated	642.88	167.56
Total Profit Before Tax	(32611.39)	132.86
Income Tax Expenses		
Current Tax		.01
Deferred Tax	(8480.8)	612.38
(Excess) or Short provision relating to prior years		(720.24)
Profit after Tax	(24130.52)	240.71
C. CAPITAL EMPLOYED		
Segment Asset		



(a) NBFC Operation	65470.15	2,96,847.97
(b) BOT Operation	22810.13	22,580.53
(c) Unallocated	71228.86	7,672.10
Total Assets	159509.15	3,27,100.60
Segment Liabilities		
(a) NBFC Operation	172247.80	3,13,636.37
(b) BOT Operation	1211.82	3,835.07
(c) Unallocated	2781.60	2,230.71
Total Liabilities	176241.22	3,19,702.15
Net Segment Assets/(liabilities)	(16732.07)	7,398.45
D. CAPITAL EXPENDITURE		
(a) NBFC Operation	-	
(b) BOT Operation	793.52	297.30
(c) Unallocated	0.84	5.06
Total	794.36	302.36
E. DEPRECIATION / AMORTISATION		
(a) NBFC Operation	-	
(b) BOT Operation	838.61	820.83
(c) Unallocated	8.39	11.54
Total	847.01	832.37
F. OTHER NON-CASH EXPENSES		
(a) NBFC Operation	30137.83	518.14
(b) BOT Operation	0.63	43.64
(c) Unallocated	-	-
Total	30138.46	561.78

- ii. Segment Revenue, Segment expense, Segment Assets, Segment Liabilities are allocated on the basis of factors such as nature of those items, the activities conducted by the segment, the relative autonomy of that segment. Those amounts which cannot be allocated on a reasonable basis to segments have been shown as unallocated corporate items.
- iii. Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

4.14 Related Party Transactions

As per Accounting Standard (AS) – 18, on related party disclosures issued by the ICAI, the disclosure of transactions with related party as defined in the accounting Standard is given below; and previous year figures are given in bracket.

- a) Name of Related Parties : Nature of Relationship
(i) Kerala State Road Transport Corporation: Government of Kerala undertaking



b) Transactions with Related parties during the Year:

- i. Loan Outstanding at the beginning of the year - Rs. 27,85,46,88,644 (Rs. 11,14,09,92,771)
- ii. Loan given during the year - Rs.0 (Rs. 25,92,36,83,156)
- iii. Interest and other charges due on the Loans Given - Rs.1,06,22,38,968 (Rs. 1,53,78,07,884)
- iv. Repayment of Principal and interest - Rs.24,13,15,37,087 (Rs. 9,55,11,39,871)
- v. Loan Outstanding at the end of the year - Rs. 4,78,54,78,370 (Rs. 27,85,46,88,644)

As per our report of even date

For and on behalf of Board

For RANJIT KARTHIKEYAN ASSOCIATES
Chartered Accountants


B. Chandrasekharan Nair B.Com., FCA
(Membership No. 019922)
Partner
FRN : 006705S

UDIN:19019922AAAAJ1079

Thiruvananthapuram
22.11.2019


K. K. Jyothilal IAS
Chairman


Rahul R IRS
Managing Director


S. V. Vimal
Company Secretary





COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of **Kerala Transport Development Finance Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2019** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are 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 **19 December 2019**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala Transport Development Finance Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2019** 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**1. Reserves and Surplus (Note 3.2)– ₹(211.15 crore)**

Understatement of Reserves and Surplus (negative) by ₹17.94 crore with corresponding overstatement of Loan receivable from KSRTC to the same extent due to excess credit of interest income of ₹17.94 crore from KSRTC for the month of September 2015.

2. ASSETS**Non current assets****Deferred Tax Asset (Net) – ₹62.99 crore**

Overstatement of Deferred Tax Asset (Net) by ₹106.13 crore and understatement of Reserves and Surplus (Negative) to that extent as the Company is not in a position to comply with the conditions as per paragraph 17 and 18 of AS 22 where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

B. COMMENTS ON PROFITABILITY**BOT Expenses ₹5.33 crore**

Non-provision for Property tax and penalty of ₹3.71 crore levied by Thiruvalla Municipality has resulted in understatement of Other Expenses by ₹3.71 crore with corresponding understatement of Loss for the year to the same extent.

C. COMMENTS ON CASHFLOW**1 Cash Flow from Operating Activities****1.1 Operating Profit before Working Capital Change ₹9,59,74,164/-**

Overstatement of Operating Profit before Working Capital Change as well as Cash flow from Operating Activities by ₹4.57 crore due to non adjustment of (non-cash item) excess Provision for Non-Performing Assets (RR Loans) created during earlier years written back during the year as per AS 3.

D. COMMENTS ON INDEPENDENT AUDITORS' REPORT

Understatement of provisions by ₹0.27 crore with corresponding understatement of Loss for the year to the same extent due to non-accounting of simple interest at 12 per cent for the defaulted payment of Guarantee Commission due to Government of Kerala on 01-10-2018. Though the Auditor had cited (Paragraph XIX) this as one of the basis for their adverse opinion, they have not quantified the same.

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

Sd/-

Thiruvananthapuram

Dated: 09.04.2021

K.P. ANAND

PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA

**REPLAY TO DRAFT COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013**

COMMENTS OF C&AG	REPLIES OF KTDFC
<p>A. COMMENTS ON FINANCIAL POSITION</p> <p>1. Reserves and Surplus (Note 3.2)– ₹(211.15 crore)</p> <p>Understatement of Reserves and Surplus (negative) by ₹17.94 crore with corresponding overstatement of Loan receivable from KSRTC to the same extent due to excess credit of interest income of ₹17.94 crore from KSRTC for the month of September 2015.</p>	<p>To arrive at the correct figure of KSRTC loan, the company had engaged a Special Auditor GS Rajan & Associates. As per the Special Auditor, the difference between the amount shown in KTDFC's accounts and the amount finalized by the special Auditor is short by Rs.8686750/- as on 31/12/2015.</p> <p>The company has not taken a decision on the Report so far. The company will make necessary correction entries once the amount is finalized.</p>
<p>2. ASSETS</p> <p>Noncurrent assets</p> <p>Deferred Tax Asset (Net) – ₹62.99 crore</p> <p>Overstatement of Deferred Tax Asset (Net) by ₹106.13 crore and understatement of Reserves and Surplus (Negative) to that extent as the Company is not in a position to comply with the conditions as per paragraph 17 and 18 of AS 22 where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.</p>	<p>At present, the financial health of KTDFC is not in a good position mainly due to the applicability of NPA provisioning of RBI to all NBFC's w.e.f FY-2018-19, there by the Company is forced to classify KSRTC to doubtful category bearing 50% provisioning in the financials. Moreover the takeover of KSRTC loan into consortium over a period of 20 years, had shaken the overall financial performance of the company, it is evident from the financial statements of the Company that major</p>


	<p>portion of its revenue from operations is being generated from the loans availed by KSRTC for a short period. However in order to withstand this situation, KTDFC had already taken the revival strategies with the aid of Govt. of Kerala to bring back the company to a profitable position through new avenues available and defined in the Object Clause of Articles of Association. Hence the recognition of Deferred Assets in the books of records by the management is reasonable with certainty that sufficient future taxable income would be available.</p>
<p>B. COMMENTS ON PROFITABILITY</p> <p>BOT Expenses ₹5.33 crore</p> <p>Non-provision for Property tax and penalty of ₹3.71 crore levied by Thiruvalla Municipality has resulted in understatement of Other Expenses by ₹3.71 crore with corresponding understatement of Loss for the year to the same extent.</p>	<p>The inadvertent error is regretted</p>
<p>C. COMMENTS ON CASHFLOW</p> <p>1 Cash Flow from Operating Activities</p> <p>1.1 Operating Profit before Working Capital Change ₹9,59,74,164/-</p> <p>Overstatement of Operating Profit before Working Capital Change as well as Cash flow from Operating Activities by ₹4.57 crore due to non adjustment of (non-cash item) excess Provision for Non-Performing Assets (RR Loans) created during earlier years written back during the year as per AS 3.</p>	<p>Noted for future guidance</p>

D. COMMENTS ON INDEPENDENT AUDITORS' REPORT

Understatement of provisions by ₹0.27 crore with corresponding understatement of Loss for the year to the same extent due to non-accounting of simple interest at 12 per cent for the defaulted payment of Guarantee Commission due to Government of Kerala on 01-10-2018. Though the Auditor had cited (Paragraph XIX) this as one of the basis for their adverse opinion, they have not quantified the same.

We were not in a position to quantify the exact liability amount. Hence not reported.

For and on behalf of Board of Directors



Dr. B. ASHOK IAS
18/4

Chairman and Managing Director

Place: Thiruvananthapuram

Date: 24/06/2021

Name of the Member:

Registered Address:

E-mail ID:

Form No: MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the companies (Management and Administration Rule, 2014)]

CIN: U65923KL1991SGC005985

Name of the Company: Kerala Transport Development Finance Corporation Ltd.

Registered Office: Level 8(6th floor), Trans Towers, Vazhuthacaud, Thiruvananthapuram.

Name of the Member:

Registered Address:

I/ We, being the member of..... Shares of the named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:, or failing him

3. Name:

Address:

E-mail Id:

Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 28th Adjourned Annual General Meeting of members of the company, to be held on 28th day of September 2021 at 04.PM at the registered office of the company, Level 8(6th floor), Trans Towers, Vazhuthacaud, Thiruvananthapuram and at any adjournment thereof in respect of such resolution as are indicated below:

3.....

Signed this.....day of..... 20

Signature of Shareholders

Signature of proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hrs before the commencement of the Meeting.

- 1) To receive, consider and adopt the Financial Statement of the company for the year ended 31st March 2019, along with the comments of the Comptroller & Audit General of India, Additional Chief Secretary (Finance) and the Report of Board of Directors and Statutory Auditors thereon.

Affix
Revenue
Stamp

Signature of Shareholders

Signature of the Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hrs before the commencement of the Meeting.



Printed at Kerala State C-apt, Thiruvananthapuram. Ph: 0471-2365678



KERALA TRANSPORT DEVELOPMENT FINANCE CORPORATION LTD.

[A NON BANKING FINANCIAL COMPANY REGISTERED UNDER THE RESERVE BANK OF INDIA]

Registered Office: Thiruvananthapuram, Level B (6th Floor), Trans Tower, Vazhuthacaud, Thiruvananthapuram-14
Tel: 0471-2326883, Fax: 0471-2326884, Email: mail@ktdfc.com