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#### **REGISTERED OFFICE:**

8<sup>th</sup> Floor, Revenue Tower, Park Avenue, Kochi – 682 011 Kerala, India.

Phone : +91 484 2380 980 Fax No: +91 484 2380 686 www.kochimetro.org

#### STATUTORY AUDITORS

M/s. K Varghese & Co., Chartered Accountants, Market Road, Ernakulam.

#### **SECRETARIAL AUDITORS**

M/s. Gopimohan Satheesan & Associates, Company Secretaries, M.G. Road, Ravipuram, Cochin – 682 016.

#### **INTERNAL AUDITORS**

M/s. J R S & Co., Chartered Accountants, 2<sup>nd</sup> Floor, The Monarch, P.T. Usha Road, Kochi – 682 011

#### **COMPANY SECRETARY**

B. Anilkumar

#### **OUR BANKS**

Canara Bank
State Bank of India
State Bank of Travancore
Indian Bank
HDFC Bank Ltd.
Axis Bank Ltd.
IDBI Bank Ltd.
Federal Bank Ltd.
Dhanalaxmi Bank Ltd.
The Ernakulam District Co-operative Bank Ltd.



#### **BOARD OF DIRECTORS**

Shri Madhusudan Prasad - Chairman, KMRL

Secretary, Ministry of Urban Development, Room No.122 C, Nirman Bhawan, New Delhi.

Shri Mukund Kumar Sinha - OSD (UT) & Ex-officio Joint Secretary,

Ministry of Urban Development, Room No.138 C

Nirman Bhawan, New Delhi.

Shri Laj Kumar - Additional Member (Works),

Railway Board, Ministry of Railways,

Rail Bhavan, New Delhi.

Shri Jitendra Tyagi - Director (Works),

DMRC Ltd., Metro Bhawan, Fire Brigade Lane,

Barakhamba Road, New Delhi.

Shri L. Narasim Prasad - Director (Systems & Operations),

Chennai Metro Rail Limited.

Shri Jiji Thomson - Chief Secretary

Government of Kerala, Government Secretariat,

Thiruvananthapuram.

Dr. K. M. Abraham - Additional Chief Secretary, Finance

Government of Kerala, Government Secretariat,

Thiruvananthapuram.

Shri V. J. Kurian - Additional Chief Secretary,

Water Resources & CSIN,

Government of Kerala, Government Secretariat,

Thiruvananthapuram.

Dr. M. G. Rajamanickam - District Collector, Collectorate,

Kakkanad, Ernakulam.

Shri Elias George - Managing Director

Kochi Metro Rail Ltd., 8th Floor, Revenue Tower, Kochi.

Shri Abraham Oommen - Director (Finance)

Kochi Metro Rail Ltd., 8th Floor, Revenue Tower, Kochi.

Shri Mahesh Kumar - Director (Projects)

Kochi Metro Rail Ltd., 8th Floor, Revenue Tower, Kochi.

#### **KOCHI METRO RAIL LIMITED**

Registered Office: 8<sup>th</sup> Floor, Revenue Tower, Park Avenue, Kochi – 682 011, Kerala, India.

Tel: +91 484 2380 980, Fax: +91 484 2380 686, Website: www.kochimetro.org

CIN: U60100KL2011SGC029003

#### NOTICE OF THE FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fourth Annual General Meeting of the Shareholders of the Company will be held on Tuesday, the 29<sup>th</sup> of September 2015 at 12.30 p.m. at the Registered Office of the Company at Revenue Tower, 8th Floor, Opposite Park Avenue, Kochi - 682 011, to transact the following businesses:

#### **Ordinary Business:**

- 1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2015 along with the Report of the Board of Directors, the Statutory Auditors thereon and the comments of the Comptroller and Auditor General of India.
- 2. To fix the remuneration to the Statutory Auditors, M/s. K Varghese & Co., Chartered Accountants appointed by the Comptroller and Auditor General of India (for the financial year 2014-15).

#### **Special Business:**

- 3. Enhancement in the borrowal limit of the Company from Rs. 3,000 crore to Rs. 5,000 crore.

  Consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution:
  - "RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013, as amended from time to time, the shareholders hereby accord their consent to the Board of Directors to borrow from time to time all such sums of monies whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets whether movable or immovable and all or any of the undertakings of the Company as it may deem requisite or proper for the purpose of the business of the Company notwithstanding that monies to be borrowed together with the outstanding monies already borrowed by the Company exceed for the time being the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount of borrowal of the Company shall not exceed the sum of Rs. 5,000 crore (Rupees five thousand crore only)."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, as amended from time to time, the shareholders hereby accord their consent to the Board of Directors to mortgage and/or create charge on all or any of its movable and /or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company on such terms and conditions at such time or times and in such form and manner as it may deem fit in favour of any banks(s) or body(ies) corporate, together with interest, cost, charges and

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expenses thereon for amount not exceeding Rs. 5,000 crore (Rupees five thousand crore only) at any point of time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to

sign all such documents and writings as may be necessary to give effect to this resolution and for matters

connected therewith or incidental thereto."

4. Alteration of the Articles of Association in line with the Companies Act, 2013.

Consider and if thought fit, to pass with or without modifications, the following resolution as a special

resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the

Companies Act, 2013 and the Rules made thereunder Articles 78 and 116 of the Articles of Association of the

Company be and are hereby altered as under:

In the Article 78 on Annual General Meeting, for the words "at some other place within the city in which the office

of the Company is situated as the Board may determine" the words "such other place as the Central Government

may approve in this behalf" shall be substituted;

In the Article 116 on Number of Directors, the words "not more than 15" shall be removed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts,

and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

5. Appointment of Shri Praveen Goyal (DIN: 06921435), as Director, Systems of the Company.

Consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary

resolution:

"RESOLVED THAT pursuant to Section 196 and all other applicable provisions of the Companies Act, 2013 read

with Schedule V to the said Act and the Rules made thereunder, Shri Praveen Goyal (DIN: 06921435) be and is

hereby appointed as Director, Systems of the Company for a period of Five years with effect from 10.09.2015."

"RESOLVED FURTHER THAT Shri B. Anilkumar, Company Secretary be and is hereby authorized to file

necessary returns with the Registrar of Companies."

By Order of the Board of Directors

For Kochi Metro Rail Limited

(Sd/-)

Place: Kochi

Date: 02<sup>nd</sup> September, 2015

B. Anilkumar

Company Secretary

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#### Notes:

- 1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item No. 3 and 4 above is annexed hereto.
- 2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- 3. The form of proxy duly stamped and signed must be deposited at the Registered Office of the Company in not less than 48 hours before the meeting.

#### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 3

As per Section 180(1) (c) of the Companies Act, 2013 the Board of Directors of the Company shall exercise the power to borrow money, only with the consent of the shareholders of the Company by a special resolution, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business. The consent of the Company was obtained by way of special resolution in an extra-ordinary general meeting held on 30<sup>th</sup> May, 2013 for borrowal of an amount not exceeding Rs. 3,000 crore (Rupees Three Thousand crore).

At present the total borrowal including the money already borrowed and proposed to be borrowed is Rs. 2,900 crore which is within the approved limit of Rs. 3,000 crore.

Since the Company may have to further borrow from other funding agencies/financial institutions for the implementation of Phase IB of the Kochi metro rail project and other activities, it is imperative to enhance the borrowal limit of the Company from Rs. 3,000 crore to an amount not exceeding Rs. 5,000 crore.

In view of the above the Board commends the Resolution at Item No. 3 for approval by the shareholders.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 3 of the Notice.

#### Item No. 4

The Ministry of Corporate Affairs (MCA) has in a phased manner given effect to 282 sections of the Companies Act, 2013 and the corresponding provisions of Companies Act, 1956 have ceased to have effect. The Ministry of Corporate Affairs vide notification no. GSR 463 (E) dated 5th June, 2015 has exempted Government Companies from the applicability of certain provisions of the Companies Act, 2013. Some of the provisions of the Articles of Association (AoA) of the Company are not consistent with the requirements of this notification as indicated below. At this juncture, it is essential to ensure that all the charter documents of the Company like the Articles of Association (AoA) are in line with the notification by making suitable alterations, additions or deletions wherever necessary. To ensure smooth management of the Company and to avail the exemptions made applicable to Government companies, it is imperative



to alter the Articles of Association (AoA) of the Company in conformance with the Companies Act, 2013, and the rules and the notifications issued thereunder.

In view of the above the Board commends the Resolution at Item No. 4 for approval by the shareholders.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.

#### Item No. 5

Shri Ved Mani Tiwari, Director, Systems, KMRL was relieved from the services of the Company on 30<sup>th</sup> June, 2015 consequent on the acceptance of his resignation by the Competent Authority.

A Board Sub-Committee for selection of Director (Systems) consisting of MD/KMRL as Chairman and Shri Mukund Kumar Sinha, OSD/MoUD was constituted vide a Resolution of the Board of Directors. Shri D.S. Mishra, Additional Secretary, MoUD and Shri A.P. Mishra, former Member Engineering/Railway Board were invited as external experts to assist the Board Sub-Committee.

The Committee after interviewing the candidates and assessing their suitability recommended Shri Praveen Goyal, Head, Rail Systems, Project Execution, L&T Metro Rail Hyderabad Ltd. to the post of Director, Systems in KMRL.

In view of the above the Board commends the Resolution at Item No. 5 for approval by the shareholders.

Except Shri Praveen Goyal, no other Director or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 5 of the Notice.

#### **KOCHI METRO RAIL LIMITED**

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CIN: U60100KL2011SGC029003

#### **ATTENDANCE SLIP**

Please fill attendance slip and hand it over at the entrance of the meeting venue.

Name	
Address	
Folio No	
No. of Shares held	

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the fourth Annual General Meeting of the Company held on September 29, 2015 at 12.30 p.m. at Kochi Metro Rail Limited, 8th Floor, Revenue Tower, Park Avenue, Kochi – 682011, Kerala, India.

Signature of Member / Proxy



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CIN: U60100KL2011SGC029003

### 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) Rules, 2014]

Name	of the member(s):	
Registe	ered address:	
E-mail	id:	
olio N	Io/ Client ID:	
OP ID:		
/We, b	eing the member (s) of	shares of the above 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:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the fourth Annual General Meeting of the company, to be held on the 29<sup>th</sup> day of September, 2015 at 12.30 p.m. at the Registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolution
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2015 along with the Report of the Board of Directors, the Statutory Auditors thereon and the comments of the Comptroller and Auditor General of India.
2.	To fix the remuneration to the Statutory Auditors, M/s. K Varghese & Co., Chartered Accountants appointed by the Comptroller and Auditor General of India (for the financial year 2014-15)
3.	Enhancement in the borrowal limit of the Company from Rs. 3,000 crore to Rs. 5,000 crore.
4.	Alteration of the Articles of Association in line with the Companies Act, 2013.
5.	Appointment of Shri Praveen Goyal as Director, Systems of the Company.

Signed this day of 20

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

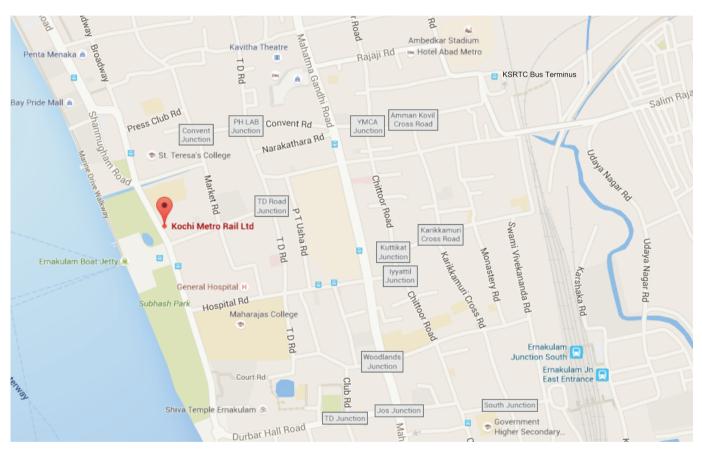
#### Note:

- 1. A Proxy need not be a Member of the Company.
- 2. 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 hours before the commencement of the Meeting.



## **ROUTE MAP**





#### **Chairman's Letter**



Dear Shareholders.

It gives me immense pleasure to welcome you to the fourth Annual General Meeting (AGM) of your Company. The Audited Accounts, the Reports of the Directors and Auditors, and the comments of the Comptroller and Auditor General of India, as well as the Notice to the shareholders have already been circulated to you. On this occasion of the fourth AGM of the Company, it is my privilege to share with you the significant achievements of the Company during the financial year 2014-15.

During the year, the work on the Kochi Metro Rail project has been progressing apace with the objective of making the system operational in the first reach during the year 2016. The civil works are at an advanced stage of progress, and more than 95% of the total land required for the project has already been acquired by your Company. The work on the Rolling Stock manufacture is being undertaken at Sri City in Andhra Pradesh, and it is noteworthy to mention that the Rolling Stock for Kochi Metro will be among the most indigenised coaches in the country, and therefore truly a `Make in India' product.

During the year, the Company has also decided to extend the metro corridor from Petta to Tripunithura, which is the natural culmination point for the present phase of the project. It has also been decided to take up a second line touching the present alignment at the JLN Stadium station and connecting with the Info Park at Kakkanad, for a length of 11.2 km. The Info Park area is being developed as the IT hub of Kerala, and this proposed new line is expected to substantially enhance the total ridership of the Kochi Metro Rail system.

During the year under review, your Company had to face a number of challenges including land acquisition, rehabilitation & resettlement of project-affected persons, traffic management during construction, and managing relationships with the various stakeholders involved in the project, as well as with the citizenry of Kochi. Your Company has put in place a State-of-the-Art Rehabilitation & Resettlement policy and package for Kochi city, which aims to minimise adverse impacts on project-affected persons, and I am happy to mention that KMRL's policy has been well received by the affected persons.

In order to meet the minimum fund requirement for land acquisition for the project, your Company has taken a loan of Rs.470 crore from the Ernakulam District Cooperative Bank Ltd.; with the interest and repayment liability being underwritten by the Government of Kerala on a back-to-back basis.



Your Company is not limiting its efforts only to setting up the most modern and rapidly executed metro rail system in the country, but is also moving towards the greater goal of making public transport the preferred option for all sections of society in the city of Kochi. In pursuit of this goal, your Company is also pursuing the vision of a Unified Metropolitan Transport Authority (UMTA), with seamless transportation across all modes of transport including the metro, the bus system and the boat system, with a single ticketing, a single network & timetable and a common 'command and control' system. It is expected that the draft UMTA Bill prepared by your Company will shortly be approved and enacted by the State Government of Kerala.

I am happy to mention that your Company has also put in place a model for Public Private Partnership (PPP) for the metro construction, by implementing the Automated Fare Collection (AFC) system with private participation, where a Bank has come forward not only to underwrite the cost of the AFC infrastructure, but also for paying us a substantial premium for the right to issue co-branded cards for the Kochi Metro Rail system.

The whole of Kerala is looking forward to the implementation of the Kochi Metro Rail project, and this project is a matter of pride for the entire State. We would like the entire metro structure as well as the different metro stations to stand out as locales of tourism interest as well as sites showcasing the natural endowments of Kerala and its artistic and cultural heritage. Consequently, various stations are being themed around various aspects like the natural heritage of Kerala, particularly the Western Ghats and its ecologically fragile biosphere.

Your Company is also in the process of augmenting its personnel and is gearing up to commence operations as proposed. The Company is building up a young, enthusiastic, pan-Indian team of dedicated professionals and is in the process of setting up procedures and practices which will hopefully be an example for other publicly funded companies in the country.

Your Company derives its strength from the enthusiastic support of not only its shareholders, but also of the entire population of Kerala, and it is this support which encourages us to attain greater heights.

I would like to take this opportunity to thank my colleagues on the Board for their valuable support and contributions, as well as the employees for their dedicated and sincere efforts.

I would also like to express my deep appreciation to Shri Shankar Aggarwal, the previous Chairman, for his efforts in providing leadership to the Board and to the management.

Thanking you,

(Sd/-) Madhusudan Prasad Chairman

#### **DIRECTORS' REPORT**

Dear Members.

Your Company's Directors are pleased to present the Fourth Annual Report of the Company, along with the Audited Financial Statements, for the financial year ending 31<sup>st</sup> March, 2015.

#### **About the Project**

Kochi Metro Rail Project originally envisaged a total length of 25.612 km with 22 stations, and the estimated completion cost of the Project was Rs.5181.79 crore. During the year under report, your Company decided to enlarge the area of service, considering the traffic requirements. The Board of Directors of your Company decided to extend the metro corridor by a length of 2 km from Petta to S.N. Junction, Thripunithura, with an additional investment of Rs. 359 crore as Phase IA. To augment passenger carrying capacity and the economic viability of the Project, the Board approved Phase IB from JLN station to Info Park via Kakkanad. The total length of Phase IB is 11.2 km with a further investment of Rs. 2017.46 crore. This proposal has been submitted to the Government of India for its approval.

#### **Project status**

The year under report was a crucial one for the Kochi Metro Rail Project. It was imperative to speed up the civil works to complete the Project on schedule. The Civil and System contracts have progressed satisfactorily during the financial year ending 31<sup>st</sup> March, 2015 including viaducts, station buildings, rolling stock, traction, track, signal and telecommunication. The Independent Quality and Safety Consultants (IQSC) of KMRL are scrutinizing quality and safety at the work sites as the work has gained momentum. Civil works have shown substantial progress as compared to last year. The progress achieved by various civil contractors as on 31<sup>st</sup> July, 2015 is as follows:

Package	KC2	KC3	KC4	KC5
% of Completion	66.68	63.24	69.05	24.68

Your Directors are proud to inform you that 56.66 % of the civil part of the Project has been completed as on 31<sup>st</sup> July, 2015 and Reach I of the Metro system is expected to be completed during the year 2016-17. Similarly, the work of fabrication of the rolling stock at Sri City, Andhra Pradesh is also progressing well. The first train is expected to arrive in Kochi by December 2015. Your Company has also initiated the process for recruitment of cab drivers and other operation and maintenance staff to ensure availability of adequate trained staff before the commencement of trials.

Many long lead imported items including the track rails and the traction rails have been brought to Kochi. The progress of the depot work is also satisfactory, and the minimum essential services required to commence the trials are expected to be ready during the year 2015-16.



#### **Land Acquisition**

Out of 40.409 hectares of land required for the Project, an extent of 38.502 hectares (95%) have been taken into possession so far. The total land required for Reach I is 33.904 hectares and the entire land for Reach I (i.e., Aluva – Maharajas College) has been acquired. Out of the land required (6.506 hectares) for Reach II (i.e., Maharajas College – Petta) of the Project, 4.598 hectares (71%) of land has been acquired so far. For the remaining land, acquisition through negotiated purchase by the District Administration is in progress.

#### **Rolling Stock and System Contracts**

The contract for the procurement of 25 state-of-the-art trains equipped with technologically advanced, energy efficient and reliable modern sub-systems, has been awarded through an International Competitive Bid to M/s. Alstom Transport on 26.08.2014. Each train for Kochi Metro consists of three coaches with a passenger carrying capacity of 975, and a maximum speed of 90 kmph with CBTC signaling. On 21.03.2015, Shri M. Venkaiah Naidu, the Hon'ble Union Minister for Urban Development, Housing & Urban Poverty Alleviation and Parliamentary Affairs inaugurated the car body shell manufacturing in the premises of M/s. Alstom at their factory in Sri City, Andhra Pradesh.

Other system contracts like traction, E&M, Signaling & Telecom, SCADA System etc. have also been awarded and the work is progressing well.

#### **Platform Screen Gates**

Your Company gives paramount importance to the safety of its passengers and to achieve this objective, a state-of-theart safety feature, the 'Platform Screen Gates' is being installed in the stations at a cost of Rs.66 crore, to prevent fall of passengers on to the track. This system also seeks to minimize operational delays on account of physical interference by passengers with the car saloon doors during rush hours.

#### **Automated Fare Collection System**

Your Company is proud to introduce a unique, technologically advanced and innovative business model for automatic fare collection. Your Company has partnered with an Axis Bank led Consortium to make necessary investments in the hardware and software for sale of tickets. Under this innovative business model, the Axis Bank led Consortium will install the required complex hardware and software for fare collection from the passengers. Axis Bank will also issue cobranded smart cards of EMV standards to the users of Kochi Metro for paying the fares; these cards will facilitate interoperability in the transportation ecosystem and can be used for all kinds of transactions including e-commerce. KMRL will be paid 0.2% of Axis Bank's gross revenues from the utilization of the co-branded smart cards outside the Kochi Metro system.

Your Company signed an Agreement with the Axis Bank led Consortium in the august presence of Shri M. Venkaiah Naidu, the Hon'ble Union Minister for Urban Development, Housing & Urban Poverty Alleviation and Parliamentary Affairs on the 10th of June, 2015 in New Delhi.

#### **Property Development**

The viability of capital intensive metro rail systems is a challenge the world over. All successful metros generate substantial income from non-fare box revenue. To tap the potential in the Property Development sector and with the objective of earning revenue from sources other than fare box collections, your Company commissioned M/s. Ernst & Young LLP as Transaction Advisors for the 'METRO CITY' project at Kakkanad, Kochi; a Preliminary report was submitted during the year.

Your Company is in the process of obtaining necessary approvals from the State Government for the transfer of the land parcel identified for property development at Kakkanad.

During the year, your Company also identified specified station locations for property development; the initiative, 'Metro Plaza', is expected to earn revenue from property rentals. M/s. Knight Frank India (P) Ltd was appointed as Transaction Advisors for the 'Property Development at Station Locations of Kochi Metro (Metro Plaza)' project and a preliminary report submitted by them is under review.

Also, your Company appointed M/s. Price Waterhouse Coopers (P) Ltd to identify 'Alternate Revenue Models for Kochi Metro' and an inception report was submitted on 15.05.2015.

#### Seamless Integration of the transportation system in the Greater Kochi area

With a commuter-centric focus your Company undertook a number of initiatives during the year to upgrade and coordinate the operations of all the public transportation modes in Kochi. Your Company is in the process of modernizing and improving the transportation network in Kochi by implementing an integrated public transport system seamlessly connecting different modes of public transport in the Greater Kochi area with a Common Smart Card Ticket and a Common Command & Control Centre. These initiatives are expected to improve the quality of life of the people in and around Kochi. Your Company is committed to provide a best-in-class transportation experience to the commuters and is leaving no stone unturned to incorporate and implement policies that will keep the people in and around Kochi well connected.

To further this vision of your Company, M/s. Urban Mass Transit Company Limited (UMTC) has been engaged as the consultants for the following assignments:

- 1. To prepare a Comprehensive Mobility Plan and Parking Master Plan for the Greater Kochi Region.
- 2. To evolve an Integrated Public Transport Solutions System for the Greater Kochi Region.
- 3. To draft a Non-Motorised Transport (NMT) Master Plan for Kochi City.

#### **Water Transport**

To leverage the unique features of the Greater Kochi region, including its waterways, your Company is exploring the possibility of integrating the water transport system with the public transport system of the city including the metro in the mainland. Towards this end, your Company intends to develop infrastructure facilities like roads, well lit streets etc. in the outlying islands to provide better access to the jetties and to ensure the safety and security of the users.



Your Company re-conceptualized the water transport system in Kochi and commissioned M/s. UMTC to prepare a detailed project report for the development of an integrated water transport system in Kochi. The detailed project report is presently under consideration. The estimated cost of the project is Rs. 819 crore (including private participation).

Meanwhile, KfW, a German government-owned development bank, based in Frankfurt visited Kochi and have evinced interest in funding up to 80% of the estimated cost of the project.

#### **Enterprise Resource Planning**

In order to centralize storage and backup of data with defined security policies, better company-wide visibility and faster collaboration across all the departments, your Company decided to implement an ERP system which could integrate core business processes in one single application, eliminating superfluous costs and inefficiencies. Your company identified SAP (version ECC 6.0) as the preferred ERP solution. M/s. CMC Limited, the implementation partner is currently executing the work.

#### Financial highlights and Project Funding

During the financial year 2014-15 the company made a net loss after tax of Rs. 0.18 crore against the previous year's loss of Rs. 2.70 crore.

#### Share Capital and Subordinate debts

Your company received Rs. 462.25 crore (previous year Rs. 334 crore) towards equity during the year. Out of this, an amount of Rs. 312.25 crore (previous year Rs. 100 crore) was received from the Government of India and Rs. 150 crore (previous year Rs. 234 crore) from the Government of Kerala. The total paid up Share Capital as on 31<sup>st</sup> March 2015 is Rs. 870.10 crore and the share application money pending allotment is Rs. 56.45 crore as on that date. Apart from this, the Government of India provided Rs. 66.95 crore (previous year Rs. 25 crore) as interest free subordinate debt towards central taxes and Rs. 97 crore was provided by Government of Kerala as sub debt towards land cost. The total subordinate debt received till 31<sup>st</sup> March 2015 from both the Governments is Rs. 398.20 crore (up to the previous year Rs. 234.25 crore).

The Company has received around 57.72 % and 65.21 % of the proposed equity-funding share from the Government of India and the Government of Kerala respectively till the end of the financial year 2014-15.

#### **Term Loans**

During the year, an amount of Rs. 161.79 crore was drawn as Pass Through Assistance from the Government of India against the Agence Française de Développement (AFD) loan. A loan amount of Rs. 220 crore was drawn during the year from Canara Bank. Further, an amount of Rs.470 crore was drawn from Ernakulam District Cooperative Bank as long term loan for which Government of Kerala has undertaken the debt servicing on a back-to-back basis. Of this, Rs. 366 crore was drawn during the financial year 2014-15, while the balance amount of Rs. 104 crore was drawn during the current year.

#### **Human Resource**

Your Company takes great pride in its efficient, engaged and dynamic workforce. Your Company continues to build its talent pipeline by hiring experienced persons from various sources and nurturing them for future requirements. Your Company believes that continuous development of its human resources fosters engagement and drives competitive advantage. Your Board of Directors have sanctioned 468 more positions for the Operations & Maintenance wing of your Company thereby increasing the sanctioned manpower to 590. Against this, the manpower position of the Company stands at 68 as on the date of this report. In order to equip the Company with adequate manpower to commence its operations as per schedule, your Company has set the ball rolling for the recruitment of the operations and maintenance staff.

As a part of the ongoing talent development program, your Company has deputed employees to various training programmes to equip them to perform under new and challenging circumstances. To keep the employees' morale high, your Company has revisited several HR policies during the year.

#### **Board of Directors**

As on the date of this report the Board of Directors of Kochi Metro Rail Limited comprises of 12 Directors of whom 5 Directors are nominees of the Government of India, 5 Directors are nominees of the Government of Kerala and 2 are Functional Directors. The Chairman is also the Secretary, Ministry of Urban Development, Government of India while the Managing Director, is a nominee of the Government of Kerala.

#### **Number of Meetings of the Board**

During the financial year 2014-15, the Board of Directors of the Company met 4 times, on 9<sup>th</sup> May 2014, 16<sup>th</sup> September 2014, 20<sup>th</sup> January 2015 and 20<sup>th</sup> March 2015. A detailed note on the meetings of the Board of Directors is provided under the section 'Corporate Governance Report'.

#### **Committees of the Board**

The Board has constituted eight sub committees commensurate with the size and nature of the operations of the Company. These are the Audit Committee, the Corporate Social Responsibility Committee, the Human Resource Committee, the Operation and Maintenance Committee, the Project Management Committee, the Investment Committee, the Procurement Committee and the Property Development Committee. Each of these committees has clearly spelt out Terms of Reference duly approved by the Board. These Committees meet according to the requirements of the Company from time to time. The details of the committees of the Board are provided under the section 'Corporate Governance Report'.

#### **Directors' Responsibility Statement**

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

• in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

#### **Declaration by Independent Directors**

The Company has no Independent Directors on the Board as of now.

#### **Extract of the Annual Return**

The extract of the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed form, MGT 9 is annexed to this Report.

#### Particulars of loans, guarantees and investments

During the year under Report, the Company has not

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

#### **Related Party Transactions**

During the year under report, the Company has not entered into any contracts or arrangements with related parties referred to in sub-section (1) of Section 188.

#### Material changes and commitments

No material changes and commitments, affecting the financial position of the Company, have occurred between the end of the financial year of the Company and the date of this Report.

#### Conservation of energy and technology absorption

Your Company proposes to use state-of-the-art technology systems for the operation and running of its metro trains which are energy efficient. Your Company is actively considering introduction of alternate sources of energy like solar power, to help reduce dependence on conventional non-renewable energy sources.

To ensure energy efficiency, the following systems would be incorporated in the metro coaches:

- VVVF drive for the propulsion system; it uses optimized energy during the powering of the train and regenerates the power during the braking period.
- Energy efficient LED lights.
- The HVAC system; it has a high COP value of 2.5, that is reliable and efficient under all weather conditions.

#### Foreign Exchange Earnings and Outgo

During the year there was no foreign exchange earning. However, an amount equal to Rs. 8.11 lakh was incurred towards foreign travel.

#### **Risk Management Policy**

In order to achieve its larger objectives, your Company is committed to identify potential risks before they occur so as to aggressively manage and mitigate risks across the life of the project.

The specific objectives of your Company's risk management policy are the following:

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

To achieve the specific objectives your Company has adopted the following measures:

- Constituted an internal team comprising of the Company Secretary, the Addl. General Manager (HR and Training) and the Legal Officer to ensure compliance with all applicable statutes.
- Conduct quarterly internal audit and observations therein are reviewed by the Audit Committee and corrective
  actions taken wherever found appropriate.
- Physical verification of assets at regular intervals by a team constituted for the purpose.
- Use of data encryption technology for communication and storage of data, which ensures safety and data security.
- Procure adequate insurance coverage of the assets of the Company, wherever required.

#### **Fixed Deposits**

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



#### **Corporate Social Responsibility**

Being a responsible and responsive corporate citizen, your Company is committed to its stakeholders viz., the shareholders, the employees, the management, the suppliers, the customers and the community at large. Your Company is emerging as an environment friendly metro; acknowledging its responsibility towards the society, your Company has been voluntarily undertaking initiatives from its inception to improve the standard of living and to enhance the quality of life of the people in Kochi.

In compliance with the provisions of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee comprising of:

Shri Elias George - Chairman
 Shri Mukund Kumar Sinha - Member
 Shri L. Narasim Prasad - Member
 Shri Abraham Oommen - Member
 Shri Mahesh Kumar - Member

Although there was no statutory requirement to expend towards Corporate Social Responsibility, your Company undertook the following initiatives during the year under report.

Your Company, under the 'Go Green Initiative', planted 2159 trees last year in and around Kochi city. To improve the road travelling experience within the city, about 25 kms of road surface was strengthened using the latest available technology at a cost of Rs. 27 crore.

Your Company also provided funds to the panchayats and municipalities in Kochi to clean the drainages to mitigate the hardships of the people during the monsoon.

#### **Directors and Key Managerial Personnel**

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

SI. No.	Name of the Director appointed	Name of the Director retired/superannuated/resigned	Date
1.	Shri Jitendra Tyagi	-	09.05.2014
2.	Shri L. Narasim Prasad	-	09.05.2014
3.	Dr. M. G. Rajamanickam	-	09.05.2014
4.	Shri Shankar Aggarwal	Dr. Sudhir Krishna	16.09.2014
5.	Dr. K. M. Abraham	Shri V. Somasundaran	16.09.2014
6.	Shri Virendra Kumar Jain	Shri Sudhir Mittal	16.09.2014
7.	-	Shri Virendra Kumar Jain	20.01.2015
8.	Shri Madhusudan Prasad	Shri Shankar Aggarwal	20.03.2015
9.	Shri Jiji Thomson	Shri E. K. Bharat Bhushan	20.03.2015

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

- Shri Elias George, Managing Director
- Shri Mukund Kumar Sinha,
- Shri V. J. Kurian,
- Shri Abraham Oommen,
- Shri Mahesh Kumar.
- Shri Ved Mani Tiwari.

Directorial changes that occurred after 31st March, 2015 but before the date of this report:

- On 24<sup>th</sup> April, 2015 Shri Laj Kumar (Additional Member (Works), Railway Board) took charge as Director (Government of India nominee) on the Board.
- On 30<sup>th</sup> June, 2015 Shri Ved Mani Tiwari resigned from the office of Director, Systems of the Company.

The Company has the following Key Managerial Personnel as on the date of this report:

- Shri Elias George, Managing Director,
- Shri Abraham Oommen, Director, Finance,
- Shri Mahesh Kumar, Director, Projects,
- Shri B. Anilkumar, Company Secretary.

#### Presentation of financial statements

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2015 have been disclosed as per Schedule III to the Companies Act, 2013.

#### Significant and Material orders

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

#### Internal Financial Control

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

#### Corporate governance

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



#### Secretarial Standards of ICSI

Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has on 23<sup>rd</sup> April, 2015, notified the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective 1<sup>st</sup> July, 2015. The Company is complying with the same.

#### **Auditors**

#### **Statutory Auditor**

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

The Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

#### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, M/s. Gopimohan Satheesan & Associates, Practicing Company Secretaries, were appointed to conduct the secretarial audit of the Company for the year 2014-15. The report from the secretarial auditor and the explanations or comments to every qualification made by the company secretary in practice in his secretarial audit report is annexed to this Report.

#### Other Disclosures

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

The composition of the Internal Complaints Committee is as follows:

Ms. Susan Solomon Thomas - Presiding Officer

Dr. Lizamma Koshy, HoD (Chem)
 Maharajas College, Ernakulam
 External Member

Ms. Lilly Kutty Raju
 - Member

Dr. A. J. Augustine
 Member & Convener

No case of sexual harassment has been reported during the year under review.

Acknowledgement

Your Directors wish to place on record their sincere appreciation of the assistance rendered by the Central / State Government and local authorities, Office of the C&AG, Statutory Auditors, Secretarial Auditors, Internal Auditors, AFD, KfW, Canara Bank, Ernakulum District Cooperative Bank and other Commercial Banks, Delhi Metro Rail Corporation Ltd, both Print and Visual Media, Company's Vendors, Advisors, customers and all others connected with the affairs of the Company and thank each one of them. The Board also places on record its sincere appreciation of the commitment

and the whole-hearted co-operation extended by the officers and other staff members of the Company.

For and on Behalf of the Board of Directors

(Sd/-) Chairman

Place: New Delhi

Date: 18th August 2015



## **EXTRACT OF THE ANNUAL RETURN (FORM MGT 9)**

As on the Financial Year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i. Corporate Identity Number, CIN : U60100KL2011SGC029003

ii. Registration Date : 02/08/2011

iii. Name of the Company : KOCHI METRO RAIL LIMITED

iv. Category/ Sub Category of the Company : PUBLIC COMPANY

v. Address of the Registered office and : REVENUE TOWER, 8<sup>TH</sup> FLOOR,

Contact Details OPPOSITE SUBHASH PARK,

KOCHI, KERALA, INDIA,

PIN - 682 011.

Tel: +91 484 2380 980,

Fax: +91 484 2380 686,

E-mail: contactus@kmrl.co.in

Website: www.kochimetro.org

vi. Whether listed Company : No

vii. Name, Address and Contact details of

Registrar and Transfer Agent, if any : NA

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

SL. No.	Name and Description of the main products/ services	NIC Code of the product/ service	% to total turnover of the company				
Not Applicable since the Company is in project stage and yet to start its operations.							

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary and associate companies.

:

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	•
A. Promoters									
(1) Indian	-	-	-	=	-	-	-	-	=
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	1,07,50,000	1,07,50,000	50	-	4,35,05,000	4,35,05,000	50	304.70
c) State Govt.(s)	-	1,07,50,000	1,07,50,000	50	-	4,35,05,000	4,35,05,000	50	304.70
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	=	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	2,15,00,000	2,15,00,000	100	-	8,70,10,000	8,70,10,000	100	304.70
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	<u>-</u>	-	-	-	-	-	-	-
c) Bodies Corp.	-	=	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	_	-	-	-	-
Total Shareholding of	-	2,15,00,000	2,15,00,000	100	-	8,70,10,000	8,70,10,000	100	304.70
Promoter (A)= (A)(1)+(A)(2) B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	_	-	_	-	-	-	-
b) Banks/FI	-	_	_	_	_	-	-	_	-
c) Central Govt.	-	_	_	_	_	-	-	_	-
d) State Govt.(s)	-	_	_	_	_	-	-	_	-
e) Venture Capital Fund	-	-	_	-	_	-	-	-	-
f) Insurance Companies	_	_	_	_	_	-	-	_	-
g) FIIS	_	_	_	-	_	-	-	_	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	=	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital	-	-	-	-	-	-	-	-	-
up to Rs.1 lakh ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	1
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-



#### ii) Shareholding of Promoters

SL No.	Shareholders Name	Shareholding at the beginning of the year			(	% change		
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	in share holding during the year
1	President of India	1,07,50,000	50	-	4,35,05,000	50	-	304.70
2	Governor of Kerala	1,07,50,000	50	-	4,35,05,000	50	-	304.70
	Total	2,15,00,000	100	-	8,70,10,000	100	-	304.70

#### iii) Change in Promoters' Shareholding (please specify, if there is no change)

SL. No.		Shareholding at the Y	ear	Cumulative Shareholding during the year	
	Name of Promoters	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	President of India	1,07,50,000	50	-	-
	Governor of Kerala	1,07,50,000	50	-	-
	Total	2,15,00,000	100	-	-
	Change in share holding				
1.	President of India 9 <sup>th</sup> May, 2014 (Allotment)	15,30,000	6.23	1,22,80,000	50
2.	Governor of Kerala 9 <sup>th</sup> May, 2014 (Allotment)	15,30,000	6.23	1,22,80,000	50
3.	President of India 16 <sup>th</sup> Sep, 2014 (Allotment)	1,97,00,000	30.80	3,19,80,000	50
4.	Governor of Kerala 16th Sep, 2014 (Allotment)	1,97,00,000	30.80	3,19,80,000	50
5.	President of India 20th Jan, 2015 (Allotment)	36,43,000	5.11	3,56,23,000	50
6.	Governor of Kerala 20 <sup>th</sup> Jan, 2015 (Allotment)	36,43,000	5.11	3,56,23,000	50
7.	President of India 20th Mar, 2015 (Allotment)	78,82,000	9.06	4,35,05,000	50
8.	Governor of Kerala 20th Mar, 2015 (Allotment)	78,82,000	9.06	4,35,05,000	50
	At the end of the year				
	President of India	-	=	4,35,05,000	50
	Governor of Kerala	-	-	4,35,05,000	50
	Total	-	-	8,70,10,000	100

## iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SL. No			Shareholding at the beginning of the year		lding during the year
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

## v) Shareholding of Directors and Key Managerial Personnel:

SL No.			the beginning of the /ear	Cumulative Shareholding during the year		
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	Dr. Sudhir Krishna					
	At the beginning of the year	1	-	-	-	
	Transfer – 16.09.2014	1	-	-	-	
	At the end of the year	-	-	-	-	
2.	Shri V. Somasundaran					
	At the beginning of the year	1	-	-	-	
	Transfer – 16.09.2014	1	-	-	-	
	At the end of the year	-	-	-	-	
3.	Shri Sudhir Mital					
J.	At the beginning of the year	-	-	-	-	
	At the end of the year	-	-	-	-	
4.	Shri Mukund Kumar Sinha					
	At the beginning of the year	1	-	-	-	
	At the end of the year	1	-	-	-	
5.	Shri Jitendra Tyagi					
	At the beginning of the year	-	-	-	-	
	Transfer - 09.05.2014	1	-	1	-	
	At the end of the year	1	-	1	-	
6.	Shri Elias George					
	At the beginning of the year	2	-	-	-	
	At the end of the year	2	-	-	-	
7.	Shri V. J. Kurian					
	At the beginning of the year	1	-	-	-	
	At the end of the year	1	-	-	-	
8.	Shri Sheik Pareeth					
	At the beginning of the year	1	-	-	-	
	Transfer - 09.05.2014	1	-	-	-	
	At the end of the year	-	-	-	-	
9.	Shri D. D. Pahuja					
	At the beginning of the year	1	-	-	-	
	Transfer - 09.05.2014	1	-	-	-	
	At the end of the year	-	-	-	-	
10.	Shri S. D. Sharma					
	At the beginning of the year	1	-	-	-	
	Transfer - 09.05.2014	1	-	-	-	
	At the end of the year	-	-	-	-	
11.	Shri E. K. Bharat Bhushan					
	At the beginning of the year	1	-	-	-	
	Transfer – 20.03.2015	1	-	-	-	
	At the end of the year	-	-	-	-	
12.	Shri L. Narasim Prasad					
	At the beginning of the year	-	-	-	-	
	Transfer - 09.05.2014	1	-	1	-	
	At the end of the year	1	-	1	-	
13.	Dr. M. G. Rajamanickam					
	At the beginning of the year	-	-	-	-	
	Transfer - 09.05.2014	1	-	1	-	
	At the end of the year	1	-	1	-	
14.	Dr. K. M. Abraham					
	At the beginning of the year	-	-	-	-	
	Transfer - 16.09.2014	1	-	1	-	
	At the end of the year	1	-	1	-	



15.	Shri Shankar Aggarwal				
	At the beginning of the year	-	<del>-</del>	-	-
	Transfer - 16.09.2014	1	-	1	-
	Transfer – 20.03.2015	1	-	-	-
	At the end of the year	-	-	-	-
16.	Shri Madhusudan Prasad				
	At the beginning of the year	-	<del>-</del>	-	-
	Transfer – 20.03.2015	1	<del>-</del>	1	-
	At the end of the year	1	<del>-</del>	1	-
17.	Shri Jiji Thomson				
	At the beginning of the year	-	<del>-</del>	-	-
	Transfer – 20.03.2015	1	<del>-</del>	1	-
	At the end of the year	1	-	1	-
18.	Shri Virendra Kumar Jain				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
19.	Shri Abraham Oommen				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
20.	Shri Mahesh Kumar				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
21.	Shri Ved Mani Tiwari				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
22.	Shri B. Anilkumar				
	At the beginning of the year	-	-	-	-
	At the end of the year	-		-	

Note: The Directors hold shares as nominees of the Government

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment (Rs. in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	23,425.00	-	23,425.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	1	-
Total (i+ii+iii)		23,425.00	-	23,425.00
Change in Indebtedness during the financial year				
Addition	74,779.00	16,395.00	-	91,174.00
Reduction	-	-	-	-
Net Change	74,779.00	16,395.00	-	91,174.00
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	74,779.00	39,820.00	1	1,14,599.00
ii) Interest due but not paid	-	-	1	-
iii) Interest accrued but not due	101.59	-	-	101.59
Total (i+ii+iii)	74,880.59	39,820.00	-	1,14,700.59

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SL. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Shri Elias George (MD)	Shri Abraham Oommen (WTD)	Shri Mahesh Kumar (WTD)	Shri Ved Mani Tiwari (WTD)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	24,30,324	22,22,064	25,68,346	72,20,734
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	16,800	1,32,600	1,92,600	3,42,000
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others (specify)	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	24,47,124	23,54,664	27,60,946	75,62,734
	Ceiling as per the Act	Not Applicable				

Notes: Salary of the Managing Director is paid by the Government of Kerala.

Salary and perquisites include all elements of remuneration i.e. salary, allowances and benefits.

No bonus, pension or performance linked incentive is paid to any of the Directors.

The Company has not issued any stock options to any of the Directors.

#### B. Remuneration to other Directors:

During the year the Company has not paid any remuneration to the non-executive Directors.

#### C. Remuneration of Key Managerial Personnel other than MD/Manager/WTD:

SL. No.	Particulars of Remuneration	Key Managerial Personnel				
1	Gross Salary	CEO	Company Secretary Shri B. Anilkumar	CFO	Total	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	13,19,960	-	13,19,960	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission	-	-	-	-	
	as % of profit	-	-	-	-	
	others, specify	-	-	-	-	
5	Others, please specify	-	-	-	-	
	Total	-	13,19,960	-	13,19,960	

#### VII. PENALTIES / PUNISHMENT - COMPOUNDING OF OFFENCES:

During the year 2014-15, there were no penalties/punishment/compounding of offences under the Companies Act, 2013



#### Form No. MR-3

# SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH. 2015

To,
The Members,
KOCHI METRO RAIL LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KOCHI METRO RAIL LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2015 complied with the statutory provisions and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The Company is not a listed entity and therefore, the Securities and Exchange Board of India Act, 1992 and various rules and regulations made there under are not applicable to the Company.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by KOCHI METRO RAIL LIMITED for the financial year ended on 31 March, 2015 according to the provisions of the Companies Act, 2013 (hereinafter called the Act) and the rules made there under and the other laws applicable to the Company; During the period under review the Company has complied with the provisions of the Act, Rules, Guidelines, etc. mentioned above subject to the following observations:

- 1. The company has not appointed Independent Directors as required under the section 149(6) of the Act and not reconstituted Audit Committee with Independent directors as required under section 177(3) of the Act.
- 2. The company has not complied with the provisions of section 173(1) as the intervening period between second and third meeting of the board of directors of the company have exceeded the mandatory maximum period of one hundred and twenty days.
- 3. The board has not taken on record of the disclosure of interest of few of its directors and therefore the company have not complied with the provisions of section 184(1) of the Act.

4. The company has not established vigil mechanism as required under section 177(9) of the Act.

In respect of other laws like Acts relating to employee and labour regulations, welfare and connected activities, specifically applicable to the Company, we have relied on information/ records produced by the Company during the course of our audit and the reporting is limited to that extent.

#### We further report that:

The following Rules issued under the Companies Act, 2013 are not applicable to the Company during the financial year 2014-15:

- Companies (Issue of Global Depository Receipts) Rules, 2014 as the Company has not issued any Global Depository Receipts.
- 2. Companies (Prospectus and Allotment of Securities) Rules, as the company has not allotted equity shares through the issue of prospectus.
- 3. Companies (Acceptance of Deposits) Rules, 2014 as the Company has not accepted any deposits.
- 4. Companies (Inspection, investigation and inquiry) Rules, 2014 as no inspection or investigation were ordered on the affairs of the Company.
- Companies (Declaration and Payment of Dividend) Rules, 2014 as the company has not declared dividend during the period.

The Company has complied with the following Rules, issued under the Companies Act, 2013 subject to the observations mentioned above:

- 1. Companies (Management and Administration) Rules, 2014.
- 2. Companies (Accounts) Rules, 2014.
- 3. Companies (Corporate Social Responsibility Policy) Rules, 2014
- 4. Companies (Appointment and Qualification of Directors) Rules, 2014.
- 5. Companies (Meeting of Board and its Powers) Rules, 2014.
- 6. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- 7. Companies (Share Capital and Debentures) Rules, 2014
- 8. Companies (Audit and Auditors) Rules, 2014

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to the observations mentioned above.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



All the decisions taken at the Board Meetings were properly captured and recorded in the minutes.

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

Place : Ernakulam For Gopimohan Satheesan & Associates

Date: 10-08-2015

(Sd/-)

K. P. Gopimohan,

Partner

FCS No.: 7110

CP No.: 2912

# Explanations or comments by the Board on every qualification made by the company secretary in practice in his secretarial audit report.

1) Appointment of Independent Directors as required under section 149 (6) of the Companies Act, 2013.

The Company is in the process of identifying and positioning suitable persons who can add value to the Board deliberations. The directors of your company are committed and are making the best efforts to appoint Independent Directors on the Board as soon as possible. Once the Independent Directors are appointed, the Audit Committee will be reconstituted as required under Section 177 (2) of the Companies Act, 2013.

2) Non-Compliance with the provisions of Section 173 (1) of the Companies Act, 2013.

The Directors of your company had met 4 times in the year and all the meetings except the 3<sup>rd</sup> were conducted within the time prescribed under the Companies Act, 2013. The 3<sup>rd</sup> meeting of Board could not be conducted within the time limit prescribed, owing to other pressing official commitments of the Directors which could not be avoided. The 3<sup>rd</sup> meeting was conducted within 3 days of the day on which the Board should have met.

- 3) Non-compliance with the provisions of Section 184(1) of the Companies Act, 2013.
- Some of your Directors were unable to disclose their interest as per the provisions of the Companies Act, 2013; they were on the Board of the company only for a short period of time and therefore, the Board could not take note of their disclosures. The disclosure of interest of the Directors who were on Board at the end of the financial year were duly taken note of as per the provisions of the Companies Act, 2013.
- 4) Establishment of Vigil Mechanism as per section 177 (9) of the Companies Act, 2013.

Your company is in the process of establishing a vigil mechanism which is under preparation and will be put in place soon.



#### **Corporate Governance Report**

The Corporate Governance policy of Kochi Metro Rail Limited (KMRL) has evolved from the philosophy of adherence to impeccable Corporate Governance practices by ensuring transparency, accountability and standards of fair dealing and ethics for attaining its corporate objective of providing a safe, reliable, efficient, viable and customer-friendly Metro system for the city of Kochi. KMRL pursues the highest standards of ethics and strives to maintain core values of integrity and trust in all the arenas in which it operates.

In the performance of its functions, KMRL is guided by the CVC guidelines, the Articles of Association (AoA) of the Company, the provisions of the Companies Act 2013, applicable accounting standards, regulations prescribed by authorities like the C&AG, provisions of the Right to Information Act 2005 and Rules made thereunder. In addition, all the applicable statutes governing the functioning of the organization in respect of safety, health, environment, welfare of the employees and those engaged through contractors, provision for fair compensation, rehabilitation and resettlement of project affected persons are complied with.

#### **Board of Directors**

6. Shri Jiji Thomson

As on the date of this report the Board of Directors of Kochi Metro Rail Limited comprises of 12 Directors of whom 5 Directors are nominees of the Government of India, 5 Directors are nominees of the Government of Kerala and 2 are Functional Directors. The Chairman is also the Secretary, Ministry of Urban Development, Government of India and the Managing Director, is a nominee of the Government of Kerala.

Director

#### Composition of KMRL Board as on the date of this Report:-

Shri Madhusudan Prasad
 Shri Mukund Kumar Sinha
 Shri Laj Kumar
 Shri Jitendra Tyagi
 Shri L. Narasim Prasad
 Chairman
 Director
 Director

7. Shri Elias George - Managing Director

8. Dr. K. M. Abraham - Director
9. Shri V. J. Kurian - Director
10. Dr. M. G. Rajamanickam - Director

11. Shri Abraham Oommen - Director (Finance)12. Shri Mahesh Kumar - Director (Projects)

During the year under review, the following Directors were inducted, based on nominations received from both the Governments:

- 1. Shri Jitendra Tyagi, Nominee Director, Government of India
- 2. Shri L. Narasim Prasad, Nominee Director, Government of India
- 3. Dr. M. G. Rajamanickam, Nominee Director, Government of Kerala
- 4. Shri Shankar Aggarwal, Nominee Director & Chairman, Government of India
- 5. Dr. K. M. Abraham, Nominee Director, Government of Kerala
- 6. Shri Virendra Kumar Jain, Nominee Director, Government of India
- 7. Shri Madhusudan Prasad, Nominee Director & Chairman, Government of India
- 8. Shri Jiji Thomson, Nominee Director, Government of Kerala

#### **Note of Appreciation**

The Board places on record its appreciation for the valuable services rendered and the expert advice provided by Dr. Sudhir Krishna, Chairman, who demitted his office consequent upon superannuation as Secretary, MoUD and Shri Shankar Aggarwal, Chairman, who ceased to be the Chairman consequent upon his transfer as Secretary (Labour) and the following Directors whose tenure ceased during the year under review;

1.	Shri V. Somasundaram	(up to 16.09.2014)
2.	Shri Sudhir Mital	(up to 16.09.2014)
3.	Shri Virendra Kumar Jain	(up to 20.01.2015)
4.	Shri E. K. Bharat Bhushan	(up to 20.03.2015)

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

Attendance record of Directors:

SL. No.	Name of the Director	Meetings held in 2014-15 during the tenure of their Directorship	Meetings attended	Attended AGM
1.	Dr. Sudhir Krishna	1	1	No
2.	Shri Shankar Aggarwal	2	2	No
3.	Shri Madhusudan Prasad	1	1	No
4.	Shri Mukund Kumar Sinha	4	4	No
5.	Shri Sudhir Mital	1	1	No
6.	Shri Jitendra Tyagi	4	3	No
7.	Shri L. Narasim Prasad	4	3	Yes
8.	Shri Virendra Kumar Jain	1	1	No
9.	Shri E. K. Bharat Bhushan	3	1	No
10.	Shri Jiji Thomson	1	0	No
11.	Shri Elias George	4	4	Yes
12.	Shri V. Somasundaran	1	0	No
13.	Dr. K. M. Abraham	3	0	No
14.	Shri V. J. Kurian	4	1	No
15.	Dr. M. G. Rajamanickam	4	2	Yes
16.	Shri Abraham Oommen	4	4	Yes
17.	Shri Mahesh Kumar	4	4	Yes
18.	Shri Ved Mani Tiwari	4	4	Yes



### Information supplied to the Board

The Board is presented before each meeting with relevant information on the proposals which require the Board's consideration in matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by the functional Directors on important matters from time to time.

### **Board procedures**

Board Meetings are conducted regularly for critical evaluation and review of the performance of the Company and for ensuring effective implementation of the management's decisions. During the financial year 2014-15, the Board of Directors of the Company met 4 times on 9<sup>th</sup> May 2014, 16<sup>th</sup> September 2014, 20<sup>th</sup> January 2015 and 20<sup>th</sup> March 2015.

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

### a) Scheduling and selection of Agenda items for Board/Committee Meetings

- The meetings are convened by giving appropriate notice after obtaining the approval of the Chairman of the Board. To address specific urgent needs, meetings are also called at shorter notice. The Board also passes Resolutions by Circulation, but only for such matters which are of utmost urgency and which are permissible in terms of the provisions of the Companies Act, 2013;
- The agenda papers are prepared by the Heads of Departments concerned and submitted to the Managing Director. Duly approved detailed agenda notes, management reports and other explanatory statements, backed by comprehensive background information, are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions at the meetings;
- In special and exceptional circumstances, additional or supplementary item(s), which are not on the agenda, are taken up for discussion with the permission of the Chair;
- The Board is also informed of major events/items and approvals are taken whenever necessary. The
  Managing Director keeps the Board apprised of the overall performance of the Company at the Board
  Meetings;
- A review of the status of actions taken on the directives of the Board in earlier meetings also forms a part of the Agenda;
- The members of the Board have complete access to all the information of the Company;
- Also, the Board meetings are conducted in line with the applicable Secretarial Standards.

### b) Briefing by the Managing Director

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

### c) Recording minutes of proceedings at the Board meeting

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

### d) Compliance

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

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

### Committees of the Board

The Board has constituted eight sub committees which are commensurate with the size and nature of the operation of the Company. These are the Audit Committee, the Corporate Social Responsibility Committee, the Human Resource Committee, the Operation and Maintenance Committee, the Project Management Committee, the Investment Committee, the Procurement Committee and the Property Development Committee. Each of these committees has clearly spelt out Terms of Reference duly approved by the Board. These Committees meet according to the requirements of the Company from time to time. The details regarding the Board sub committees are given below.

### 1. Audit Committee

Composition:

Dr. K. M. Abraham
 Shri Mukund Kumar Sinha
 Dr. M. G. Rajamanickam
 Member
 Shri L. Narasim Prasad
 Member

During 2014-15, the Audit Committee met four times viz., 22<sup>nd</sup> April, 2014, 30<sup>th</sup> July, 2014, 13<sup>th</sup> November, 2014 and 17<sup>th</sup> March, 2015. Also, one meeting of the Audit Committee was held during the current year on 15<sup>th</sup> July, 2015.

In addition to the members of the Audit Committee, these meetings were attended by the Director, Finance and those executives who were considered necessary for providing inputs to the Committee. The terms of reference of the Audit Committee as approved by the Board are in accordance with the Companies Act, 2013.

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



### Attendance record of Members:

SL. No.	Name of the Member	Meetings held in 2014-15 during the tenure of their Membership	Meetings attended
1.	Shri V Somasundaran	2	2
2.	Dr. K. M. Abraham	2	2
3.	Shri Mukund Kumar Sinha	4	2
4.	Dr. M. G. Rajamanickam	3	NIL
5.	Shri L. Narasim Prasad	3	1
6.	Shri Ved Mani Tiwari	4	3

### 2. Corporate Social Responsibility (CSR) Committee

### Composition:

1.	Shri Elias George	-	Chairman
2.	Shri Mukund Kumar Sinha	-	Member
3.	Shri L. Narasim Prasad	-	Member
4.	Shri Abraham Oommen	-	Member
5.	Shri Mahesh Kumar	-	Member

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

### 3. Project Management Committee

### Composition:

1.	Shri Elias George	-	Chairman
2.	Shri Mukund Kumar Sinha	-	Member
3.	Shri Jitendra Tyagi	-	Member
4.	Shri Mahesh Kumar	-	Member
5.	Shri Abraham Oommen	-	Member

The Committee met once on 10<sup>th</sup> July, 2014.

### Attendance record of Members:

SL. No.	Name of the Member	Meetings held in 2014-15 during the tenure of their Membership	Meetings attended
1.	Shri Elias George	1	1
2.	Shri Mukund Kumar Sinha	1	1
3.	Shri Jitendra Tyagi	1	1
4.	Shri Mahesh Kumar	1	1
5.	Shri Abraham Oommen	1	1
6.	Shri Ved Mani Tiwari	1	1

### 4. Investment Committee

### Composition:

1.	Shri Elias George	-	Chairman
2.	Dr K. M. Abraham	-	Member
3.	Shri V. J. Kurian	-	Member
4.	Shri Jitendra Tyagi	-	Member
5.	Shri Abraham Oommen	-	Member

The Investment Committee met once on 22<sup>nd</sup> April, 2014.

### Attendance record of Members:

SL. No.	Name of the Member	Meetings held in 2014-15 during the tenure of their Membership	Meetings attended
1.	Shri Elias George	1	1
2.	Shri V Somasundaran	1	1
3.	Dr. K. M. Abraham	NIL	NIL
4.	Shri V. J. Kurian	1	NIL
5.	Shri Jitendra Tyagi	NIL	NIL
6.	Shri Abraham Oommen	1	1
7.	Shri Ved Mani Tiwari	1	1

### 5. Procurement Committee

Composition:

Shri Elias George - Chairman
 Shri Jitendra Tyagi - Member
 Shri Abraham Oommen - Member
 Shri Mahesh Kumar - Member

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

### 6. Operation and Maintenance Committee

Composition:

Shri Elias George - Chairman
 Dr. K. M. Abraham - Member
 Shri L Narasim Prasad - Member
 Shri Abraham Oommen - Member
 Shri Mahesh Kumar - Member

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

### 7. Property Development Committee

Composition:

Shri Elias George - Chairman
 Shri V. J. Kurian - Member
 Dr. M. G. Rajamanickam - Member
 Shri Abraham Oommen - Member
 Shri Mahesh Kumar - Member

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



### 8. Human Resources Development Committee

### Composition:

Shri Elias George - Chairman
 Shri V. J. Kurian - Member
 Shri Abraham Oommen - Member
 Shri Mahesh Kumar - Member

No meetings of the Human Resources Development Committee were held during the year.

Note: The composition of the Committees given above is as on the date of this report.

### **Disclosures**

- a. There have been no materially significant related party transactions, i.e., transactions of the Company of a material nature with its promoters, the directors or the management, subsidiaries or relatives etc., that may have a potential conflict of interest with the interests of the Company at large;
- b. There were no instances of penalties imposed or strictures passed against the Company by any statutory authority;
- c. There were no items of expenditure debited in the books of accounts, which were not for the purpose of the business of the Company:
- d. The Company has separate persons occupying the post of Chairman and Managing Director.

### Company's Website

The Company's website is www.kochimetro.org. All major information pertaining to the Company, including the project, contracts, job recruitment processes etc., are published on the website.

Address for correspondence:

Registered Office:

Kochi Metro Rail Limited (CIN U60100KL2011SGC029003),

8<sup>th</sup> Floor, Revenue Tower, Park Avenue,

Kochi - 682 011.

(Sd/-)

Chairman

### Financial Statements for the year 2014-15

### KOCHI METRO RAIL LIMITED BALANCE SHEET AS AT 31st MARCH, 2015

Amount (in Rs. Lakh)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share capital	3	87,010.00	21,500.00
(b) Reserves and surplus	4	(287.98)	(270.11)
(c) Money received against share warrants		-	-
(2) Share Application Money Pending Allotment	5	5,645.00	24,930.00
(3) Non-Current Liabilities			
(a) Long-term borrowings	6	1,14,599.00	23,425.00
(b) Deferred tax liabilities (net)	7	2.06	-
(c) Other long term liabilities	8	115.88	-
(d) Long term provisions	9	70.40	31.11
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	40	-	-
(c) Other current liabilities	10	13,339.52	6,829.01
(d) Short-term provisions	11	10.87	0.39
Total		2,20,504.75	76,445.40
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12.A	40,508.33	12,023.19
(ii) Intangible assets	12.B	2,805.09	29.11
(iii) Capital work-in-progress	13	1,05,953.76	25,064.12
(iv) Intangible assets under development		93.30	-
(b) Non-current investments	_	-	
(c) Deferred tax assets (net)	7	<del>.</del>	130.83
(d) Long term loans and advances	14	31,849.28	30,886.24
(e) Other non-current assets	15	19.95	-
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	4.0	-	-
(d) Cash and cash equivalents	16	39,134.10	8,133.30
(e) Short-term loans and advances	17	140.94	178.61
(f) Other current assets		<u> </u>	
Total		2,20,504.75	76,445.40
Significant accounting policies	2		
Notes on financial statements	24		

In terms of our report attached. For K Varghese & Co.

For and on behalf of the Board of Directors

Chartered Accountants

(Sd/-) (Sd/-) (Sd/-) (Sd/-) (Sd/-) (Sd/-)

Sam Varghese B. Anilkumar Abraham Oommen Mahesh Kumar Elias George Partner Company Secretary Director (Finance) Director (Projects) Managing Director

Place : New Delhi Place : New Delhi Date : 18th August 2015 Date : 18th August 2015

See accompanying notes forming part of the financial statements



### KOCHI METRO RAIL LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Amount (in Rs. Lakh)

Par	ticulars	Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
I.	Income			
1.	Revenue from operations		_	-
2.	Other income	18	946.55	637.40
	Total Revenue		946.55	637.40
II.	Expenses			
1.	Employee benefits expense	19	303.13	223.94
2.	Finance costs	20	-	-
3.	Depreciation and amortization expense	21	98.12	26.55
4.	Other expenses	22	634.11	323.47
5.	Prior period adjustments (Net)	23	(180.35)	454.01
	· · · · · ·   - · · · · · · · · · · · ·		()	
	Total Expenses		855.01	1027.97
III.	Profit/(Loss) before exceptional and			
	extraordinary items and tax (I-II)		91.54	(390.57)
	, (· · ,			(*******)
IV.	Exceptional Items		_	-
	•			
V.	Profit/(Loss) before extraordinary items and			
	tax (III - IV)		91.54	(390.57)
	,			,
VI.	Extraordinary Items		_	-
	•			
VII.	Profit /(Loss) before tax (V - VI)		91.54	(390.57)
	, , , , ,			,
VIII	. Tax expense / (benefit)			
(a)	Current tax expense		16.94	23.34
(b)	(Less): MAT credit		(16.94)	<del>-</del>
٠,	Short / (Excess) provision for tax relating to prior years		(23.49)	-
	Net current tax expense		(==::=) -	-
	Deferred tax		132.90	(143.79)
(0)	Net tax expense/(benefit)		109.41	(120.45)
	ποι ταχ σχροποση σοποπιή		100111	(120110)
IX.	Profit/(Loss) for the year (VII-VIII)		(17.87)	(270.11)
X.	Earning per equity share (of Rs. 100 each):			
	(1) Basic		(0.04)	(1.66)
	(2) Diluted		(0.03)	(0.66)
	(_,		(0.00)	(5.56)

See accompanying notes forming part of the financial statements

In terms of our report attached. For K Varghese & Co. Chartered Accountants For and on behalf of the Board of Directors

(Sd/-) (Sd/-) (Sd/-) (Sd/-) (Sd/-) (Sd/-)

Sam Varghese
Partner

B. Anilkumar
Company Secretary

Abraham Oommen
Director (Finance)
Director (Projects)

Managing Director

Place : New Delhi
Date : 18th August 2015

Place : New Delhi
Date : 18th August 2015

### KOCHI METRO RAIL LIMITED CIN U60100KL2011SGC029003 REVENUE TOWER, PARK AVENUE, KOCHI - 682 011, KERALA, INDIA

### 1. Corporate Information

Kochi Metro Rail Limited (KMRL) is incorporated under the Companies Act, 1956 and is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. The Company was set up as a Joint venture between Government of India (GOI) and Government of Kerala (GOK), with equal equity shareholding, to implement the Metro Rail Project in Kochi city. KMRL is also entrusted with the tasks of subsequent expansion of the Metro network, its operation, maintenance and allied activities to ensure sustainable operations.

### Significant accounting policies

### 2. Basis of preparation of Financial Statements

### a. Basis of Accounting and preparation of Financial Statements

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

### b. Use of estimates

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

### c. Revenue Recognition

 Interest on deposits is recognized on time proportion basis taking into account the outstanding amount and the rate applicable.



- ii. Other incomes are recognized on receipt basis.
- iii. Items of revenue and expenditure incurred in the current financial year that are not directly related to creation of a capital asset is charged off as revenue expenditure in the Statement of Profit and Loss.

### d. Fixed Assets (Tangible / Intangible)

Fixed assets are stated at historical cost less accumulated depreciation and impairment, if any. The cost of fixed asset comprises its purchase price, including any import duties and other taxes net of recoverable taxes and any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and net of any trade discounts and rebates.

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

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

### e. Land

The value of parcels of land handed over by the landowners and taken over by the Company through the District Collector has been capitalized at the time of taking the possession of the land by the Company without waiting for the registration of title deeds in the name of the Company. The value of land handed over for construction, which belongs to various government bodies and departments, has not been capitalised since the amount payable and other terms are yet to be finalised.

Enhanced compensation, if any, shall be booked as and when the payment is due. The costs of acquisition of structures in the land are charged to the cost of land. Sale proceeds of such structures demolished are reduced from the cost of acquisition.

### f. Impairment of Assets

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

### g. Depreciation and Amortization

- (i) Depreciation is charged on Fixed Assets based on the useful lives of assets, prescribed under the Schedule II of the Companies Act, 2013.
- (ii) Effective from 1st April, 2014, the Company has reassessed the useful life of its existing fixed assets and has charged depreciation over the remaining useful lives, after retaining residual value, in accordance with the transitional provisions contained in the Schedule II of the Companies Act, 2013.
- (iii) value of 5% has been retained for all the Fixed Assets, which is in line with the provisions of the Schedule II.
- (iv) Individual assets costing less than Rs. 5,000 are charged to revenue at the time of purchase itself.
- (v) Intangible assets are amortized on a systematic basis over the best estimate of its useful life.
- (vi) Way leave charges paid to Railways is recognized as intangible assets and amortised on a straight-line method over a period of 70 years.

### h. Provisions, Contingent Liabilities and Contingent Asset

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is recognised when a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are disclosed in notes to accounts.

Contingent asset are not recognized in the financial statement.

### i. Taxes on Income

Current tax is the tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing 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 assets in respect of unabsorbed depreciation and carry forward of losses are recognised, if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income to realize such assets. Deferred tax assets are reviewed at each Balance Sheet date for their realiability



### j. Foreign exchange transaction/translations

Transactions in foreign currency entered into by the Company are accounted at the exchange rate prevailing on the date of the transactions.

Monetary items denominated in foreign currencies are translated at exchange rates as at the reporting date. Foreign exchange differences arising in respect of monetary item relating to acquisition of fixed assets are adjusted to the carrying cost of related fixed assets/capital work in progress prior to capitalization. Other exchange differences are recognized as income or expense in the period in which they arise.

### k. Employee benefits

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

The company's pension scheme is linked with provident fund scheme. All eligible employees of the company under provident fund schemes are also covered under employee pension scheme. Under this scheme, no contribution is collected from the employees and is paid from the employer contribution.

- **b. Gratuity:** Provision towards Gratuity, as per actuarial valuation is provided for during the current year for eligible employees.
- **c. Earned and half-pay Leave:** The Company provides earned leave benefits and half-pay leave to the employees. The liability on this account is recognized on the basis of actuarial valuation.
- **d.** LTC: The Company provides financial assistance to the employee in meeting expenses of actual travel involved to their hometown as well as any place in India as per the approved policy.

### I. Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets.

### m. Segment reporting

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

### n. Cash and Cash equivalents

Cash and Cash equivalents for purpose of Cash Flow Statement comprises cash at bank, government treasury and short term deposits with banks.

### o. Cash Flow Statement

Cash flows are reported using the indirect method as per AS 3, whereby profit or loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### p. Current Assets, loans and advances

The current assets, loans and advances have values at which they are stated in the balance sheet, if realized in the ordinary course of business.

### q. Earnings per share

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



### NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH 2015

NOTE	No. 3 - Share capital			A	mount (in Rs. Lakh)
Sr. No.	Particulars	As a	31st March, 2015	Asa	at 31st March, 2014
a)	Authorised 200,000,000 equity shares of Rs. 100 each (200,000,000 equity shares of Rs. 100 each in the previous year)		200,000.00		200,000.00
b)	Issued, subscribed and fully paid up: 87,010,000 equity shares of Rs. 100 each (pervious year 21,500,000 equity shares of		,		,
c)	Rs. 100 each)  Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.		87,010.00		21,500.00
	Particulars	As at 31	st March, 2015	As at 3	31st March, 2014
		No. of	Amount in Rs.	No. of	Amount in Rs.
		shares	(Lakh)	shares	(Lakh)
	At the beginning of the year	21,500,000	21,500.00	500,000	500.00
	Allotted during the year	65,510,000	65,510.00	21,000,000	21,000.00
	Outstanding at the end of the year	87,010,000	87,010.00	21,500,000	21,500.00

d) Number of equity shares in the Company held by each shareholder holding more than 5 percent

		Equity Shares As at 31.03.2015		
Name of Shareholder	No. of Shares	% of	No. of Shares	% of
	held	Holding	held	Holding
Government of India	43,505,000	50	10,750,000	50
Government of Kerala	43,505,000	50	10,750,000	50

e) The Company has one class of equity shares having a par value of Rs.100/- per share. Each shareholder is entitled to receive dividends as declared from time to time and entitled for one vote per share in the meeting of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to the number of shares held by them after distribution of all preferential amounts, if any.

NOTE Sr.	No.4 - Reserves and surplus		Amount (in Rs. Lakh)
<b>No.</b> a)	Particulars Surplus/(Deficit ) in the Statement of Profit and Loss	As at 31st March, 2015	As at 31st March, 2014
	Opening Balance Add: Profit / (Loss) for the year Closing Balance	(270.11) (17.87) (287.98)	(270.11)
NOTE	No. 5- Share application money received, pending allotment		Amount (in Rs. Lakh)
Sr. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
	Share application money pending allotment		
a) b)	Government of India Government of Kerala	5,645.00	1,530.00 23,400.00
		5,645.00	24,930.00

- 5.1 Kochi Metro Rail Limited is a Joint venture Company by Government of India (GOI) and Government of Kerala (GOK), with both the Governments holding 50% equity shares each. The equity contribution is being released in phases and in order to maintain equal share holding of the Governments, the excess share application money will be held as share application money untill matching contribution are received from the other respective Governments. Share allotments will be made in the immediately following Board meetings after such matching contributions were received.
- 5.2 Equity shares of Rs. 100 each at par shall be issued to the shareholders having all rights similar to the existing shares, issued in such manner that the proportion of equity holding of both the Governments are equal.
- 5.3 The Company has sufficient authorized share capital to cover the share capital amount resulting from allotment of shares against share application money.

	No. 6 - Long term borrowings		Amount (in Rs. Lakh)
Sr. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
	A. Term loans (secured)		
a) b) c)	Pass through assistance - Government of India Canara Bank Ernakulam District Coopertive Bank	16,179.00 22,000.00 36,600.00	- - -
a) b)	Interest Free Sub Ordinate Debt (unsecured) Government of India Government of Kerala	9,195.00 30,625.00 	2,500.00 20,925.00 
		1,14,599.00	

- 6.1 The Pass through assistance provided by Government of India is based on the credit facility agreement between Agence Francaise De Development(AFD), a French public funding agency and Government of India. The loan shall be disbursed in several tranches as per budgetary provisions of Government of India. The rate of interest applicable is 6 monthly EURIBOR plus the margin of 155 basis point. Interest is due on each payment date i.e on 15th March and 15th September of each year. Repayment of the principal amount shall be in forty equal half yearly installments after the moratorium period of five years and the first installment is due on 15th September 2019 and the last installment shall be payable on 15th March 2039. During the year, the company has withdrawn an amount of Rs. 161.79 crore from Agence Francaise De Development as Pass through Assistance from GOI. The company has paid interest of Rs. 88,68,823.46/- during the year.
- 6.2 During the year 2014-15, the Company has entered into a term loan agreement with Canara Bank for an amount of Rs. 1170 crore. Moratorium for repayment of the principal amount is upto June 2020. The loan shall be repaid in fifty-two quarterly installments starting from the financial year 2020-21. The rate of interest applicable is 0.60% above the ongoing Base rate, compounded at monthly rests secured by paripassu charge on all assets of the company. During the year, the company has withdrawn Rs. 220 crore in two installments and paid interest of Rs. 12960680.95/-.
- 6.3 While approving the Kochi metro rail project vide order No. K-14011/37/2005-MRTS-IV dated 12th July 2012 of Ministry of Urban Development, Government of India, it was indicated that Rs. 672 crore towards cost of Land acquisition shall be provided as Interest free Sub Debt by Government of Kerala. Against this, the Government of Kerala has released Rs. 306.25 crore till 31st March 2015. For the balance amount, Government of Kerala had decided that KMRL shall avail loan on behalf of Government of Kerala towards the balance sub debt contribution to be provided by Government of Kerala. Vide G.O.(Ms)No.20/2015/Trans dated 25.03.2015 of Government of Kerala has accorded approval for availing of term loan of Rs. 366 crore from Ernakulam District Co-operative Bank Ltd (EDC) towards land acquisition. Accordingly, the company has entered into term loan agreement with EDC as approved in its 19th Board meeting. Total tenure of the loan shall be 12 years with two year moratorium and repayment in ten years on annuity basis secured by paripassu charge on all assets of the company. The rate of interest is 0.05% below the base rate of the State Bank of India compounded on quarterly rest. The interest rate shall be reset every three years. The repayment of the loan with interest has been undertaken by the Government of Kerala on back-to-back basis. During the year, the company has withdrawn Rs. 366 crore as per the directions of the Government of Kerala.
- 6.4 Vide approval No. K-14011/37/2005-MRTS-IV dated 12th July 2012 from Ministry of Urban Development, Government of India, for the Kochi Metro Rail Project, Government of India and Government of Kerala shall equally share the central taxes included in the total project cost. The amount shall be released as interest free Subordinate debt and the share of GOK & GOI shall be Rs. 248.50 crore each. As per the same order, the cost of land acquisition for the project, estimated at Rs.672 crore has also to be provided by GOK as interest free subordinate debt
- 6.5 During the year, the Company has received an interest free sub ordinate debt from GOI for an amount of Rs. 66.95 crore towards central taxes. The Company had also received an amount of Rs. 97 crore from GOK as interest free subordinate debt in the financial year towards meeting the land acquisition cost. The amounts are outstanding at the end of the year.
- 6.6 The subordinate debt is repayable after the repayment of senior term debts. The repayment schedule and other terms and conditions of these loans are yet to be issued by GOI & GOK

	No. 7 - Deferred Tax liability/asset (Net)		Amount (in Rs. Lakh)
Sr. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
a)	Deferred Tax Liability Tax effect of items consisting deferred tax liabilities: On difference between book balance and tax balance of fixed assets	(141.97)	(19.57)
b)	Deferred Tax Asset Tax effect of items consisting deferred tax assets: provisions	139.91	150.40
		(2.06)	130.83

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NOTI Sr.	E No. 8 - Other long term liabilities		Amount (in Rs. Lakh)
No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
a)	Retention	95.93	-
b)	Interest on EDC loan	19.95	-
		115.88	
NOTI Sr.	E No. 9 - Long term provisions		Amount (in Rs. Lakh)
No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
	Provision for employee benefits		
a)	Provision for gratuity	17.06	6.59
b)	Provision for earned leave	33.71	14.78
c)	Provision for half pay leave	19.63	9.74
		70.40	31.11
	E No. 10 - Other current liabilities		Amount (in Rs. Lakh)
Sr. No.	Particulars Unsecured	As at 31st March, 2015	As at 31st March, 2014
a) b)	Interest accured but not due on borrowing other payables	81.64	-
,	1) Statutory payments	17.26	9.89
	Trade/security deposit received	136.27	33.37
	Purchase of fixed assets	-	1.72
	4) Land acquisition & structural valuation	6,773.27	4,619.43
	5) Others i. Project related liabilities	4,294.61	481.71
	ii. Kerala road fund board	1,471.79	1,493.02
	iii. Government of Kerala	376.06	98.82
	iv. Others	188.62	91.05
		13,339.52	6,829.01
		10,000.02	0,029.01
NOTI	E No. 11 - Short-term provisions		Amount (in Rs. Lakh)
Sr.			
No.	Particulars Provision for employee benefits	As at 31st March, 2015	As at 31st March, 2014
a)	Provision for gratuity	0.14	0.08
b)	Provision for earned leave	6.98	0.19
c)	Provision for half pay leave	3.75	0.12
		10.87	0.39

## **KOCHI METRO RAIL LIMITED**

## FIXED ASSETS

Note No. 12.A Tangible Fixed Assets	d Assets	ชั้	Gross Block			Depr	Depreciation/Amortization	zation		Amount (i Ne	Amount (in Rs. Lakh) Net Block
Particulars	Balance as at 01-04-2014	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Balance as at 31-03-2015	Balance as at 01-04-2014	Depreciation for the year	Additions Other Adjustments	Adjustments on asset sold/ adjusted	Accumulated Depreciation as at 31-03-2015	Balance as at 31-03-2015	Balance as at 31-03-2014
Freehold Land	11,789.31	28,400.78	' !	40,190.09		' !		' !		40,190.09	11,789.31
Computers Flectrical Appliances	61.52	16.00 24.95	5.15 0.15	72.37	16.92	28.07		1.75	43.24 3.94	29.14	44.60 8.03
Electrical Equipments	7.52	'	;	7.52	0.81	0.82		•	1.63	5.89	6.71
Electrical Installations	63.99	36.68		100.67	90.9	10.32		•	16.38	84.28	57.93
Fire equipment	0.51	•		0.51	0.51	•	•	•	0.51	•	
Furniture and Fixtures	85.14	65.26		150.40	12.18	14.80		•	26.98	123.42	72.96
Office Equipment	23.09	16.97	0.67	39.39	2.24	9.48	1.75	0.22	13.25	26.14	20.85
Vehicles	24.68	•		24.68	1.88	3.00			4.88	19.80	22.80
Total	12,064.47	28,560.64	5.97	40,619.14	41.28	92'69	1.75	1.97	110.81	40,508.33	12,023.19
Previous year	244.22	11,858.34	38.09	12,064.47	39.44	20.21	0.51	18.87	41.28	12,023.19	
Note No. 12.B Intangible Fixed Assets Software	40.22	28.12		68.34	11.11	12.91	•	•	24.02	44.32	29.11
way leave charges to railways <b>Total</b>	40.22	2,804.34		2,844.56	11.11	28.36			39.47	2,805.09	29.11
Previous year	20.04	20.22	0.04	40.22	4.81	6.34		0.04	11.11	29.11	

The Company has taken over possession of 27.42 hectares of Land till 31st March 2015 (previous year 19.07 hectares).
The Land value capitalized is the purchase price agreed between the landowners and the District Level Purchase Committee. The registration cost and stamp duty is not taken into consideration, since the Government of Kerala has exempted these charges vide Government order no.G.O.(P) No. 164/2014/TD/2353 & 2354 dated 25th September 2014.

Registration of Land in the name of the Company is under process.
Metro works are going on in an extent of 1.09 hectares of land belonging to various Government bodies/departments. Pending finalisation of the price, transfer formalities and other terms and conditions, these parcels of lands are not დ 4:

included in the fixed assets

During the year, the Company has paid an amount of Rs. 27.76 crore towards way leave charges to Southern railways for the construction of via duct for Kochi Metro Rail Project over railway land. The permission has been taken for an initial period of 35 years against one time lump sum payment equivalent to 99% of the current market value of land. The tenure can be further renewed for a period of 35 years on payment of nominal fees per annum. The amount is shown under intangible asset and amortized for a period of 70 years. The agreement with railways is yet to be executed.

In case of mobile phone grouped under office equipment, the useful life is estimated at three years. 5.

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Sr.	No. 13 - Capital work-in-progress		Amount (in Rs. Lakh)
No. a)	Particulars Kochi metro rail project - phase I	As at 31st March, 2015 105,296.51	<b>As at 31st March, 2014</b> 24,756.90
b)	Office furnishing WIP	-	98.79
c)	Phase II Extension	657.25	208.43
		105,953.76	25,064.12
NOTE	No. 14 - Long term loans and advances		Amount (in Rs. Lakh)
Sr.			
No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
۵)	Capital Advances (unsecured and considered good) Project Advance to Delhi Metro Rail Corporation	17,536.44	21,561.60
a) o)	District Collector-Land Acquisition	13,783.74	8,948.13
	Security Deposits (unsecured and considered good)		
a) ~\	Telephone Deposit	0.41	0.41
o) c)	Security Deposit Security Deposit- Casting yard	31.99 310.98	32.87 310.13
)  )	Nominal charges- southern railways	70.18	310.13
2)	Signage boards	45.73	-
	Others (unsecured and considered good)		
a)	Taxation (net of provisions)	69.81	33.10
		31,849.28	30,886.24
	No. 15 - Other non-current assets		Amount (in Rs. Lakh)
Sr. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
a)	Receivable from Government of Kerala		
	(interest on EDC loan)	19.95	_
	(interest on EBO loan)	10.00	
The in	iterest on EDC loan is recoverable from Government of Kerala as	19.95	0.00 5.03.2015 of Government of Kerala
NOTE Sr.	iterest on EDC loan is recoverable from Government of Kerala as	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)
NOTE Sr. No.	terest on EDC loan is recoverable from Government of Kerala as  No. 16 -Cash and cash equivalents  Particulars	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29 As at 31st March, 2015	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014
NOTE Sr. No.	terest on EDC loan is recoverable from Government of Kerala as  No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29  As at 31st March, 2015 628.14	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014  56.70
NOTE Sr. No. a)	terest on EDC loan is recoverable from Government of Kerala as  No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29 As at 31st March, 2015	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014
NOTE Sr. No. a)	terest on EDC loan is recoverable from Government of Kerala as  No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account  Term Deposits (with maturity less	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29  As at 31st March, 2015 628.14 37,500.69	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014  56.70
NOTE Sr. No. a) o)	terest on EDC loan is recoverable from Government of Kerala as  No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29  As at 31st March, 2015 628.14	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014  56.70  5,700.70
NOTE Sr. No. a) o)	iterest on EDC loan is recoverable from Government of Kerala as  No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account  Term Deposits (with maturity less than twelve months)	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40
NOTE Sr. No. a) o) c) d)	iterest on EDC loan is recoverable from Government of Kerala as  No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account  Term Deposits (with maturity less than twelve months)	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50	Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50
NOTE Sr. No. a) c) d) NOTE Sr.	terest on EDC loan is recoverable from Government of Kerala as   No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account  Term Deposits (with maturity less than twelve months)  Earmarked balances with banks	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)
NOTE Sr. No. a) b) c) d) NOTE	terest on EDC loan is recoverable from Government of Kerala as No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account  Term Deposits (with maturity less than twelve months)  Earmarked balances with banks  No. 17 - Short-term loans and advances	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30
NOTE Sr. No. a) b) c)	terest on EDC loan is recoverable from Government of Kerala as No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account  Term Deposits (with maturity less than twelve months)  Earmarked balances with banks  No. 17 - Short-term loans and advances  Particulars	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)
NOTE NOTE NO.	terest on EDC loan is recoverable from Government of Kerala as ENo. 16 -Cash and cash equivalents  Particulars Balances with banks(in current account) Balance in Sub Treasury account Term Deposits (with maturity less than twelve months) Earmarked balances with banks  No. 17 - Short-term loans and advances  Particulars Others (unsecured and considered good)	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014
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OTE r. (o. )) )) ) OTE r. oo.	terest on EDC loan is recoverable from Government of Kerala as in No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account  Term Deposits (with maturity less than twelve months)  Earmarked balances with banks  No. 17 - Short-term loans and advances  Particulars  Others (unsecured and considered good)  Mobilization Advance  Prepaid Expense Interest accrued  Travel advance	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014  39.42 119.41 16.39 0.81
IOTE ir. io. ) ) ) IOTE ir. io. ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) )	terest on EDC loan is recoverable from Government of Kerala as ENo. 16 -Cash and cash equivalents  Particulars Balances with banks(in current account) Balance in Sub Treasury account Term Deposits (with maturity less than twelve months) Earmarked balances with banks  No. 17 - Short-term loans and advances  Particulars Others (unsecured and considered good)  Mobilization Advance Prepaid Expense Interest accrued Travel advance Other Employee advances	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55 2.84	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014 39.42 119.41 16.39 0.81 1.85
IOTE  Or.  Or.  Or.  Or.  Or.  Or.  Or.  Or	terest on EDC loan is recoverable from Government of Kerala as in No. 16 -Cash and cash equivalents  Particulars  Balances with banks(in current account)  Balance in Sub Treasury account  Term Deposits (with maturity less than twelve months)  Earmarked balances with banks  No. 17 - Short-term loans and advances  Particulars  Others (unsecured and considered good)  Mobilization Advance  Prepaid Expense Interest accrued  Travel advance	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014 39.42 119.41 16.39 0.81
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NOTE NOTE NOTE NOTE NOTE NOTE NOTE NOTE	terest on EDC loan is recoverable from Government of Kerala as ENo. 16 -Cash and cash equivalents  Particulars Balances with banks(in current account) Balance in Sub Treasury account Term Deposits (with maturity less than twelve months) Earmarked balances with banks  No. 17 - Short-term loans and advances  Particulars Others (unsecured and considered good)  Mobilization Advance Prepaid Expense Interest accrued Travel advance Other Employee advances	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55 2.84 30.47	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014  39.42 119.41 16.39 0.81 1.85 0.73
IOTE  Io.  IOTE  IOTE  IOTE  IOTE  IOTE	E No. 16 -Cash and cash equivalents  Particulars Balances with banks(in current account) Balance in Sub Treasury account Term Deposits (with maturity less than twelve months) Earmarked balances with banks  E No. 17 - Short-term loans and advances  Particulars Others (unsecured and considered good)  Mobilization Advance Prepaid Expense Interest accrued Travel advance Other Employee advances Others	19.95 s per G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55 2.84 30.47	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014  39.42 119.41 16.39 0.81 1.85 0.73 178.61
NOTE  Or.  NOTE  Or.  NOTE  Or.  NOTE  Or.  NOTE	Reference to near EDC loan is recoverable from Government of Kerala as ENo. 16 -Cash and cash equivalents  Particulars Balances with banks(in current account) Balance in Sub Treasury account Term Deposits (with maturity less than twelve months) Earmarked balances with banks  ENo. 17 - Short-term loans and advances  Particulars Others (unsecured and considered good)  Mobilization Advance Prepaid Expense Interest accrued Travel advance Other Employee advances Others  No. 18 - Other income Particulars	19.95 Sper G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55 2.84 30.47 140.94  For the year ended 31st March, 2015	Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014 39.42 119.41 16.39 0.81 1.85 0.73 178.61  Amount (in Rs. Lakh)  For the year ended 31st March, 2014
NOTE NOTE NOTE NOTE NOTE NOTE NOTE NOTE	Particulars Balances with banks(in current account) Balance in Sub Treasury account Term Deposits (with maturity less than twelve months) Earmarked balances with banks  No. 17 - Short-term loans and advances  Particulars Others (unsecured and considered good)  Mobilization Advance Prepaid Expense Interest accrued Travel advance Other Employee advances Others  No. 18 - Other income Particulars Interest from bank deposits	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55 2.84 30.47 140.94  For the year ended 31st March, 2015 519.74	5.03.2015 of Government of Kerala  Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014  39.42 119.41 16.39 0.81 1.85 0.73  178.61  Amount (in Rs. Lakh)  For the year ended 31st March, 2014 625.86
NOTE  NOTE  NOTE  NOTE  NO.  NO.	Reference to near EDC loan is recoverable from Government of Kerala as ENo. 16 -Cash and cash equivalents  Particulars Balances with banks(in current account) Balance in Sub Treasury account Term Deposits (with maturity less than twelve months) Earmarked balances with banks  ENo. 17 - Short-term loans and advances  Particulars Others (unsecured and considered good)  Mobilization Advance Prepaid Expense Interest accrued Travel advance Other Employee advances Others  No. 18 - Other income Particulars	19.95 Sper G.O.(Ms)No.20/2015/Trans dated 28  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55 2.84 30.47 140.94  For the year ended 31st March, 2015	Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014 39.42 119.41 16.39 0.81 1.85 0.73 178.61  Amount (in Rs. Lakh)  For the year ended 31st March, 2014
NOTE NO. ) ) NOTE Sr. NO. ) ) ) ) ) )	Particulars Balances with banks(in current account) Balance in Sub Treasury account Term Deposits (with maturity less than twelve months) Earmarked balances with banks  No. 17 - Short-term loans and advances  Particulars Others (unsecured and considered good)  Mobilization Advance Prepaid Expense Interest accrued Travel advance Other Employee advances Others  No. 18 - Other income Particulars Interest from bank deposits	19.95 s per G.O.(Ms)No.20/2015/Trans dated 29  As at 31st March, 2015 628.14 37,500.69 1,004.78 0.50 39,134.10  As at 31st March, 2015  104.01 2.08 1.55 2.84 30.47 140.94  For the year ended 31st March, 2015 519.74	Amount (in Rs. Lakh)  As at 31st March, 2014 56.70 5,700.70 2,375.40 0.50 8,133.30  Amount (in Rs. Lakh)  As at 31st March, 2014  39.42 119.41 16.39 0.81 1.85 0.73  178.61  Amount (in Rs. Lakh)  For the year ended 31st March, 2014 625.86

NOTE Sr. No. a) b) c) d)	No. 19 - Employee benefits expense Particulars  Salaries and wages Contributions to provident and other funds Gratuity expense Staff welfare expenses			For the year ended 31st March, 2015 219.03 18.77 4.21 61.12		For the	(in Rs. Lakh) year ended March, 2014 184.54 17.01 3.76 18.63
			:	303.13			223.94
	No. 20 - Finance costs					Amount	(in Rs. Lakh)
Sr. No.	Particulars		For the yea 31st Mar				e year ended t March, 2014
			2014-15			2013-14	
l-	According Dans House has risken as	Gross interest (A)	Expense during construction (B)	Total Transfer to P&L A/c (A - B)	Gross Interest (A)	Expense during Construction (B)	Total Transfer (to P & L) (A - B)
a) G	nterest on Pass through assistance - covernment of India nterest on Canara bank loan	88.69 129.61	88.69 129.61	-	-	-	-
		218.30	218.30	0.00	0.00	0.00	0.00
NOTE	—— E No. 21 - Depreciation and amortization ∈	expenses				Amour	it (in Rs. Lakh)
Sr.	·	•					,
No.	Particulars			For the year ended 31st March, 2015			e year ended March, 2014
a) b)	Tangible assets Intangible assets			69.76 28.36			20.21 6.34
				98.12	-		26.55
	No. 22 - Other expenses					Amoun	t (in Rs. Lakh)
Sr. No.	Particulars			For the year ended			e year ended
a)	Advertisement			31st March, 2015 25.84		31st	March, 2014 44.91
b)	Power and fuel			23.18			17.43
c)	Rent, Rates and taxes			31.63 5.43			33.08
d) e)	Repairs and maintenance Insurance			0.03			4.39 0.06
f)	Travelling and conveyance			82.29			94.73
g)	Printing and stationery			12.52			10.44
h)	Events and promotion			10.30			25.79
i)	Legal and professional			56.09			31.36
j)	Payment to auditors (refer note 19.1)			4.06			1.12
k) I)	Loss on sale of fixed asset Office expense			0.26 72.71			3.96 42.12
m)	Signage boards			5.99			42.12
n)	Road works			219.76			-
o)	Bank charges			9.03			0.19
b)	Donation			7.50			-
q) r)	Social media and perception management Miscellaneous expense			24.55 42.94			13.88
,	·			634.11	-		323.47
19	Payment to auditors i. Audit fees (inclusive of service tax) ii. Out of pocket expenses			3.56 0.50			1.12
NOTE	No. 23 - Prior period adjustment					Amount	(in Rs. Lakh)
Sr. No.	Particulars			For the year ended		Earth	year ended
<b>NO.</b> a)	Preliminary Expenses			31st March, 2015			March, 2014 200.52
b) c)	Pre operative expenditure (Net after capitali Depreciation	sation)		- -			254.72 (1.23)
d)	Other income from DMRC			(123.70)			(1.20)
e)	Survey charges written back			(9.81)			-
f)	Interestincome			(46.84)			-
				(180.35)			454.01



### NOTE No. 24 NOTES ON FINANCIAL STATEMENTS

### 1. Expenditure in Foreign Currency

Amount (in Rs. Lakh)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Tours and Travels	8.11	8.19
Capital expenditure by DMRC	93.96	92.43

### 2. Capital work in Progress (CWIP)

Construction of the capital asset i.e. the Metro Rail system is progressing. As per the agreement dated 23<sup>rd</sup> May 2013, DMRC shall execute all the works related to the project and commission the system within 48 months from the date of release of mobilisation fee, i.e. on or before 02-06-2017.

Sale proceeds of buildings and other structures demolished for the construction are reduced from the cost of acquisition of such structures. The amount so reduced in the reporting year is Rs. 40.87 Lakh.

The DMRC fee for executing the works amounting to Rs. 61.27 crore for the current financial year (till date Rs. 123.30 crore) is grouped under CWIP as expenses during construction pending capitalization.

As per the agreement with DMRC, project cost is paid as advance. Interest received on the deposit of these funds is reduced from CWIP. The interest so accounted during the year is Rs. 5.91 crore (till date Rs. 12.54 crore).

### 3. Preparatory works

Five preparatory works are undertaken by DMRC as per the Government of Kerala (GOK) order GO Number 34/2010/Tran Dated 19-3-2010. The ownership of these assets rests with the Government. After formation of KMRL, the funds for this works are routed through KMRL and hence the entire expenses on this account have been set off against the funds received from the Government of Kerala. The total expenditure in the current financial year towards these works was Rs. 32.22 crore (previous year Rs.18.80 crore)

The Board of Directors in its 18<sup>th</sup> meeting held on 16<sup>th</sup> September 2014 has approved undertaking works for the improvement of arterial roads of the project area at an estimated cost of Rs. 31.10 crore with the proviso that 50% of the amount expended shall be borne by Government of Kerala. Vide G.O.(Ms)No.14/2015/Plg dated 28.02.2015, Government of Kerala has accorded approval for Rs. 15.55 crore for improvement of the city roads, being 50% of the estimated cost. Accordingly, the company has incurred an amount of Rs. 4.39 crore during the year and Rs. 2.19 crore has been set off against the funds received from the Government of Kerala. Balance expenditure is charged to revenue since the assets are not belonging to KMRL and the works are done for the smooth traffic flow during construction of the metro.

### 4. Edapally Flyover

Government of Kerala vide order No. G.O(Rt) No.714/2013/PWD dated 13/05/2013 has entrusted the works of construction of Edapally flyover to KMRL through DMRC, along with the construction of metro rail viaduct. An amount of Rs. 25 crore has been released by Kerala Road Fund Board (KRFB) to KMRL for this work in the financial year 2013-14. An MoU delineating the terms of execution is under finalisation. A portion of these cost of the works is attributable to KMRL since metro structures are also involved.

The total amount paid by KMRL in the current financial year towards flyover construction was Rs. 21.24 lakh (till date Rs. 10.28 crore). All expenditure attributable to the above works is met out of the funds provided by KRFB.

### 5. Impact in the accounting statement due to change in accounting policy on depreciation

Due to change in method of charging depreciation as prescribed under the Schedule II of the Companies Act 2013 effective from 1st April, 2014, the Company has reassessed the useful life of its existing fixed assets and has charged depreciation over the remaining useful lives, after retaining residual value, in accordance with the transitional provisions contained in the Schedule II of the Companies Act 2013. An additional depreciation of Rs. 29.95 lakh has been provided during the year.

### 6. Disclosure in respect of AS-15 (Revised)- Employee Benefits

- i. **Fund and pension fund:** The eligible employees of the Company are entitled to receive benefits under provident fund schemes in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are paid to the Regional Provident Fund Account.
  - The company's pension scheme is linked with provident fund scheme. All eligible employees of the company under provident fund schemes are also covered under employee pension scheme. Under this scheme, no contribution is collected from the employees and is paid from the employer contribution.
- ii. Gratuity: Gratuity is payable as per Payment of Gratuity Act, 1972 to every employee who has rendered continuous services of five years or more. KMRL, being at its project phase none of the employees have completed the eligibility period for gratuity. However, provisions as per actuarial valuations are made in the books of accounts for the gratuity.
- iii. **Earned leave and half pay leave:** The Company provides for earned leave benefits and half pay leave to the employees as per the HR policy. The liability on this account is recognized on the basis of actuarial valuation.
- iv. **LTC:** The Company provides financial assistance to the employee in meeting expenses of actual travel involved to their hometown as well as any place in India as per the approved policy
- v. **Insurance:** The Company has also taken Medical Insurance Policy and Life Insurance Policy for all its eligible employees during the current year.



### Vi. The summarized position of various defined benefits recognized in the Statement of Profit and Loss and Balance Sheet is as under:

a) Expenses recognized in the Statement of Profit and Loss.

Amount (in Rs. Lakh)

Particulars	Year	Gratuity	Earned Leave	Half pay leave
Current service cost	2014-15	17.19	40.69	23.38
	2013-14	6.67	14.97	9.86
Amount recognized in	2014-15	4.21	10.29	5.40
Profit and Loss	2013-14	3.76	8.44	5.55

b) Amount recognized in the Balance Sheet.

Amount (in Rs. Lakh)

Particulars	Year	Gratuity	Earned Leave	Half pay Leave
Present value of the	2014-15	17.19	40.69	23.38
obligation	2013-14	6.67	14.97	9.86
Net asset/(liability) recognized in the	2014-15	17.19	40.69	23.38
balance sheet	2013-14	6.67	14.97	9.86

### c) Actuarial Assumptions

Particulars	2014-15	2013-14
Funding mechanism	Unfunded	Unfunded
Discount rate	9.10%	9.10%
Salary escalation as per para 83-91 and 120 of AS 15R	3 %	3 %
Attrition rate fixed by enterprise	1 %	1 %
Proportion of leave availment and encashment during service	10 %	10 %
Proportion of encashment on separation	10%	10%

### 7. Disclosure in respect of AS-17 (Segment Reporting)

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

### 8. Disclosure in respect of AS-18 (Related Parties Disclosures)

### a. Key Management persons:

- i. Shri Elias George (Managing Director)
- ii. Shri Mahesh Kumar (Director-Projects)
- iii. Shri Abraham Oommen (Director-Finance)
- iv. Shri Ved Mani Tiwari (Director- System)

### b. Disclosure of transactions with related parties (Key managerial persons)

Amount (in Rs. Lakh)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Salaries & Allowances	72.65	58.04
Contributions to Provident Fund and others	7.72	4.00
Otherbenefits	24.97	16.79

- i. The Managing Director is drawing his salary from Government of Kerala, in his capacity as Additional Chief Secretary to the government.
- ii. The whole time Directors have been allowed to use the Company hired vehicle for private journeys subject to recovery as per the Company's policy.
- iii. The provisions for contributions to gratuity, leave encashment are as ascertained on actuarial valuation.

### 9. Disclosure in respect of AS-19 (Leases)

The Company has taken premises for the accommodation of the employees and for the office on lease. These lease arrangements are usually renewable on mutually agreed terms. During the year the Company has paid Rs. 53.23 Lakh (previous year Rs. 14.33 Lakh) towards lease rent (net of recoveries) on behalf of the employee and Rs. 77.32 Lakh towards office (previous year Rs. 78.18 Lakh).



### 10. Disclosure in respect of Earnings per share AS-20 (Earnings Per Share)

Particulars	2014-15	2013-14
Net Profit /(Loss) for the year (Rs. in Lakh)	(17.87)	(270.11)
Weighted average number of equity shares		
outstanding during the year		
Basic Diluted	47,262,696 52,907,696	16,232,164 41,162,164
Basic Earnings Per Share (Face value of Rs. 100/- per share) (Rs.)	(0.04)	(1.66)
Diluted Earnings Per Share (Face value of Rs. 100/-per share) (Rs.)	(0.03)	(0.66)

### 11. Disclosure in respect of AS-22 (Accounting for Taxes on Income)

Deferred tax has been taken into account pursuant to the provisions of AS – 22 issued by the Institute of Chartered Accountants of India.

### 12. Disclosure in respect of AS-28 (Impairment of Assets)

Presently, no indication exists for the impairment of assets and hence no impairment loss of asset is considered in the financial year.

### 13. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2015.

No amount is due to micro, small and medium enterprises as at 31st March 2015.

### 14. Capital commitments, Contingent liabilities and Contingent asset

- A. Contingent liabilities not provided for are NIL.
- B. Capital and other commitments

Amount (in Rs. Lakh)

Capital commitments	As at 31.03.2015	As at 31.03.2014
Estimated amount of contracts remaining to be executed on capital accounts and not provided for.	2,12,717.96	1,57,509.08

### C. Contingent asset

Contingent assets, which are significant and material, are NIL (previous year - NIL)

15. Previous year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current years classification / disclosures.

For and on behalf of the Board of Directors

(Sd/-) (Sd/-) (Sd/-)

B. Anilkumar Abraham Oommen Mahesh Kumar Elias George
Company Secretary Director (Finance) Director (Projects) Managing Director

Place: New Delhi

Date: 18th August 2015

In terms of our report of even date attached.

For K Varghese & Co.

**Chartered Accountants** 

(Sd/-)

Sam Varghese

Partner

Place: New Delhi

Date: 18th August 2015



### KOCHI METRO RAIL LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.15

	Par	ticulars		the year ended Ist March, 2015	Amount (in Rs. Lak For the year ended 31st March, 2014
	Cash Flow from Oper	ating activities			
	Net Profit/(Loss) before			91.54	(390.56)
	Adjustment for				
	Loss on sale of asset			0.26	3.96
	Depreciation and amor			98.12	26.54
	Prior period adjustmen	t		(180.35)	454.01
	Interest earned	-		(519.74)	(625.86)
	Adjustment for	s) before working capital cha	anges	(510.17)	(531.91)
	Taxes			23.49	(23.34)
	Employee benefit provi	sions		19.91	31.50
	Net Cash from Opera	iting activities	_	(466.77)	(523.75)
	Cash Flow from Investigation Purchase of Fixed assets			(20, 209, 06)	(7.242.42)
	Capital WIP	eis		(29,298.96) (80,641.49)	(7,242.12) (24,890.25)
	Others			(00,041.49)	(24,690.25)
	Other long term liabilitie	es		115.88	_
	Interest earned	<del></del>		519.74	625.86
	Long term loans and a	dvances		(782.69)	(30,866.25)
	Short-term loans and a			` 37.67	(160.50)
	Other non-current asse	ets		(19.95)	•
	Other current liabilities			4,275.03	180.25
	Net Cash used in inve	esting activities		(1,05,794.77)	(62,353.01)
I.	Cash flow from Finan	cing activities			
	Long term loan from C			22,000.00	-
	Pass through assistant				
	Francaise de Developr			16,179.00	-
		rnakulam District Coopertive E	Bank	36,600.00	-
	Sub Debt from Govern			9,700.00	2 500 00
	Sub Debt from Govern Share Capital and Sha			6,695.00 46,225.00	2,500.00 33,400.00
	Interest on loans taken			(136.66)	33,400.00
	Net Cash used in fina	ncing activities	_	1,37,262.34	35,900.00
	Net Increase in cash a	nd cash equivalents	_	31,000.80	(26,976.76)
	Cash and cash equival	ents at the beginning of the pe	eriod	8,133.30	35,110.06
	•			<u>,                                      </u>	
	Cash and cash equival	ents at the end of the period	<u> </u>	39,134.10	8,133.30
	Comprising of			00.404.40	0.400.00
	Cash at bank			39,134.10	8,133.30
	arghese & Co. red Accountants	For	and on behalf of the Boar	d of Directors	
(5	Sd/-)	(Sd/-)	(Sd/-)	(Sd/-)	(Sd/-)
	arghese	B. Anilkumar	Abraham Oommen	Mahesh Kumar	Elias George
				wancan Kumai	LIIGO UTUIUT

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Place : New Delhi
Date : 18th August 2015

Place : New Delhi
Date : 18th August 2015

### **INDEPENDENT AUDITORS' REPORT**

### TO THE MEMBERS OF KOCHI METRO RAIL LIMITED

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Kochi Metro Rail Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management 's Responsibility for the 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 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) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken in to account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that



give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
- ii. 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 explanations given to us, in the Annexure on the directions and sub- directions issued by the Comptroller and Auditor General of India.
- iii. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The Company is a Government Company and therefore provision of Section 164(2) of the Companies Act, 2013 are not applicable.

- (f) 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigation which would impact its financial position.
  - *ii.* The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - *iii.* There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

### For K. VARGHESE & Co.

Chartered Accountants (Firm Registration No. 004525S)

(Sd/-)

Sam Varghese

Partner

(Membership No.216979)

Place: Kochi

Date: 18th August, 2015



### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph (i) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- 1. In respect of its fixed assets:
  - (a) The Company is generally maintaining proper records showing full particulars including the quantitative details and situation of fixed assets.
  - (b) The Company is not having a regular programme of physical verification of its fixed assets.
    However the Company had physically verified fixed assets during the year and no material discrepancies were noticed.
- 2. In respect of its inventory:
  - The Company's construction activities are in progress. Accordingly, it does not hold any physical inventories. Hence, this clause is not applicable.
- 3. The Company has neither granted nor taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets. The activities of the Company for the current year do not involve purchase of inventories and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- 5. According to the information and explanation given to us, the Company has not accepted any deposits from the public during the year.
- 6. The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company. Hence, the clause is not applicable.
- 7. a) According to the information and explanation given to us, no material undisputed amounts payable in respect of Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Cess and any other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
  - b) According to the information and explanation given to us, there are no dues to Income Tax, Sales Tax, Service Tax, Cess and any other statutory dues that have not been deposited as on 31st March 2015 on account of disputes.

c) According to the information and explanations given to us, there were no amounts which are required to

be transferred to the investor education and protection fund in accordance with the relevant provisions of

the Companies Act, 1956 (1 of 1956) and rules thereunder, since the company is into existence for less

than seven years.

8. The Company has been in existence for a period of less than five years. The accumulated losses of the

Company are less than 50% of its net worth. The Company has not incurred cash losses in the current

financial year or in immediate preceding financial year.

9. In our opinion and according to the information and explanations given to us and based on the

documents and records produced before us, the Company has not defaulted in repayment of dues to

Financial Institutions / Banks.

10. In our opinion and according to the information and explanations given to us, the Company has not given

any guarantee for the loans taken by others from financial institutions/banks.

11. In our opinion and according to the information and explanations given to us, the term loans have been

applied by the Company during the year for the purpose for which they were obtained.

12. To the best of our knowledge and according to the information and explanations given to us, no material

fraud on or by the Company has been noticed or reported during the year.

For K. VARGHESE & Co.

**Chartered Accountants** 

(Firm Registration No. 004525S)

(Sd/-)

Sam Varghese

Partner

(Membership No.216979)

Place: Kochi

Date: 18th August, 2015

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# KOCHI METRO RAIL LIMITED

# SUPPLEMENTARY AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015 AS PER DIRECTIONS OF C&AG UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

8	C & AG Directions	Comments of Statutory Auditor
<del>-</del>	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process	No disinvestment process is going on.
<b>%</b>	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved	As per the information and explanations given to us, there are no cases of waiver of debts/loans/interest etc.
က်	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	As per the information and explanations given to us, there are no inventories lying with the third parties. No gift of assets was received from Government or other agencies.
4.	A report on age-wise analysis of pending legal/ arbitration case including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	As per the information and explanation given to us, the total number of pending legal/arbitration cases as on 31.03.2015 is 80. Age wise pending cases are as under:-
		a) 2011 – one case b) 2012 – two cases c) 2013 – nine cases d) 2014 – 53 cases e) 2015 – 15 cases
		There is no specific reasons for pendency, except that hearing have not been concluded by respective Court/Arbitrator.

Kochi 18<sup>th</sup> August 2015



### भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा तथा पदेन सदस्य लेखा परीक्षा बार्ड, चेन्नै

Indian Audit and Accounts Department

Office of the Principal Director of Commercial Audit and ex-officio Member Audit Board, Chennai

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES

ACT, 2013 ON THE FINANCIAL STATEMENTS OF KOCHI METRO RAIL LIMITED, FOR THE YEAR ENDED 31ST MARCH 2015

The preparation of financial statements of Kochi Metro Rail Limited for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18.08.2015.

I,on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Kochi Metro Rail Limited** for the year ended 31 March 2015. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(Sd/-)

(G. SUDHARMINI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND EX - OFFICIO MEMBER AUDIT BOARD

Place : Chennai Date : 25.09.15





















