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REGISTERED OFFICE:

8th Floor, Revenue Tower, Park Avenue,
Kochi – 682011 Kerala, India.
Phone : +91 484 2350 455
Fax No: +91 484 2360 686
www.kochimetro.org

STATUTORY AUDITORS

M/s K Venkatachalam Aiyer & Co.
Chartered Accountants
Building No. 41/3647 B, 1st Floor,
Bluebird Towers, Providence Road,
Kochi – 682018

SECRETARIAL AUDITORS

Shri T.R. Sreeram,
Practising Company Secretary,
Door no. VIII/104A,
'Chandra Vihar'
Maradu, Cochin – 682 304.

INTERNAL AUDITORS

M/s P. Parikh & Associates
Chartered Accountants
2nd Floor, Koduvathara Lane Building
Koduvathara Lane, Civil Lane Road,
Kochi – 682025

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

(as on 14th September, 2018)

Shri Durga Shanker Mishra	-	Chairman, Kochi Metro Rail Limited Secretary, Ministry of Housing and Urban Affairs, Room No.122 C, Nirman Bhawan, New Delhi.
Shri Mukund Kumar Sinha	-	OSD (UT) & Ex-officio Joint Secretary, Ministry of Housing and Urban Affairs, Room No.138 C Nirman Bhawan, New Delhi.
Shri D.K. Saini	-	Director (Projects), DMRC, Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi.
Shri Dimpy Garg	-	EDME/Chg., Railway Board, Ministry of Railway, Rail Bhawan, New Delhi
Shri L. Narasim Prasad	-	Director (Systems & Operations), Chennai Metro Rail Limited.
Vice Admiral S.K.K. Krishnan	-	Independent Director, A 403, Jal Vayu Vihar, Powai, Mumbai
Shri Tom Jose	-	Chief Secretary Government of Kerala, Government Secretariat, Thiruvananthapuram
Shri Manoj Joshi	-	Principal Secretary (Finance), Government of Kerala, Government Secretariat, Thiruvananthapuram
Shri M. Sivasankar	-	Secretary, IT and OSD to CMO, Government of Kerala, Government Secretariat, Thiruvananthapuram
Shri K. Mohammed Y. Safirulla	-	District Collector, Collectorate, Kakkanad, Ernakulam
Shri A.P.M. Mohammed Hanish	-	Managing Director Kochi Metro Rail Ltd., 8th Floor, Revenue Tower, Kochi.
Shri Kumar K.R.	-	Director (Finance) Kochi Metro Rail Ltd., 8th Floor, Revenue Tower, Kochi.
Shri D.K. Sinha	-	Director (Systems) Kochi Metro Rail Ltd., 8th Floor, Revenue Tower, Kochi.
Shri Thiruman Archunan	-	Director (Projects) Kochi Metro Rail Ltd., 8th Floor, Revenue Tower, Kochi.

KOCHI METRO RAIL LIMITED

Registered Office: 8th Floor, Revenue Tower, Park Avenue, Kochi – 682011, Kerala, India.

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

CIN: U60100KL2011SGC029003

NOTICE OF THE SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh Annual General Meeting of the Shareholders of the Company will be held on 1st December 2018 at 12:00 PM at the Registered Office of the Company at Revenue Tower, 8th Floor, opposite Park Avenue, Kochi - 682011, 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 31st March 2018 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. Venkatachalam Aiyer & Co., Chartered Accountants appointed by the Comptroller and Auditor General of India (for the financial year 2017-18) of Rs. 3,00,000/- (Rupees Three Lakh only) plus out of pocket expenses and taxes.

Special Business:

3. Appointment of Shri Kumar K.R., Director, Finance (Whole Time Functional Director) 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, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act and the Rules made thereunder, Shri Kumar K.R. be and is hereby appointed as Director, Finance (Whole Time Functional Director) of the Company for a period of Five years or till the age of superannuation (60 years) with effect from 04.04.2018."

"RESOLVED FURTHER THAT Shri B. Anilkumar, Company Secretary be and is hereby authorized to file necessary statutory forms with the Registrar of Companies."

4. Appointment of Shri D.K. Sinha, Director, Systems (Whole Time Functional Director) 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, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act and the Rules made thereunder, Shri D.K. Sinha be and is hereby appointed as Director, Systems (Whole Time Functional Director) of the Company for a period of Five years or till the age of superannuation (60 years) with effect from 02.04.2018.”

“RESOLVED FURTHER THAT Shri B. Anilkumar, Company Secretary be and is hereby authorized to file necessary statutory forms with the Registrar of Companies.”

By Order of the Board of Directors
For Kochi Metro Rail Limited

B. Anilkumar
Company Secretary

Place: Kochi

Date: 27.11.2018

Notes:

1. The explanatory statement pursuant to section 102 of the Companies Act, 2013, 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. A proxy form is enclosed.
4. Comments from the Comptroller and Auditor General of India pursuant to section 139 (5) of the Companies Act, 2013 will be sent soon after the same is received.

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

Item No. 3: Appointment of Shri Kumar K.R., Director, Finance (Whole Time Functional Director) of the Company.

Shri Abraham Oommen, Director, Finance, KMRL was relieved from the services of the Company on 31st October 2017 consequent on superannuation, by the Competent Authority.

A Board Sub-Committee consisting of Chairman, Managing Director and Shri Pradeep Kumar, Ex-Member Staff, Railway Board as external expert was constituted vide a Resolution of the Board of Directors, for selection of Director (Finance).

The Committee after interviewing the candidates and assessing their suitability recommended Shri Kumar K.R., Management Consultant to the post of Director, Finance in KMRL.

The Board had approved the appointment vide Circular Resolution 02/2017-18 dated 05.03.2018 and taken note of the same in its 30th Meeting held on 6th June 2018.

In view of the above, Resolution at Item No.3 is recommended for approval by the shareholders.

(Except Shri Kumar K.R., no other Director 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: Appointment of Shri D.K. Sinha, Director, Systems (Whole Time Functional Director) of the Company.

Shri Praveen Goyal, Director, Systems, KMRL was relieved from the services of the Company on 23rd October 2017 consequent on the acceptance of his resignation by the Competent Authority.

A Board Sub-Committee consisting of Chairman, Managing Director and Shri Pradeep Kumar, Ex-Member Staff, Railway Board as external expert was constituted vide a Resolution of the Board of

Directors, for selection of Director (Systems).

The Committee after interviewing the candidates and assessing their suitability recommended Shri D.K. Sinha, Chief General Manager (S&T), Delhi Metro Rail Corporation to the post of Director, Systems in KMRL.

The Board had approved the appointment vide Circular Resolution 01/2017-18 dated 05.03.2018 and taken note of the same in its 30th Meeting held on 6th June 2018.

In view of the above, Resolution at Item No.4 is recommended for approval by the shareholders. (Except Shri D.K. Sinha, no other Director or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No.4 of the Notice.)

KOCHI METRO RAIL LIMITED

Registered Office: 8th Floor, Revenue Tower, Park Avenue, Kochi – 682011, Kerala, India. Tel: +91 484 2380 980, Fax: +91 484 2380 686, Website: www.kochimetrorail.org
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 seventh Annual General Meeting of the Company held on 1st December 2018 at 12:00 PM at Kochi Metro Rail Limited, 8th Floor, Revenue Tower, opposite Park Avenue, Kochi - 682011

Signature of Member / Proxy

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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):

Registered address:

E-mail id:

Folio No/ Client ID:

DP ID:

I/We, being 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 seventh
Annual general meeting of the company, to be held on 1st December 2018 at 12:00 PM at Kochi

Metro Rail Limited, 8th Floor, Revenue Tower, opposite Park Avenue, Kochi – 682011 and at any adjournment thereof in respect of such resolutions as are indicated below:

Signed this day of 2018 .

No.	Resolution
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 st March 2018 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. Venkatachalam Aiyer & Co., Chartered Accountants appointed by the Comptroller and Auditor General of India (for the financial year 2017-18).
3	Appointment of Shri Kumar K.R., Director, Finance (Whole Time Functional Director) of the Company.
4	Appointment of Shri D.K. Sinha, Director, Systems (Whole Time Functional Director) of the Company.

Signature of shareholder

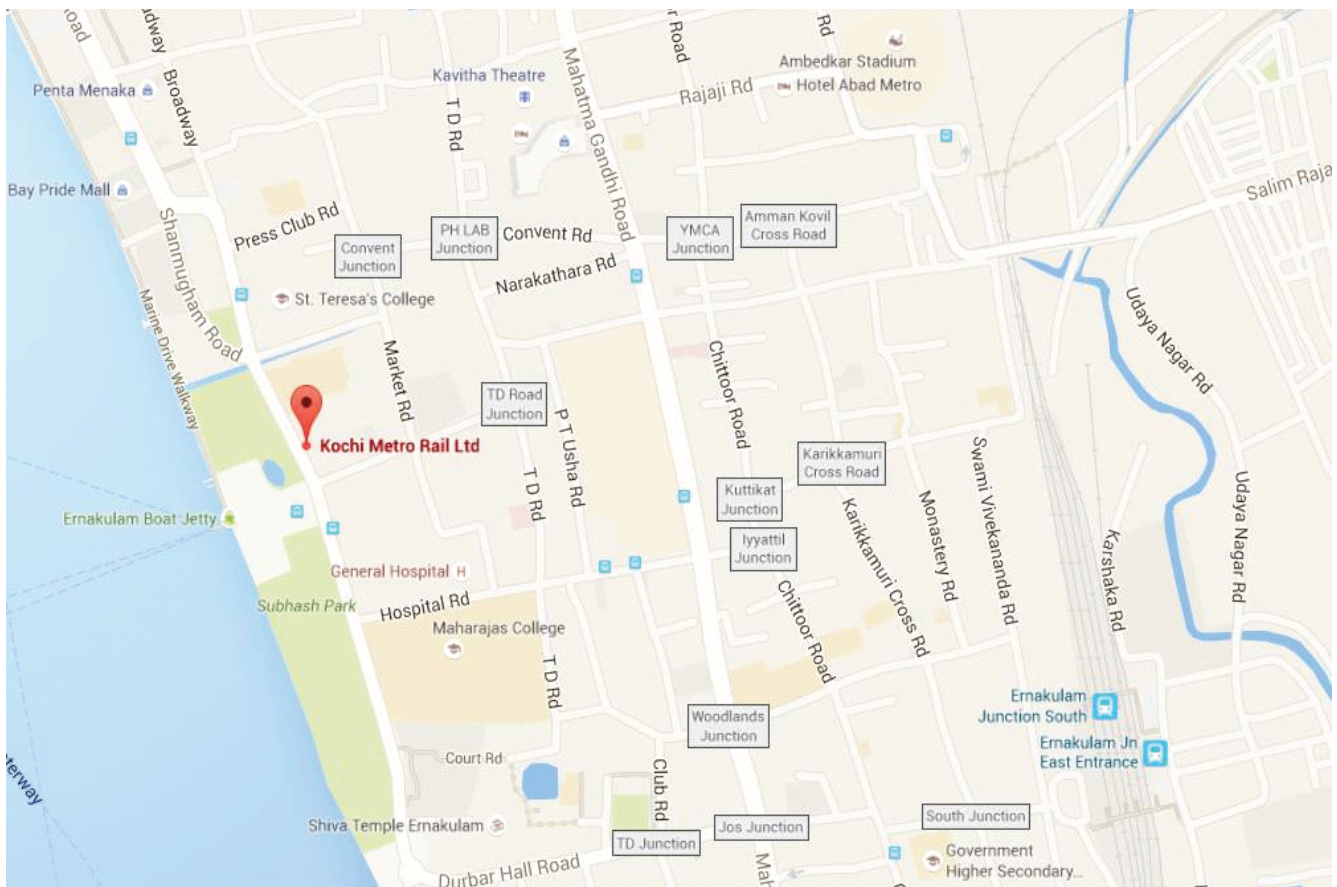
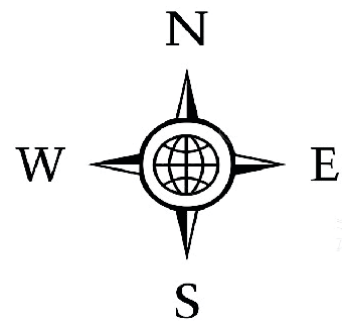
Affix
Revenue
Stamp

Signature of Proxy holder(s)

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



I have great privilege in extending a warm welcome to all of you to the Seventh Annual General Meeting of KMRL being held on 1st December 2018. I would also like to place on record my deep appreciation of the seminal role that you have played in carrying forward the organisational objectives of the Company. As you all are aware, the Company should have held the 7th Annual General Meeting (AGM) before 30th September, 2018; but with the permission of Registrar of Companies Kerala, this date was extended up to 15th December, 2018 consequent upon the catastrophe caused by the flood in the recent past in the State of Kerala.

I would like to start by expressing my appreciation to the Managing Director, Shri A.P.M. Mohammed Hanish for leading the Company to a new trajectory of success. Let me also take this opportunity to place on record my deep regard towards all the stakeholders who contributed their best in furtherance of the Company's objectives.

The Directors' Report and the Audited Annual Accounts of the Company for the Financial Year 2017-18 as well as the Statutory Auditors' Report have already been circulated to you. The comments of Comptroller and Auditor General (C&AG) of India on the Supplementary Audit have been received. The C&AG has issued a nil report.

It is a matter of great pride that your Company had commenced commercial operation for the stretch from Aluva to Palarivattom (Reach 1) on 19th June 2017 and from Palarivattom to Maharaja's College (Reach 2A) on 3rd October 2017 in the year under review. The remaining part i.e., Reach 2B of the project encompassing the Maharaja's College-Petta corridor with a total length of 12.1 km and with 11 stations is expected to be completed in 2019.

The average ridership per day and revenue collection in the first month for Reach 1 was 46,696 number of passengers and Rs. 16 lakh respectively. For subsequent months, the average ridership and revenue per day was recorded at 24,132 number of passengers and Rs. 8 lakh respectively.

On opening of Reach 2A, the average ridership and revenue per day increased to 29,624 number of passengers and Rs. 11.5 lakh respectively. Total fare box revenue from 19th June, 2017 to 31st March, 2018 is Rs 32.17 crore with average ridership of 35,213 per day.

The Board of KMRL had approved Phase II of the Kochi Metro Rail Project from JLN station, Kaloor to Kerala's IT hub at Kakkanad comprising of 11 stations, with a length of 11.2 km. The Detailed Project Report (DPR), after revision under the new Metro Rail Policy 2017, was submitted to the Government of Kerala for its administrative sanction. On approval, it has been forwarded to Government of India and is currently under their consideration. The French funding agency M/s Agence Française de Développement (AFD) has shown interest in funding the project. Once the approval is received, the Phase II Project is expected to be completed within a time span of 4 years.

Apart from providing a modern Mass Rapid Transit System in the city of Kochi, the Company is enlarging its role to become a total transport solution provider for the people. The Company is at work to integrate all modes of public transport, such as the metro, the buses, the ferries and non-motorised transport into a single seamless system, with a single network, a single ticket and a single timetable. In this regard, the Company has also framed a draft Unified Metropolitan Transport Authority (UMTA) Bill, which is under the consideration of the State Government.

I am pleased to mention that the Company, along with Government of Kerala and Kreditanstalt für Wiederaufbau (KfW), has taken up the reins for the execution and operation of the Kochi Water Metro project. This project aims to improve the connectivity between the coastal areas and the islands around the Kochi lagoon and to improve the mobility and the livelihood opportunities of the people living in those areas; so that they can also benefit from the economic opportunities available in the city of Kochi. A separate wing has been set up in KMRL with adequate manpower for the Water Metro Project. KMRL has also engaged a General Consultant for the same. The Kochi Water Metro Project envisages to connect 41 jetties and provide inter-modal connectivity between jetties, bus terminals and metro networks. The project is expected to reduce traffic congestions and pollution in the city and also ease the access to business in Kochi.

It is worth mentioning that the Company has moved forward further in improving non-motorised transportation facilities in the influence zone of the metro in order to improve last mile connectivity; the efforts include developing streetscapes, walking paths and cycle paths as well as improving critical road junctions for improving mobility and for enhancing urban transit safety, with the technical and financial assistance of AFD.

As a part of seamless connectivity of Kochi Metro under the 'Seamless Transport for Kochi' initiative, the Company has entered into agreements with various business establishments for interconnection with metro stations using skywalks/walkways. In this regard, the Lulu Skywalk, connecting Edappally Metro Station with Lulu Mall was opened to the public on 14th June 2018 and the Chennai Silks interconnection bridge was opened to the public on 15th July 2018.

Kochi Metro was also lauded for its introduction of RuPay based transit card – in the name and style 'Kochi 1' card. The 'Kochi 1' card was unveiled by the Hon'ble Prime Minister of India on 17th June, 2017, and is in use since then.

I also appreciate the bold initiatives taken by KMRL for developing the Kochi 1 App, which is a City App for transit and other services for Kochi; similar to the Mobility App available in certain cities worldwide. This App provides a multi-functional digital environment, driven by transportation systems where customers can avail value-added services during their commute. This App is expected to be a spearheading initiative in the country and would also add to the revenue model of your Company from non-operating sources. It is also worth of note to mention the initiatives taken by the Company in developing a journey planner app 'Chalo' with the assistance of Urban Mass Transit Company (UMTC) and M/s Zophop. This app, which was launched on 3rd August 2018, is a multi-modal journey planner app powered through GPS enabled Vehicle Location Tracking (VLT) devices fitted on nearly 850 private buses, 9 boats and Kochi Metro.

The people of Kochi and also from various parts of the State have embraced the Metro system and

accepted KMRL with open arms. I would like to thank the citizens of Kochi and the people of Kerala for their encouragement, support and goodwill, which has enabled KMRL to go forward with these goals, despite the difficulties encountered in project implementation.

I wish to thank the various departments of the Government of India and the Government of Kerala, the Board of Directors and various stakeholders for their unstinted support to the KMRL Project.

I would like to conclude by letting KMRL's employees know how grateful I am, for their efforts. The work of transforming a company is hard, and the pay-off does not happen overnight. We have made tremendous progress, but we still have much to do. Together, I am confident we will complete the transformation of KMRL into a company that creates significant value for all of its stakeholders.

Thanking you,

(Durga Shanker Mishra)
Chairman, KMRL
Secretary, Ministry of Housing and Urban Affairs,
GOI

DIRECTORS' REPORT 2017-18

Dear Members,

The Directors of your Company are pleased to present the Seventh Annual Report on the business and operations of the Company, along with the Audited Financial Statements, Auditor's Report and comments of Comptroller and Auditor General of India thereon for the financial year ending 31st March 2018.

Status of Revenue Operation

The commercial operation was inaugurated on 17th June 2017 by the Hon'ble Prime Minister of India. The average ridership per day and revenue collection in the first month for Reach 1 was 46696 number of passengers and Rs. 16 lakh respectively. For subsequent months, the average ridership and revenue per day was recorded at 24132 number of passengers and Rs. 8 lakh respectively.

On opening of Reach 2A i.e., from Palarivattom to Maharajas College, the average ridership and revenue per day increased to 29,624 number of passengers and Rs. 11.5 lakh respectively.

Total fare box revenue from 19th June, 2017 to 31st March, 2018 is Rs 32.17 crore with average ridership of 35,213 per day and average daily fare box revenue of Rs. 11.24 lakh.

During the financial year 2017-18 your Company made a net loss after tax of Rs. 167.33 crore against the previous year's loss of Rs. 11.15 crore.

A snapshot of the financial result is given below:

Particulars	2017-18
Gross Income	6408.82
Profit/(Loss) before Interest and Depreciation	(2404.61)
Finance Charges	4353.83
Gross Profit/(Loss)	(6758.44)
Provision for Depreciation	9975.30
Net Profit/(Loss) before Tax	(16733.74)
Provision for Tax	-
Net Profit/(Loss) after Tax	(16733.74)

Share Capital and Subordinate debts

The total paid up Share Capital of KMRL as on 31st March 2018 is Rs. 1507.46 crore (previous year

Rs. 1507.46 crore). During the year 2017-18, Government of India provided Rs. 65.91 crore (previous year Rs. 30 crore) as interest free subordinate debt towards Central Taxes. Government of Kerala has provided an amount of Rs 95.91 crore towards subordinate debt (Previous year 152.59 crore). The total subordinate debt received till 31st March 2018 from both the Governments are Rs. 839.85 crore (up to the previous year Rs. 641.43 crore).

During the year 2017-18, an amount of Rs 11 crore (previous year Nil) was received from Govt. of Kerala as reimbursement of Sate taxes

Your Company has received 100% of the approved equity-funding share from the Government of India and the Government of Kerala.

Term Loans

During the year, an amount of Rs. 238 crore was drawn as Pass Through Assistance (PTA) from Government of India against the Agence Française de Développement (AFD) loan. A loan amount of Rs. 371.14 crore was also drawn from Canara Bank during the year. The cumulative loan availed up to 31st March, 2018 was Rs. 1268.43 crore as PTA and Rs. 763.58 crore from Canara Bank.

The Project in Retrospect

Phase I

The Kochi Metro Rail Project was originally conceptualised from Aluva to Petta, for a total length of 25.612 km with 22 stations at an estimated completion cost of Rs. 5181.79 crore. The Reach – 1 of Phase I from Aluva to Palarivattom was dedicated to the Nation on 17th June 2017 by the Hon'ble Prime Minister Shri Narendra Modi, in the august presence of His Excellency the Governor of Kerala, the Hon'ble Chief Minister of Kerala, the Hon'ble Union Minister for Urban Development, Housing, Urban Poverty Alleviation and Parliamentary Affairs and many other dignitaries; followed by inauguration of Reach – 2A from Palarivattom to Maharaja's College, three months later, on 3rd October 2017, by the Hon'ble Chief Minister Shri Pinarayi Vijayan in the presence of the Hon'ble Minister of State (Independent Charge), Housing and Urban Affairs, Shri Hardeep Singh Puri.

Phase IA

It was decided by the Board to extend the metro corridor by another 2 km from Petta to Thripunithura with an additional investment of Rs. 359 crore, as Phase IA, so as to enable the commuters from the Eastern part of the city enjoy the metro advantage.

Phase IB

The Board had also decided to extend the metro corridor from S.N. Junction to Thripunithura with a length of 1.2 km, as Phase IB. DPR of the proposed extension, submitted to GoK on August 2018, is under their active consideration and is expected to be approved soon.

Phase II

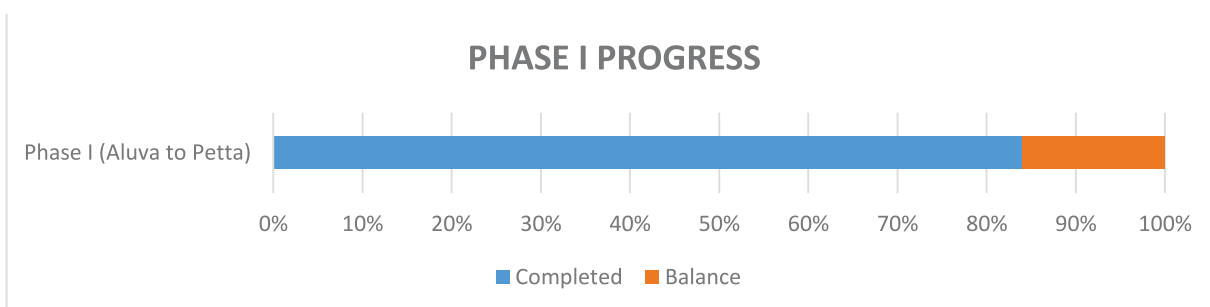
The Board of Directors of your Company had accorded its approval for Phase II of the project from JLN station, Kaloor to Infopark via Kakkanad in order to scale up the passenger carrying capacity and to improve the economic viability of the project. Phase II envisages a total length of 11.2 km, with 11 stations. The proposed Phase II will connect Infopark, Smart City, Cochin Special Economic Zone (CSEZ), Kakkanad and many State/Central Govt. offices along the route. It will be constructed at an additional investment of Rs. 2310 crore which will improve the connectivity to Kerala's prime IT Hub at

Kakkanad. The Detailed Project Report (DPR), after revision under the new Metro Rail Policy 2017, was submitted to the Government of Kerala for its administrative sanction. On approval, it has been forwarded to Government of India and is currently under their consideration.

Project Progress

Overall Physical Progress (Civil)

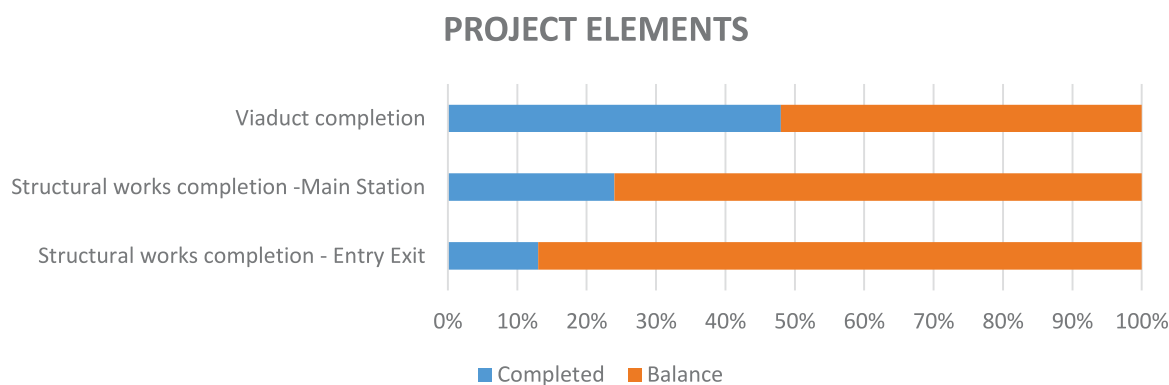
The overall physical progress of Phase I Metro corridor from Aluva to Petta as on 30.06.2018 is as follows:



Reach wise Physical progress

Reach wise physical progress of entire Phase I is given below:

Project Elements of Reach 2B & 2C



Integrated Water Transport Project

Your Company was assigned to execute an urban water transit project named as the Kochi Water Metro Project on behalf of Government of Kerala. GoK is the de-jure owner of the project and your Company is the project executing agency responsible for its execution and operation. The Kochi Water Metro Project envisages to connect 41 jetties and provide inter-modal connectivity between jetties, bus terminals and metro networks. The project is expected to reduce traffic congestions and pollution in the city and also ease the access to business in Kochi. The project has 15 defined routes with a total length of 76 km. The total outlay for this project is Rs. 747 crore (excluding land cost). The German funding agency KfW has signed a loan agreement with Government of India for EUR 85 million on behalf of the German Federal Ministry for Economic Cooperation and Development for the funding of this project.

A consortium, comprising of AECOM, UMTC and Zebec Marine was appointed as General Consultant on 2nd June 2017. Your Company has initiated the survey of the project area for the General Consultant to finalise the project details. The Bathymetric Survey Report for the project area was submitted by Hydrographic Survey Wing of the Department of Ports, GoK on 15th February 2018. Geo-technical and Topographic surveys for the initial phase were completed by M/s. Fugro India and Infratech Surveys Pvt. Ltd. The tenders for the second phase will be floated shortly.

The No-Objection application for Water Metro was submitted to various statutory agencies like Pollution Control Board, National Board for Wildlife, Archeological Survey of India, Kerala Coastal Zone Management Authority etc. and is being processed. M/s WAPCOS is preparing for environmental clearances from Ministry of Environment and Forest & Climate Change (MOEF&CC). The Consent was given on 2nd July 2018 and the public hearing for Environment Clearance was conducted on 23rd July 2018.

M/s KITCO was appointed for Detailed Design Consultancy on 5th June 2018 for the landside terminals. Conceptual layouts of terminals developed by General Consultant were handed over to M/s KITCO for developing the detailed design and Bill of Quantities. The tender for 8 priority terminals is being processed and will be published shortly.

A Request for Qualification for procurement of 100 passenger boats was uploaded on 9th May 2018. The current tender intends to qualify reputed vendors who have the capacity to deliver 23 Aluminum/Steel boats.

The tenders for the terminals and the jetties are under review by KfW.

Rolling Stock and System Contracts

A. Rolling Stock

Rolling Stock deliveries for the remaining part of Phase I are in progress. There are sixteen trains in total that have been commissioned and the balance nine will be delivered in line with the project completion of Reach 2B & 2C of Phase I.

B. Signaling & Telecom

Signaling & Train Control and Telecommunication systems for Reach 2A were tested and commissioned. All 16 trains have been fitted with Automatic Train Projection system and have been made available for revenue operations

The detailed design of Signaling & Telecommunication systems for Reach 2B & 2C have been finalized and procurement of materials is underway.

T5

C. Traction, Power Supply and Electrical & Mechanical

Power Supply and Traction works for Phase-I are in progress. There are two Receiving Sub-Stations (RSS), 24 Auxiliary Sub Station (ASS) and 13 Traction Sub Station (TSS) planned for the Phase I project. Out of that 1 RSS, 18 ASS and 9 TSS have been duly commissioned after obtaining statutory approvals from Ministry of Railways and certifications from Electrical Inspector General (EIG). The work for Reach 2B& 2C section are progressing.

The work for the supply and installation of lifts is progressing. Erection, testing and commissioning of

57 lifts for Reach 1 and Reach 2A sections have been completed, lift licenses have been obtained and passenger service has started. 20 lifts are planned to be installed for Reach 2B&2C of Phase I, which are under procurement and installation.

Installation and commissioning of 74 escalators for Reach 1 & 2A have been completed after getting the due licenses under Kerala Lift and Escalator Act. 27 escalators are planned to be installed for Reach 2B&2C of Phase I, which are under procurement.

D. Solar Plant

KMRL, in keeping with the objective of Kerala Solar Energy Policy and National Solar mission, has gone for the provision of Solar Power Plant at various locations following the Renewable Energy Service Company (RESCO) Mode of project execution. The solar power plant envisaged are both roof-mounted type as well as land mounted ones.

Roof top solar power plant has been commissioned at Reach 1 & 2A in the stations as well as depot building, taking the total installed capacity to 2670KWp. Solar power plant in station rooftops of Reach 2B is in the planning stage.

In Muttom Depot, the works for land mounted solar plant has been awarded to M/s AMPSolar at the rate of Rs. 3.66 per KWh with an expected capacity of 2300KWp. It is expected that the plant will be installed and commissioned in 2018. Once installed, it is expected to meet 40% of energy demands by the time Phase I gets completed.

E. Automated Fare Collection System

AFC equipment, both on site and on cloud, have been installed and commissioned for the entire 16 stations from Aluva to Maharaja's College and has been working satisfactorily since the opening of the section. Installation of AFC equipment to facilitate Lulu mall connectivity is successfully completed and is presently operational.

In addition to QR code & contactless smart card for transit operation, passes were launched for the benefit of regular commuters.

F. Operations:

F.1 KMRL completed the first year of Metro Operations on 18th June 2018. Your Company is running trains with a headway of 7 minutes with 10 trains, thereby clocking a total of 12,79,763 kilometers in the last one year. 80,879 trips have been run with an average punctuality of 99.75%. A total number of 1.3 crore commuters have travelled in the metro in the first year enabling KMRL to earn a fare box revenue of Rs. 42 crore.

F.2A Training Center with a robust Training & Competency Management system has been established in Muttom Depot, with a facility for training 130 trainees. The Training Center conducts the Induction, General & Safety Training of the KMRL & Outsourced staff. Till now 320 operations staff, 245 maintenance staff, 355 Engineer's Possession In Charges (EPIC), 39 Shunter and Points man have been trained & certified competent. A total of 1679 outsourced staff have also been trained on safety in KMRL System. Apart from that, refresher courses are being conducted regularly in the Training Center. Regular Training Drives for enhancing the safety & operational skills of the operations & outsourced staff are also conducted in the Training Center.

F.3 A robust system of receiving public enquiries and feedback has been established from day one of operations. The facility has been made available from 0600 hrs - 2300 hrs. During the first year of operations a total number of 5448 calls/enquiries were handled.

Non-Motorized Transport and pedestrian-friendly initiatives

In accordance with the guidelines of Ministry of Housing & Urban Affairs (MoHUA) that MRTS projects should facilitate public bike sharing and pedestrian friendly facilities in the influence zone of the stations, envisages multiple projects for the improvement of NMT infrastructure (Phase I). Station oriented development includes revamping or extending the footpath and drains, providing covered walkways, creating drop off points, designated bus bays, parking areas, pedestrian crossings with pelican lights and improvement of existing junctions.

Projects under execution are: -

Sl no	Project title	Awardee	Amount	Status of work
1.	Junction Improvement – Edappally	M/s Palathra Constructions	Rs. 4.2 crore	Completed and opened to public
2.	Junction Improvement – Aluva	M/s Deens Constructions	Rs. 9 crore	Nearing completion
3.	Station Oriented Development – Pulinchodu to Muttom	Mr C.A. George		
4.	Station Oriented Development – Muttom to Edappally Toll		Rs. 8.10 crore	
5.	Edappally- Kaloor Improvement to duct and drain	M/s RS Development	Rs. 24 crore	

Urban Transport

Apart from operating the Metro Rail System in Kochi, your Company is also engaged in the promotion of public transport, building feeder network, use of NMT modes and electric vehicles, implementation of Intelligent Transportation System (ITS) components and improvements in road safety.

1 Aggregation of Bus Systems.

KMRL had facilitated for aggregation of nearly 800 private buses in to 7 cluster based bus operating companies for integrated bus operations. Axis Bank signed agreement with these 7 companies for extending Kochi1 transit card to the bus commuters. The implementation is in progress and will lead to wider adoption of Kochi1 transit card in the city.

2 Journey Planner Mobile Application for strengthening PT system.

KMRL had entered into a Joint Declaration of Intent (JDI) with Urban Mass Transit Company (UMTC) to facilitate a Journey Planner Mobile App. Subsequently, an agreement was signed between the 7 private bus operators and UMTC for development of Journey Planner Mobile App, 'Çhalo'. The Journey Planner is powered through GPS enabled Vehicle Location Tracking (VLT) devices fitted on nearly 800 private buses. Another 450 state owned buses are expected to be mapped under the journey planner app as well.

3. Feeder Network

KMRL is actively promoting use of auto rickshaws for achieving last mile connectivity and has facilitated in aggregating 15,000 auto rickshaws under one Auto Society, 'Ernakulam District Auto Rickshaw Drivers Co-Operative Society'.

KMRL has contracted M/s. Kinetic Green to facilitate E-Autos as feeder to Kochi Metro. The Auto Society will manage the auto rickshaws including e-autos. Additionally, a JDI was signed with M/s Vinsca Electric Vehicles Pvt. Ltd for development of 6-7 seater electric feeder vans through retro fitment kits.

4. CMP envisaged transit studies and reports

Based on the recommendations contained in the Comprehensive Mobility Plan (CMP), feasibility studies have been completed for two Electric BRT (E-BRT) corridors in the city. The proposed corridor has interchange facility with Kochi Metro network at Edappally.

5. Submissions for recognition and achievements (AWARDS)

KMRL received two awards during the year 2017-2018, HUDCO best Practices award in Urban Transport category was awarded for the KMRL Project, "Seamless Transport for Kochi". Urban Mobility Conference (UMI) organized by MoHUA had also awarded the KMRL promoted project "Seamless Transport for Kochi" in the category of "The best city in Urban Transport Initiatives".

6. Light House City Contest (Niti Aayog and Rocky Mountain Institute)

As a city with multi model integrated initiatives, GoK submitted the entry for Light House City Contest, with the assistance of KMRL. Kochi has been selected as one of the five scaling partner cities in the challenge.

7. CPPR Public Transport Day Observance

To encourage Public Transport, KMRL has associated with Centre for Public Policy and Research (CPPR)-Kochi and for observing a special Kochi Public Transport (KPT) Day on the first Friday of every month. During KPT day, KMRL is rewarding the commuters with highest patronage in metro rail (of previous month) travelling with Kochi 1 card, with the prize, "Shreshta Sanchari Puraskaram", memento with Rs.500 recharge coupon. Felicitating public transport commuters on regular basis is done for the first time in the world and it has helped KMRL brand and encourage more footfalls in metro.

Human Resource

In line with the tradition of pioneering HR practices, the Human Resources Department of KMRL has driven myriad changes in the way human resources are managed and developed, striking a balance between business needs and individual aspirations. KMRL follows the value - "Employee Empowerment". It focuses on improving the work culture, employee engagement, productivity,

effectiveness and efficiency.

Staying true to the Mission and Vision statement of KMRL, the manpower required for its operation & maintenance was recruited and training was imparted at Bangalore Metro Rail Corporation Limited. As on 31st March 2018, KMRL has a team of dedicated personnel, 76 in the Projects wing, 419 in the Operation & Maintenance wing & 14 in the Water Transport wing. In view of the ongoing construction activities and the subsequent revenue operations, the intake of manpower and their competency building is in progress. Virtual classroom training programmes using centralized training infrastructure and resources were imparted to the newly recruited technical manpower for building up a competent workforce to meet our future operational/functional requirements.

As part of women empowerment, KMRL has taken cooperation of Kudumbashree (a women's self-help group), for providing services ranging from ticketing, housekeeping & crowd management at stations.

Employment of Reserved Category

The guidelines issued by the Govt from time to time with regard to reservation of services for SCs/STs/PH/OBCs etc. are being meticulously followed. As on 31st March 2018, your Company has employed 44 Scheduled Caste, 1 Scheduled Tribe, 228 Other Backward Class, 9 Ex-Servicemen and 3 differently abled persons.

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

Corporate Communication Management and presence in Social Media

The past year has been quite phenomenal and eventful for KMRL, with its Corporate Communications Department successfully establishing the Company's online and offline presence. Through prompt and relevant content updates, it has consistently strived to deliver on Kochi Metro's core mission and commitment to the public.

KMRL has received overwhelming response for its social media posts across various platforms, including Facebook, Instagram, Twitter, Google+, LinkedIn and YouTube. The Facebook page garners an estimated 3000 likes every month, organically. Useful and engaging content like Vox Pop videos, GIF, and dynamic images have also played a huge role in expanding the company's online reach. While its LinkedIn page has over 13,500 followers, the Twitter platform has close to 7300, and Instagram, nearly 3100.

To improve its online user experience, KMRL relaunched its website. The new site is equipped with 3D Parallax technology for better visual experience and is developed around the theme, "Kochi Metro Life." With an array of additional features like social media integration, live chat, fare calculator and an extensive video and image gallery, the website has become more engaging, easily navigable and more user-friendly.

To mark the first anniversary celebration of Kochi Metro, 'Kochi Metro 365', a unique photography contest, was organized to capture some of the best human moments in and around the Kochi Metro, and to showcase how the venture had transformed the lives of its people.

In another first, Kochi Metro also adopted an open data policy to improve the public's access to its services. The Company's website now shares information pertaining to stops, routes, schedules, fares and the like, which are converted into the universally accepted GTFS standard. Yet another milestone moment for KMRL this year was its much-celebrated anniversary event. Apart from free rides being offered to the passengers, the event also featured renowned magician, Gopinath Muthukad's 'Time-traveller' show, which was telecast live for the public. Actor Jayasurya and Director Ranjith Sankar added a dash of glitter to the occasion by sharing a metro ride from Edappally station to Maharaja's ground. Kochi Metro is proud to have been able to document the entire event in all its grandeur, across three locations, by employing the latest photography gadgets.

Vigil Mechanism

Your Board in its 23rd meeting held on 18th January 2016, has put in place a vigil mechanism/whistle blower policy in line with section 177(9) of the Companies Act 2013. No further changes have been effected in it subsequently and the same holds good for the financial year 2017-18 as well.

Right to Information

In order to promote transparency and accountability, an appropriate mechanism has been set up across the Company in line with the Right to Information Act 2005. Appropriate officials have been designated as Public Information Officer (PIO) and Appellate Authority for looking after applications related to various departments of the Company. During the year, a total of 142 RTI applications and appeals were processed.

Conservation of energy and technology absorption

In addition to the energy conservation measures through design, measures to reduce energy consumption have been adopted in the system through rationalization of operations:

- Station lighting circuitry has been modified and timers & occupancy sensors have been fitted which will facilitate minimized lighting during the maintenance period beyond service hours.
- There are air conditioned technical rooms and office facilities. After due deliberations, the temperature settings of the rooms have been rationalized and settings enhanced to suit the requirements. Similarly, the temperatures in the trains are also set to 26 Deg.C instead of the automatic setting of 25 Deg.C.

Particulars of loans, guarantees and investments

During the year under Report, your Company has not -

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

Related Party Transactions

During the year under report, your Company has not entered into any contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

Material changes and commitments

There have been no material changes and commitments affecting the financial position of your Company, except for adoption of Indian Accounting Standards (IndAS), statutorily required to be

adopted by companies having net worth of Rs. 500 crore or more.

Fixed Deposits

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

Foreign Exchange Earnings and Outgo

During the year, there was no foreign exchange earnings. However, an amount equivalent to Rs. 0.05 crore was incurred towards foreign travel.

Risk Management Policy

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

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

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

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

- Engagement of IIM Kozhikode as a consultant for preparation of a Risk Management Policy for the Company.
- Constitution of an internal team consisting of the Company Secretary, the General Manager (HR, Admin and Training) and the Legal Officer to ensure compliance with the various statutes applicable to the Company.
- Conducting quarterly internal audit by independent auditors; their observations are reviewed by the Audit Committee and corrective actions taken wherever found appropriate.
- Physical verification of assets at regular intervals by a team constituted for the purpose and by the internal auditors.
- Use of data encryption technology for communication and storage of data which ensures safety and data security.
- Insure the assets of the Company.

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. As an environment friendly metro organisation, your Company has been undertaking initiatives from its inception to improve the standard of living and to enhance the quality of life of the people in Kochi, acknowledging the Company's responsibility towards the society.

Your Company has complied with the provisions of the Companies Act, 2013 in letter and spirit and has constituted a Corporate Social Responsibility Committee comprising of:

1. Shri A.P.M. Mohammed Hanish - Chairman
2. Shri Mukund Kumar Sinha - Member
3. Vice Admiral S.K.K. Krishnan - Member
4. Shri Thiruman Archunan - Member

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

- Under the 'Go Green' Initiative, your Company planted more than 5000 trees in and around Kochi city.
- To improve the road travelling experience in Kochi, 50 roads were strengthened using the latest available technology.
- The Company has a walkway development project in Panampilly Nagar with approximately 0.85 KM of walkway, beautification along with Street light and Bollards, tree illumination etc.
- After the inaugural function, a 'Snehayatra' was organized on 18th June, 2017 as a benign effort facilitated by your company for the disadvantaged children and destitute people to ride on our metro system.

Board of Directors

As on 31.03.2018, the Board of your Company comprises of 11 Directors, of whom 4 Directors are nominees of the Government of India, 5 Directors are nominees of the Government of Kerala, 1 is an independent director and 1 is a functional director. The Secretary, Ministry of Housing and Urban Affairs, Government of India is the Chairman, while the Managing Director is a nominee of the Government of Kerala. A detailed note on the Board of Directors is provided under the 'Corporate Governance Report'.

Number of Meetings of the Board

During the financial year 2017-18, the Board of Directors of your Company met four times, on 30th May 2017, 3rd October 2017, 17th January 2017 and 9th February 2017.

Committees of the Board

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

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:

Sl No.	Name of the Director Ceased	Date of cessation	Name of the Director appointed	Date of appointment
1	ShriJitendra Tyagi	07.04.2017	Shri Sharat Sharma	07.04.2017
2	Shri Laj Kumar	31.05.2016	Shri Anirudh Jain	07.04.2017
3	Shri S.M. Vijayanand	25.04.2017	Smt Nalini Netto	25.04.2017
4	Not appointed		Vice Admiral S.K.K. Krishnan	30.05.2017
5	Not appointed		Smt Sheela Thomas	30.05.2017
6	Shri Rajiv Gauba	01.04.2017	Shri Durga Shanker Mishra	23.06.2017
7	Smt Sheela Thomas	16.08.2017	Not appointed	
8	Shri Anirudh Jain	29.08.2017	Shri Ajit Pandit	29.08.2017
9	Smt Nalini Netto	31.08.2017	Dr K.M. Abraham	31.08.2017
10	Dr K.M. Abraham	09.10.2017	Shri Manoj Joshi	09.10.2017
11	Shri Praveen Goyal	23.10.2017	Shri D.K. Sinha	02.04.2018
12	Shri Elias George	27.10.2017	Shri A.P.M. Mohammed Hanish	27.10.2017
13	Shri Abraham Oommen	31.10.2017	Shri Kumar K.R.	04.04.2018
14	Shri Sharat Sharma	31.12.2017	Shri D.K. Saini	15.03.2018
15	Dr K.M. Abraham	20.01.2018	Shri Paul Antony	20.01.2018

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

- Shri Mukund Kumar Sinha
- Shri L. Narasim Prasad
- Shri M. Sivasankar
- Shri K. Mohammed Y. Safirulla
- Shri Thiruman Archunan

Directorial changes that occurred before 31st March, 2018:

- On 7th April, 2017 Shri Sharat Sharma, Director Operations, DMRC took charge as Director in place of Shri Jitendra Tyagi and Shri Anirudh Jain, Additional Member (Works), Railway Board was

appointed as Director (Government of India nominees).

- On 25th April 2017, Smt Nalini Netto, Chief Secretary, Government of Kerala took charge as Director (Government of Kerala nominee) on the Board in place of Shri S.M. Vijayanand.
- On 30th May, 2017 Vice Admiral S.K.K. Krishnan and Smt Sheela Thomas were appointed as Independent Directors of the Company.
- On 23rd June, 2017 Shri Durga Shanker Mishra, Secretary, Ministry of Housing and Urban Affairs, had taken over as Director and Ex-Officio Chairman of the Company in place of Shri Rajiv Gauba.
- On 16th August 2017, Smt Sheela Thomas tendered her resignation as independent director on assuming charge as Member Secretary, Administrative Reforms Commission, Government of Kerala.
- On 29th August 2017, Shri Ajit Pandit, Additional Member (Works), Railway Board took charge as Director (Government of India nominee) in place of Shri Anirudh Jain.
- On 31st August 2017, Dr K.M. Abraham, on being nominated as Chief Secretary, Government of Kerala, retained his position as Director in place of Smt Nalini Netto.
- On 9th October 2017, Shri Manoj Joshi, Principal Secretary (Finance), Government of Kerala, took charge as Director of the Company (Government of Kerala nominee).
- On 23rd October 2017, Shri Praveen Goyal was relieved from the services of the Company as Director Systems, on resignation and on 31st October 2017, Shri Abraham Oommen, Director Finance was superannuated.
- On 27th October 2017, Shri A.P.M. Mohammed Hanish, Chairman and Managing Director, Kerala State Civil Supplies Corporation Limited, was appointed as the Managing Director of the Company in place of Shri Elias George, who tendered his resignation.
- On 20th January 2018, Shri Paul Antony, Chief Secretary, Government of Kerala took charge as Director (Government of Kerala nominee) on the Board in place of Dr K.M. Abraham.
- On 15th March 2018, Shri D.K. Saini, Director Projects, DMRC took charge as Director of the Company (Government of India nominee) in place of Shri Sharat Sharma.

Directorial changes that occurred after 31st March, 2018 but before the date of this report:

- On 2nd April 2018, Shri D.K. Sinha was appointed as Director Systems and on 4th April 2018, Shri Kumar K.R. was appointed as Director Finance of the Company.
- On 28th June 2018, Shri Dimpay Garg, EDME (Chg), Railway Board took charge as Director (Government of India nominee) on the Board in place of Shri Ajit Pandit.
- On 18th July 2018, Shri Tom Jose, Chief Secretary, Government of Kerala took charge as Director (Government of Kerala nominee) on the Board in place of Shri Paul Antony.

MoHUA vide letter F. No. K-14011/2/2015/MRTS-Coord dated 14th November 2017 clarified that an unlisted public company which is a joint venture, a wholly owned subsidiary or a dormant company will not be required to appoint Independent Directors. Nevertheless, your Company continues to have on its Board the Independent Director Vice Admiral S.K.K. Krishnan.

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

- Shri A.P.M. Mohammed Hanish, Managing Director,
- Shri Thiruman Archunan, Director, Projects,
- Shri Kumar K.R., Director, Finance,
- Shri D.K. Sinha, Director, Systems,
- Shri B. Anilkumar, Company Secretary.

Performance appraisal of directors

Your company conducts performance appraisals of all three of its functional directors on a yearly basis. In the year under review, only one director Shri Thiruman Archunan, Director (Projects) was in the rolls of the Company while the appraisal was undertaken. His performance was rated 'Outstanding'.

In the case of nominee directors, the performance appraisal is undertaken by the respective governments they are nominated by.

Presentation of financial statements

The financial statements of your Company for the year ended 31st March, 2018 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.

Web link of Annual Return

Annual Return as per Section 92(3) is at <https://kochimetro.org>

Internal Financial Control

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

Corporate Governance

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

Secretarial Standards of ICSI

Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2), to be effective 1st October, 2017. The Company is complying with the same, except with respect to timely conduct of the Board meetings on a few instances.

Auditors

Statutory Auditor

Pursuant to Section 139 of the Companies Act, 2013 M/s K. Venkatachalam Aiyer & 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 Report of the Statutory Auditors, being a part of the Directors' Report, has been annexed herewith

Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013, Shri T.R. Sreeram, Practising Company Secretary, was appointed to conduct the secretarial audit of your Company for the year 2017-18. 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.

Internal Auditor

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

Directors' Responsibility Statement

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('the Act').

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

- in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanations for material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss of your Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going-concern basis;
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Other Disclosures – Prevention of Sexual Harassment in the Workplace

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

Composition of the Internal Complaints Committee:

- Ms. Susan Solomon Thomas - Presiding Officer

- Dr Lizamma Koshy, Retd HoD (Chem) - External Member
Maharajas College, Ernakulam
- Ms. Lilly Kutty Raju - Member
- Dr A. J. Augustine - Member & Convener

There has been one case of sexual harassment 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, Ernakulam District Cooperative Bank and other Commercial Banks, Delhi Metro Rail Corporation, both the print and the visual media, contractors, suppliers, vendors, advisors, consultants, customers and various stakeholders connected with the affairs of the Company and thank each one of them. The Board also places on record its sincere appreciation of the commitment and the whole-hearted co-operation extended by the officers and other staff members of your Company.

For and on Behalf of the Board of Directors

(Sd/-)
Chairman

Place: Kochi

Date : 14th September 2018

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2018

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

Form MR - 3

To,
The Members
Kochi Metro Rail Limited
(CIN # U60100KL2011SGC029003)
8th floor, Revenue Tower
Opp. Subhash Park
Kochi – 682 011.

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

Based on the verification of company's books, papers, minutes 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the company has followed the Board processes and has the required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by Kochi Metro Rail Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (The clause is not applicable as the company is an Unlisted Public Company).
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (The clause is not applicable as the company is a Unlisted Public Company)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings (The clause is not applicable during the Audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board

of India Act, 1992 ('SEBI Act'): (The company being an Unlisted Public Company, Clause (v) and its sub clauses (a) to (h) are not applicable)

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

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

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

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

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

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

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

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

I have also examined compliances with respect to:

(i) The Secretarial Standards, SS-1 (on meeting of the Board of Directors) and SS-2 (on General Meetings) issued by the Institute of Company Secretaries of India and as notified by the Ministry of Corporate Affairs, and report that the Company has complied with the clauses of SS-2. The compliance with clauses of SS-1 is subject to the observations in point 4 below.

(ii) The Listing Agreements entered into by the company with Bombay Stock (s) Exchange Limited, National Stock Exchange of India Limited and London Stock Exchange. **(The Clause is not applicable as the company is an Unlisted Public Company)**

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

1. *The Board in its 26th Meeting held on 30/05/2017 had appointed two Independent Directors. Prior to this date, the Company did not have Independent Directors from 01/04/2017 to 29/05/2017 and therefore, is in contravention of Section 149(6) of the Companies Act 2013 for the aforementioned period. The Ministry of Corporate Affairs, Government of India, vide Notification No. G.S.R 839(E) dated 05/07/2017 has exempted unlisted public companies, which is a joint venture, from appointing Independent Directors on its Board. Accordingly, the provisions of Section 149(6) of the Companies Act, 2013 do not apply to the Company with effect from 05/07/2017.*

2. *The Audit Committee of the company met twice on 05/04/2017 and 31/01/2018 respectively. Exemptions have been given to joint venture companies from the provisions Section 177 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Director) Rules, 2014 and Rule 6 of the Companies (Meeting of the Board and its Power) Rules, 2014 vide Ministry of Corporate Affairs, Government of India, Notification No. G.S.R 839(E) dated 05/07/2017. Prior to this notification, the Audit Committee should*

meet a minimum of four times a year and should comprise of a minimum of three Directors, out of which, majority should be Independent Directors. The company has appointed two Independent Directors on 30/05/2017. Thus the company is in contravention of the provisions of Section 177 of the Companies Act, 2013 in respect of its Audit Committee meeting held on 05/04/2017 as no Independent Director was on the Board of the company.

3. The company in its 26th Meeting held on 30/05/2017 has appointed a Woman Director in terms of Section 149(1) of the Companies Act, 2013. The Woman Director so appointed tendered her resignation with effect from 16/08/2017. The Nominee Director of Government of Kerala, a Woman Director, superannuated on 31/08/2017. Consequently, the company did not have a Woman Director on its Board for the period 01/04/2017 till 29/05/2017 and from 01/09/2017 till 31/03/2018 respectively. Thus, the company is in contravention of the provisions of Section 149(1) of the Companies Act, 2013 regarding appointment of Woman Director for the period described herein above.

4. During the financial year 2017-18, the company has held four board meetings on 30/05/2017, 03/10/2017, 17/01/2018 and 09/02/2018 respectively. As per Section 173(1) of the Companies Act, 2013, every company must hold a minimum of four Board Meetings every year and not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. Prior to the meeting of 30/05/2017, the Board of the company met on 30/11/2016. Thus, the company is in contravention of the provisions of Section 173(1) of the Companies Act, 2013 and Secretarial Standard 1 (SS-1) on the meeting of the Board of Directors issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, Government of India.

5. The company has a vigil mechanism in place as per Section 177 (9) of the Companies Act, 2013 which was approved by the Board in its 23rd meeting held on 18/01/2016. As per the Management, the same hold good for the financial year 2017-18 also. However, the Directors Report for the financial year 2016-17 was silent via a vis-a-vis the vigil mechanism policy of the company.

6. The provisions of Section 134(3) (P) of the Companies Act, 2013 pertaining to establishment of Annual performance of the Board, the Committees and Individual Directors are exempt to the company vide Ministry of Corporate Affairs, Government of India, Notification No. G.S.R 463(E) dated 05/06/2015. However, this exemption is applicable to those Directors who are evaluated by the Ministry of Corporate Affairs or Department of Central Government which is administratively in charge of the company, or as the case may be, the State Government, as per its evaluation methodology. The Board of the company also comprises of Directors who are outside the ambit of this exemption provision. As per the Management, the performance and appraisal of these Directors are carried out annually. The Directors Report for the financial year 2016-17 is silent vis-a-vis the provisions of this Section.

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

- (a) Income Tax Act, 1961;
- (b) Goods and Service Tax Act, 2017;

- (c) Provisions of all Labour legislations governing the Company's employees;
- (d) Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- (e) Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- (f) Provisions of Environment protection laws;
- (g) Right to Information Act, 2005 and
- (h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In respect of Contract Labour (Regulation and Abolition) Act, 1970; a contractor engaged by the company has not procured the requisite licence stipulated under the Act. Subject to this, the company has complied with the provisions of Contract Labour (Regulation and Abolition) Act, 1970.

I further report that:

The Board of Directors of the company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. Composition of Woman Directors and Independent Directors is subject to points 1 and 3 of this report. The change in the composition of the Board of Directors that took place during the audit period was carried out in compliance with the provisions of the Act.

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.

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

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.

Signature: Sd/-

T R Sreeram

Place: Ernakulam

Date: 20/07/2018

Name of the Company Secretary: T R Sreeram

FCS No. : 4926

C.P. No : 3351

Annexure - A

To,
The Members
Kochi Metro Rail Limited
(CIN # U60100KL2011SGC029003)
8th floor, Revenue Tower
Opp. Subhash Park
Kochi – 682 011.

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

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

**Signature: Sd/-
T R Sreeram**

Place: Ernakulam

Date: 20/07/2018

Name of the Company Secretary: T R Sreeram

**FCS No. : 4926
C.P. No : 3351**

Corporate Governance Report

Kochi Metro Rail Limited (KMRL) is an unlisted Public Limited Company, and is pursuing the underlying principles of Corporate Governance, based on the canons of financial propriety of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision-making and avoiding conflicts of interest. KMRL believes in stakeholder satisfaction, financial prudence and commitment to values. Therefore, the Board will continue to seek to identify and formalize best practices for adoption by the Company. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance philosophy.

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 etc., are appropriately complied with. During the year under review, the Company has implemented clear policies for the rehabilitation and resettlement of project-affected persons.

Board of Directors

As on the date of this report, the Board of Directors of KMRL comprises of 11 Directors, of whom 4 Directors are nominees of the Government of India, 5 Directors are nominees of the Government of Kerala, 1 is an Independent Director and 1 is a Functional Director. The Chairman is the Secretary, Ministry of Housing and Urban Affairs, Government of India, and the Managing Director is a nominee of the Government of Kerala.

Composition of the KMRL Board as on 31.03.2018: -

- | | | | |
|-----|-------------------------------|---|----------------------|
| 1. | Shri Durga Shanker Mishra | - | Chairman |
| 2. | Shri Mukund Kumar Sinha | - | Director |
| 3. | Shri L. Narasim Prasad | - | Director |
| 4. | Shri Ajit Pandit | - | Director |
| 5. | Shri Paul Antony | - | Director |
| 6. | Shri Manoj Joshi | - | Director |
| 7. | Shri M. Sivasankar | - | Director |
| 8. | Shri K. Mohammed Y. Safirulla | - | Director |
| 9. | Vice Admiral S.K.K. Krishnan | - | Independent Director |
| 10. | Shri A.P.M. Mohammed Hanish | - | Managing Director |
| 11. | Shri Thiruman Archunan | - | Director (Projects) |

During the period under report, the following Directors were inducted, based on nominations received from both the Governments;

1. Shri Durga Shanker Mishra, Chairman, nominee of Government of India
2. Shri A.P.M. Mohammed Hanish, Managing Director, nominee of Government of Kerala
3. Shri Sharat Sharma, Nominee Director, Government of India
4. Shri Anirudh Jain, Nominee Director, Government of India
5. Smt Nalini Netto, Nominee Director, Government of Kerala
6. Shri Paul Antony, Nominee Director, Government of Kerala
7. Shri Ajit Pandit, Nominee Director, Government of India
8. Shri Manoj Joshi, Nominee Director, Government of Kerala
9. Shri D.K. Saini, Nominee Director, Government of India

During this period, Shri Kumar K.R. was appointed as Director, Finance and Shri D.K. Sinha was appointed as Director, Systems by the Company.

Note of Appreciation

The Board places on record its appreciation for the valuable services rendered and the expert advice provided by Shri Rajiv Gauba, Chairman, who demitted office consequent upon his superannuation as Secretary, MoHUA as well as to Shri Elias George, Managing Director for his guidance and vision in driving the company forward. The Board also places on record the appreciation for the services of Shri Abraham Oommen, Director Finance as well as Shri Praveen Goyal, Director Systems and the following persons who ceased to be Directors during the year under review:

1. Smt Sheela Thomas (up to 16.08.2017)
2. Shri Anirudh Jain (up to 29.08.2017)
3. Smt Nalini Netto (up to 31.08.2017)
4. Shri Sharat Sharma (up to 31.12.2017)
5. Dr K.M. Abraham (up to 20.01.2018)

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

Attendance record of Directors:

SL.No	Name of the Director	Meetings held in 2017-18 during the tenure of their Directorship	Meetings attended	Attended AGM
1.	Shri Durga Shanker Mishra	3	3	No
2.	Shri Rajiv Gauba	1	1	No
3.	Shri Mukund Kumar Sinha	4	4	No
4.	Shri L. Narasim Prasad	4	3	Yes
5.	Shri Anirudh Jain	1	1	No
6.	Shri Sharat Sharma	2	2	Yes
7.	Shri Ajit Pandit	3	0	No
8.	Smt Nalini Netto	1	0	No
9.	Dr K. M. Abraham	2	0	No
10.	Shri Paul Antony	1	0	No
11.	Shri Manoj Joshi	1	0	No
12.	Shri M. Sivasankar	4	2	No
13.	Smt Sheela Thomas	0	0	No
14.	Vice Admiral S.K.K. Krishnan	3	2	No
15.	Shri K. Mohammed Y. Safirulla	4	1	Yes
16.	Shri Elias George	2	2	No
17.	Shri A.P.M. Mohammed Hanish	2	2	Yes
18.	Shri Abraham Oommen	2	2	No
19.	Shri Praveen Goyal	2	2	No
20.	Shri Thiruman Archunan	4	4	Yes

Information supplied to the Board

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

Board procedures

Board Meetings are conducted for critical evaluation and review of the performance of the Company and for ensuring effective implementation of management decisions. During the financial year 2016-17, the Board of Directors of the Company met four times; on 30th May 2017, 3rd October 2017, 17th January 2018 and 9th February 2018.

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

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

- The meetings are convened by giving appropriate notice after obtaining the approval of the Chairman of the Board. To address specific urgent needs, meetings are also called at shorter notice. The Board also passes Resolutions by Circulation, but only for such matters, which are of utmost urgency and which are permissible in terms of the provisions of the Companies Act, 2013; in the relevant year, the appointments of Shri Kumar K.R., Director (Finance) and Shri D.K. Sinha, Director (Systems) were approved by resolution in circulation;
- 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 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 Development and Nomination and Remuneration 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 as on 31st March, 2018:

- | | | | |
|----|------------------------------|---|----------|
| 1. | Shri Manoj Joshi | - | Chairman |
| 2. | Shri Mukund Kumar Sinha | - | Member |
| 3. | Vice Admiral S.K.K. Krishnan | - | Member |
| 4. | Shri M. Sivasankar | - | Member |

During 2017-18, the Audit Committee met twice viz., 5th April, 2017 and 28th July, 2017. 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 2017-18 during the tenure of their Membership	Meetings attended
1.	Dr K.M. Abraham	2	2
2.	Shri Mukund Kumar Sinha	2	0
3.	Shri Manoj Joshi	0	0
4.	Shri M. Sivasankar	1	1
5.	Smt Sheela Thomas	1	1
6.	Vice Admiral S.K.K. Krishnan	1	0
7.	Shri K. Mohammed Y. Safirulla	1	0
8.	Shri Praveen Goyal	1	1

2. Corporate Social Responsibility (CSR) Committee

Composition as on 31st March, 2018:

1. Shri A.P.M. Mohammed Hanish - Chairman
2. Shri Mukund Kumar Sinha - Member
3. Vice Admiral S.K.K. Krishnan - Member
4. Shri Thiruman Archunan - Member

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

3. Project Management Committee

Composition as on 31st March, 2018:

1. Shri A.P.M. Mohammed Hanish - Chairman

2. Shri Mukund Kumar Sinha - Member
3. Vice Admiral S.K.K. Krishnan - Member
4. Shri Thiruman Archunan - Member

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

4. Investment Committee

Composition as on 31st March, 2018:

1. Shri Manoj Joshi - Chairman
2. Shri A.P.M. Mohammed Hanish - Member
3. Shri M. Sivasankar - Member

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

5. Procurement Committee

Composition as on 31st March, 2018:

1. Shri A.P.M. Mohammed Hanish - Chairman
2. Vice Admiral S.K.K. Krishnan - Member
3. Shri K. Mohammed Y. Safirulla - Member
4. Shri Thiruman Archunan - Member

The Committee met once on 22nd May, 2017

Attendance record of Members:

SL. No.	Name of the Member	Meetings held in 2017-18 during the tenure of their Membership	Meeting attended
1	Shri Elias George	1	1
2	Shri Thiruman Archunan	1	1
3	Shri Abraham Oommen	1	1
4	Shri Praveen Goyal	1	1

6. Operation and Maintenance Committee

Composition as on 31st March, 2018:

1. Shri A.P.M. Mohammed Hanish - Chairman
2. Shri L Narasim Prasad - Member
3. Shri Thiruman Archunan - Member

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

7. Property Development Committee

Composition as on 31st March, 2018:

1. Shri A.P.M. Mohammed Hanish - Chairman
2. Shri K. Mohammed Y. Safirulla - Member
3. Shri Thiruman Archunan - Member

8. Human Resources Development and Nomination and Remuneration Committee

Composition as on 31st March, 2018:

1. Vice Admiral S.K.K. Krishnan - Chairman
2. Shri Mukund Kumar Sinha - Member
3. Shri M. Sivasankar - Member
4. Shri Thiruman Archunan - Member

The Committee met once on 31st January 2018.

Attendance record of Members:

SL. No.	Name of the Member	Meetings held in 2017-18 during the tenure of their Membership	Meeting attended
1	Vice Admiral S.K.K Krishnan	1	1
2	Shri Mukund Kumar Sinha	1	0
3	Shri M. Sivasankar	1	1
4	Shri Thiruman Archunan	1	1

6. 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 to the post of Chairman and Managing Director.

7. 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. Moreover, the Company posts all its tenders on the Website to disseminate timely information about all procurements of goods and services. The Website also provides information on all important events, activities and progress of the Metro Rail Project and other significant developments, and is continuously updated.

Registered Office	Company Secretary
CIN U60100KL2011SGC029003 Kochi Metro Rail Limited 8th Floor, Revenue Tower, Park Avenue, Kochi-682 011. Ph: +91-484-2380980, Fax: +91-484-2380686	B. Anilkumar Kochi Metro Rail Limited 8th Floor, Revenue Tower, Park Avenue, Kochi-682 011. Ph: +91-484-2380980, +91-8129270036 E-Mail – anilkumar.b@kmrl.co.in

Sd/-
Chairman

KOCHI METRO RAIL LIMITED BALANCE SHEET AS AT 31st MARCH , 2018

Particulars	Note No.	Amount (Rs.in Lakhs)	
		As at 31.03.2018	As at 31.03.2017
ASSETS			
(I) Non- Current Assets			
(a) Property, Plant and Equipment	2.A	3708 60.32	581 11.38
(b) Capital Work-In-Progress	2.B	718 23.82	3006 75.18
(c) Other Intangible Assets	3.A	36 73.97	29 03.52
(d) Intangible Assets Under Development	3.B	10.26	10.26
(e) Financial Assets			
(i) Trade Receivables		-	-
(ii) Other Financial Assets	4	446 08.75	466 12.87
(b) Other Non Financial Assets - Non Current Assets	5	249 15.12	98 73.97
Total Non - Current Assets (I)		5158 92.24	4181 87.18
(II) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	6	39.07	-
(ii) Cash and Cash Equivalents	7	44 88.97	412 58.27
(iii) Other Bank Balances	8	1 14.59	.50
(iv) Other Financial Assets	9	148 06.44	60 46.09
(b) Other Current Assets	10	22 20.92	11 04.93
Total Current Assets (II)		216 69.99	484 09.79
Total Assets (I) +(II)		5375 62.23	4665 96.97
EQUITY AND LIABILITIES			
(I) EQUITY			
(a) Equity Share capital	11	1507 46.00	1507 46.00
(b) Other Equity	12	912 41.63	860 33.70
Total Equity (I)		2419 87.63	2367 79.70
LIABILITIES			
(II) Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	2555 26.10	1957 99.81
(ii) Other financial liabilities	14	98 14.08	91 78.34
(b) Provisions	15	4 87.49	2 57.97
(c) Deferred Tax Liabilities	16	-	-
(d) Other Non-Current Liabilities	17	6 74.76	-
Total Non - Current Liabilities (II)		2665 02.43	2052 36.12
(III) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	47 00.00	47 00.00
(ii) Other Financial Liabilities	19	229 43.17	196 43.99
(b) Other Current Liabilities	20	13 69.70	1 81.04
(c) Provisions	21	59.30	56.12
Total Current Liabilities (III)		290 72.17	245 81.15
Total Equity and Liabilities (I) + (II) + (III)		5375 62.23	4665 96.97

Significant accounting policies
See accompanying notes to the financial statements

1.2
2-30

In terms of our report of even date attached.

For and on behalf of the Board of Directors

For K Venkatachalam Aiyer & Co

Chartered Accountants

FRN 004610S

sd/-

A Gopalakrishnan

Partner

Membership No. 018159

sd/-

A P M Mohammed Hanish
Managing Director

sd/-

Kumar K R
Director (Finance)

sd/-
B Anil Kumar
Company Secretary

Place : New Delhi
Date : 14-Sep-2018

Place : New Delhi
Date : 14-Sep-2018

KOCHI METRO RAIL LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH , 2018

Amount (Rs. In Lakhs)

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
I Revenue from Operations	22	44 66.63	-
II Other Income	23	19 42.19	14 19.48
III Total Revenue (I + II)		64 08.82	14 19.48
IV Expenses:			
Operating Expenses	24	25 93.14	-
Employee Benefits Expense	25	29 70.02	5 17.21
Finance Costs	26	43 53.83	9 94.08
Depreciation and Amortization Expense	27	99 75.30	1 65.45
Other Expenses	28	32 32.42	8 52.53
Total Expenses (IV)		231 24.71	25 29.27
V Profit / (Loss) Before Tax (III - IV)		(167 15.89)	(11 09.79)
VI Tax expense:			
(1) Prior tax adjustment		-	-
(2) Deferred tax		-	-
		-	-
VII Profit / (Loss) for the period (V - VI)		(167 15.89)	(11 09.79)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations		(17.85)	(5.00)
Income tax relating to items that will not be reclassified to profit or loss		-	-
		(17.85)	(5.00)
IX Total Comprehensive Income for the year (VII+ VIII) (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		(167 33.74)	(11 14.79)
X Earnings per equity share:	29		
(1) Basic and Dilutive		(11.10)	(0.79)
Significant accounting policies	1.2		
See accompanying notes to the financial statements	2-30		

In terms of our report of even date attached.

For K Venkatachalam Aiyer & Co

Chartered Accountants

FRN 004610S

sd/-

A Gopalakrishnan

Partner

Membership No. 018159

For and on behalf of the Board of Directors

sd/-

A P M Mohammed Hanish

Managing Director

sd/-

Kumar K R
Director (Finance)

sd/-

B Anil Kumar
Company Secretary

Place : New Delhi
Date : 14-Sep-2018

Place : New Delhi
Date : 14-Sep-2018

KOCHI METRO RAIL LIMITED

Statement of Changes in Equity for the year ended 31st March 2018

Amount (Rs.in Lakhs)

Particulars	Equity Share Capital	Other Equity			Reserves and Surplus Retained Earnings	Total
		Deferred Income - Interest Free Sub Government of India	Monetary Grants of Kerala - Reimbursement of State	Government of Kerala		
Balance as at April 1, 2016	1283 00.00	-	-	-	(23 60.38)	(23 60.38)
Changes in equity share capital	224 46.00	-	-	-	-	-
Reclassification of Government Grant	-	-	-	-	-	-
Add : Comprehensive income / (Loss) for the year	-	-	-	-	(14 70.36)	(14 70.36)
Balance as at March 31, 2017	1507 46.00	-	-	-	(38 30.74)	(38 30.74)
Balance as at April 1, 2017	1507 46.00	-	-	-	(38 30.74)	(38 30.74)
Changes in accounting policy or prior period errors	-	-	-	-	3 55.57	3 55.57
Reclassification of Government Grant	-	162 25.25	732 83.62	-	-	895 08.87
	1507 46.00	162 25.25	732 83.62	-	(34 75.17)	860 33.70
Add : Comprehensive income / (Loss) for the year	-	-	-	-	(167 33.74)	(167 33.74)
Add: Additions / Adjustments during the year	-	56 44.40	82 13.54	95 63.03	-	234 20.97
Less: Transfer to Income during the year	-	(2 16.69)	(9 70.24)	(2 92.37)	-	(14 79.30)
Balance as at March 31, 2018	1507 46.00	216 52.96	805 26.92	92 70.66	(202 08.91)	912 41.63

In terms of our report attached.

For K Venkatachalam Aiyer & Co

Chartered Accountants

FRN 004610S

sd/-

A Gopalakrishnan
Partner

Membership No. 018159

Place : New Delhi

Date : 14-Sep-2018

For and on behalf of the Board of Directors

sd/-

A P M Mohammed Hanish
Managing Director

sd/-

Kumar K R
Director (Finance)

sd/-

B Anil Kumar
Company Secretary

Place : New Delhi

Date : 14-Sep-2018

KOCHI METRO RAIL LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.18

Amount (in Rs. Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash Flow from Operating activities		
Net Profit/(Loss) for the period	(167 33.74)	(11 14.79)
Adjustment for		
(Profit) / Loss on sale of asset (net)	.88	.06
Depreciation and amortization expense	99 75.30	1 65.45
Interest income	(64.64)	(46.30)
Net Gain arising on financial assets measured at FVTPL	.22	(69.30)
Operating Profit/(Loss) before working capital changes	(68 21.98)	(10 64.88)
Adjustments for (increase) / decrease in operating assets		
(Increase)/ Decrease in Financial Assets	(36 43.56)	(43 29.48)
(Increase)/ Decrease in other non- current Assets	(78 91.45)	(88.52)
(Increase)/ Decrease in other Assets	(17 13.09)	(4 14.30)
(Increase)/ Decrease in Provisions	2 32.70	1 67.93
(Increase)/ Decrease in other Payables	172 40.76	98 77.03
Net Cash flow from / (used in) Operating activities (A)	(25 96.62)	41 47.78
B. Cash Flow from Investing activities		
Payment to acquire property , plant and equipment including capital advances	(116 57.12)	(62 31.27)
Payment for Capital WIP including capital advances	(1070 67.42)	(810 44.86)
Interest income received	11 14.02	5 48.15
Receipts from Government Grants	11 81.62	99.76
Net Cash flow from / (used in) investing activities (B)	(1164 28.90)	(866 28.22)
C. Cash flow from Financing activities		
Proceeds from Long term loan from Canara Bank	371 14.00	142 43.84
Proceeds from Pass through assistance from Agence Francaise de Development(AFD)	238 00.00	604 00.00
Proceeds from Sub Debt from Government of Kerala	132 51.01	152 59.00
Proceeds from Sub Debt from Government of India	65 91.00	30 00.00
Proceeds from Share Application money received	-	112 23.00
Finance Cost Paid	62 00.21	(37 00.54)
Loan repaid during the year	(47 00.00)	-
Net Cash flow from / (used in) financing activities (C)	822 56.22	1004 25.30
Net Increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	(367 69.30)	179 44.86
Cash and cash equivalents at the beginning of the year	412 58.27	233 13.41
Cash and cash equivalents at the end of the year	44 88.97	412 58.27
Comprising of		
Cash on Hand	16.03	-
Balance with Banks:		
- Current Accounts	1 60.97	6.57
-Term Deposits (with maturity less than twelve months)	42 34.04	216 74.01
Cash in Sub Treasury Account	77.93	195 77.69
Cash at bank	44 88.97	412 58.27

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

sd/-
A Gopalakrishnan
Partner
Membership No. 018159

For and on behalf of the Board of Directors

sd/-
A P M Mohammed Hanish
Managing Director

sd/-
Kumar K R
Director (Finance)

sd/-
B Anil Kumar
Company Secretary

Place : New Delhi
Date : 14-Sep-2018

Place : New Delhi
Date : 14-Sep-2018

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

1.1 Corporate Information

Kochi Metro Rail Limited (*hereinafter referred to as “the Company” or “KMRL”*), incorporated under the Companies Act, 1956 with CIN: U60100KL2011SGC029003, 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 participation. The company is primarily involved in the conception and operation of a Metro Rail Project in city of Kochi. KMRL is also entrusted with the tasks of subsequent expansion of the Metro network, its operations, maintenance and allied activities to ensure sustainable operations and implementing a multi model transport system in the city. The Company commenced commercial operations on 19.06.2017. The Revenue Streams of the Company includes fare collection from the passengers, renting of the properties and advertisement spaces, and providing consultancy services to other organizations.

1.2 Significant accounting policies

a) Basis of Preparation

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities, which have been measured at fair value amount:

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

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS') , including the rules notified under the relevant provisions of the Companies Act, 2013.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The company has generally followed the policy and best practices as prevalent in the industry.

1.3 Use of estimates and management judgments

The preparation of the financial statements in conformity with the recognition and measurement principles of Indian Accounting Standards (Ind AS) requires the management to make some estimates

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

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

a) Useful lives of property, plant and equipment

The Company reviews the estimated useful life and residual values of property, plant and equipment at the end of each reporting period. Assumptions are also made as to whether an item meets the description of asset so as to warrant capitalization and which component of the asset maybe capitalized. The reassessment of useful life may result in change in depreciation expense in future periods. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

b) Recognition of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgments are involved in determining the elements of deferred tax items. The policy for the same has been explained under Note 1.20.

c) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding employee benefits as per actuarial valuation) are not discounted to its present value and are determined, based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized in the financial statements. Contingent Liabilities are disclosed on the basis of judgment of management / independent experts. A contingent asset is neither recognized nor disclosed in the financial statements.

d) Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

e) Impairment test of non-financial assets

The recoverable amount of Property, Plant and Equipment (PPE) is determined based on judgment of assumptions of technical experts. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

1.4 Functional and presentation currency

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

1.5 Rounding of amounts

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

1.6 Revenue Recognition

1.6.1 Income from fare collection is recognized on the basis of use of or sale of tickets, money value of actual usage in case of smart cards and other direct fare collection.

1.6.2 Income from property development /rental income in respect of lands are recognized in accordance with terms and conditions of the contract with the licensee/lessee.

1.6.3 Revenue from sale of scrap is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances , rebates, Value Added Taxes and amounts collected on behalf of third parties. The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity

1.6.4 Interest income is recognized on accrual basis using effective interest rate method.

1.6.5 Income from consultancy services is recognized on the basis of actual progress /technical assessments of the work executed, except in cases where the contracts provide otherwise .

1.6.6 Other incomes are recognized on accrual basis.

1.7 Property, Plant and Equipment

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

The cost of fixed asset comprises its purchase price, including any import duties and other taxes net of recoverable taxes and any directly attributable expenditure on making the asset ready for its intended use. The cost also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and net of any trade discounts and rebates and other incidental expenses and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any. In case of asset put to use, where final settlement of bills is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Spares having useful life of more than one year are capitalized under the respective heads.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advance under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital Work-In-Progress". Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

Branding cost is capitalized as intangible asset and amortized on a straight-line basis over a period of five years.

Amount paid to railways towards consideration for the right to use (permissions), being Way Leave

Charges to Railways, is capitalized as intangible asset and amortized on a straight-line basis over a period of seventy years.

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

1.9 Capital work in Progress (CWIP)

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

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.

Income pertaining to construction period,such as interest earned on short term deposits ,other than from temporary deployment of funds received by way of equity and interest free subordinate debt, sale of tender documents etc . is adjusted against the expenditure towards CWIP.

1.10 Land

The value of parcels of land handed over by the landowners and taken over by the Company through the District Collector has been capitalized 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. Payments made provisionally / liability provided towards cost or compensation related to the land in possession are treated as cost of the land. The value of land handed over for construction, which belongs to various government bodies and departments, has not been capitalized since the amount payable and other terms are yet to be finalized .

Enhanced compensation, if any, under The Right to Fair Compensation and Transparency in Land Acquisition , Rehabilitation & Resettlement Act, 2013 shall be booked and treated as cost of land as and when the payment is due since the amount cannot be estimated.

The costs of acquisition of structures in the land and land filling expenses are charged to the cost of land. Sale proceeds of these structures demolished for the construction by KMRL is adjusted against the cost of acquisition

1.11 Impairment of Assets

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

1.12 Provision for doubtful debts and advance

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

1.13 Insurance claims

The Insurance claims are accounted for based on acceptance of claims.

1.14 Depredation and Amortization

(i) Depreciation on property, plant and equipment is provided based on Straight line method as per useful lives of assets as prescribed in Schedule II of the Companies Act 2013 except in the case of certain assets / components of assets where the useful life is determined based on the technical evaluation, done and adopted by DMRC .

(ii) An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain/loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is de-recognized .

(iii) The estimated useful lives of the assets where the useful life is estimated on the basis of the technical evaluation, done and adopted by DMRC are as follows;

Description of the Asset	Useful Life of asset (in years)
Building Theming (Sub assets)	10
Rolling Stock	30
Components of Rolling Stock	18
Escalators & elevator	-
Elevator	30
Elevator Other Components	20
Escalator	30
Escalator Other Components	15

Components of UPS Battery	10
A type ladder-4-meter height	2
Furniture/Fixtures Office Equipments and any other asset provided to employees at residential offices except Directors.	4
SCADA Servers (main and standby)	3
Low Value Assets	1
Way leave charges to Railway	70
Branding	5

(iv) Residual value of 5% has been retained for all the Fixed Assets, which is in line with the provisions of the Schedule II.

(v) Property, plant and equipment and Intangible assets costing Rs. 5,000/- or less are depreciated / amortized fully in the year of purchase .

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

(vii) Viaduct, Bridges and Permanent Way / Track work is depreciated on Straight-line method in line with the useful life prescribed for "Bridges, culverts, bunders etc ." in Schedule II of the Companies Act, 2013 from the date of commercial operation of respective sections.

(viii) Expenditure on the items, ownership of which is not with the company , is charged off to revenue in the year of incurrance of such expenditure.

(ix) Intangible assets are amortized on a systematic basis over the best estimate of its useful life.

(x) Way leave charges paid to Railways is recognized as intangible assets and amortized on straight-line method over a period of 70 years (**).

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

The useful lives, residual value and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year and adjusted prospectively , if appropriate .

1.15 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognized in the Statement of profit or loss over the period

necessary to match them with the costs that they are intended to compensate and presented within other income.

When the company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or interest free, the benefit of below market rate / free of interest is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 read with Ind AS 113 and the transaction value being the proceeds received. The benefit is presented in the Balance Sheet by setting up the monetary grant as Deferred Income under "Other Equity" and recognized in the Statement of Profit and Loss on a systematic basis over period in which the loan is outstanding in accordance with Ind AS 20. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.16 Current versus non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification .

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current .

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current .

1.17 Operating cycle

Based on the nature of the operating activities of the company and the normal time between acquisition of assets and their relocation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.18 Financial Instruments

1.18.1 Initial recognition, measurement and de-recognition

Financial assets and financial liabilities are recognized and are measured initially at fair value adjusted by transactions costs, except for those financial assets and liabilities which are classified at Fair Value through Profit & Loss (FVTPL) at inception.

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

1.18.2 Classification and subsequent measurement of Financial Assets

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

- To be measured at amortized cost and;
- To be measured subsequently at fair value (either through other comprehensive income or through profit and loss)

1.18.3 Classification and subsequent measurement of Financial Liabilities

Financial liabilities are measured subsequently at amortized cost using effective interest rate, except for financial liabilities measured at Fair Value through Profit and loss.

1.19 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.

Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management

estimate.

Contingent Assets are not recognized in the financial statements.

1.20 Taxation

Income tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred Tax Asset is recognized only to the extent it is probable that tax benefits will be realized in future.

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

1.21 Foreign exchange transaction/translations

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

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

1.22 Employee benefits

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

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 the above pension scheme, no contribution is collected from the employees and is paid from the employer's contribution

Gratuity: Provision towards Gratuity, as per actuarial valuation is provided for during the current year

for eligible employees .

Earned and half-pay Leave: The Company provides earned leave benefits and half-pay leave to the employees. The related liability is recognized on the basis of actuarial valuation.

Leave Travel Concession (LTC): The Company provides financial assistance to the employees in meeting expenses of actual travel involved to their hometown as well as any place in India as per the approved policy. The related liability is recognized on the basis of actuarial valuation.

Under Ind AS 19 - The liability or asset recognized in the balance sheet in respect of its defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Re-measurement gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized in the period in which they occur directly in other comprehensive income.

1.23 Finance cost

Finance costs comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at Fair Value through Profit and Loss, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Costs in connection with the borrowing of funds directly related to the acquisition of qualifying assets are allocated to the qualifying assets, pertaining to the period from commencement of activities relating to acquisition / construction / development of the qualifying asset up to the date of capitalization of such asset. Interest income earned on the temporary investment of such borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing cost eligible for capitalization. Thereafter, the borrowing cost is charged off to the Statement of profit and loss.

A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

1.24 Allocation of interest during construction

Borrowing Cost, being Interest on borrowings that are directly attributable to the construction/production of a qualifying asset, is capitalized as part of the cost of that asset, in accordance with Ind AS 23. Interest during construction in respect of qualifying assets commissioned

during the year, is allocated in the ratio at which the value of the commissioned assets to the value of qualifying Capital Work in Progress as at the end of the month of commissioning.

1.25 Leases

Leases are classified as finance leases whenever as per the terms of the lease, the lessor transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

1.26 Segment reporting

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

1.27 Cash and Cash equivalents (for the purpose of cash flow statement)

Cash for the purpose of Cash Flow Statement comprises cash at hand, Government treasury and demand deposits with banks. Cash equivalents are short term balances with an original maturity of three months or more, but less than twelve months from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.28 Cash Flow Statement

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

1.29 Earnings per share

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

Amount (Rs.in lakhs)

Particulars	Gross Block			Depreciation/ Amortisation/ Depletion				Net Block	
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Deductions / Adjustments	As at 31st March 2018	As at 31st March 2017
Land (Freehold) (Refer Note 2.1)	578 04.16	41 00.99		619 05.15	-	-		619 05.15	578 04.16
Building	-	814 91.60		814 91.60		9 86.92		805 04.68	
Viaduct, Bridges, Tunnel & Culverts	-	1277 54.23		1277 54.23		29 05.68		1248 48.55	
Plant and Machinery	4.55	60 16.38		60 20.93	.02	2 69.83		57 51.08	4.53
Rolling Stock	-	435 10.00		435 10.00		10 04.47		425 05.53	-
Escalators & elevators	-	74 72.32		74 72.32		2 19.79		72 52.53	-
Signalling & Telecom Equipments	-	131 15.40		131 15.40		6 78.26		124 37.14	-
Roads	-	12 07.97		12 07.97		94.65		11 13.32	-
Fences, wells, tube wells	-	2 47.43		2 47.43		36.84		2 10.59	-
Computers	1 39.89	51 01.83	10.40	52 31.32	75.98	9 46.01	7.09	42 16.42	63.91
Electrical Appliance	1 48.30	211 07.98	.91	212 55.37	51.42	14 52.69	.31	197 51.57	96.88
Cables & Ducts	-	65 91.59		65 91.59		2 55.57		63 36.02	-
Switching Centres	-	14 58.37		14 58.37		76.73		13 81.64	-
Furniture and Fixtures	1 68.56	4 42.01		6 10.57	57.99	44.09		5 08.49	1 10.57
Office Equipment	50.11	22 43.73	2.34	22 91.50	32.56	1 88.82	1.75	20 71.87	17.55
Low Value Assets	-	5 48.79		5 48.79		5 48.79		-	-
Vehicles	24.68	60.84		85.52	10.90	8.88		65.74	13.78
Total	583 40.25	3224 71.46	13.65	3807 98.06	2 28.87	97 18.02	9.15	3708 60.32	581 11.38
Previous year	557 02.25	26 38.37	.36	583 40.26	1 65.43	63.65	.20	581 11.38	555 36.82

Note 2.B : Capital work-in-progress

Particulars	As at 1st April 2017	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2018
Kochi metro rail project- phase 1 (Refer Note No. 30.4)	2999 94.50	879 81.94	3879 76.44	3168 98.88	710 77.56
Phase II (Extension) (Refer Note No. 30.4)	6 80.68	65.58	7 46.26		7 46.26
Total	3006 75.18	880 47.52	3887 22.70	3168 98.88	718 23.82
Previous year					3006 75.18

Amount (Rs.in lakhs)

Particulars	Gross Block			Depreciation/ Amortisation/ Depletion			Net Block		
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Deductions / Adjustments	As at 31st March 2018	As at 31st March 2017
Computer software	2 94.01	10 27.73		13 21.74	1 14.14	2 05.30		3 19.44	1 79.87
Branding- Kochi Metro	61.60			61.60	19.41	12.32		31.73	42.19
Way leave charges to Railway	27 76.22			27 76.22	94.76	39.66		1 34.42	26 81.46
Total	31 31.83	10 27.73		41 59.56	2 28.31	2 57.28		4 85.59	29 03.52
Previous year	30 57.49	74.34		31 31.83	1 26.51	1 01.80		2 28.31	29 30.98

Note 3.B : Intangible assets under development

Particulars	As at 1st April 2017	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2018
SAP	7.68		7.68		7.68
Digital Document Filing System (DDFS)	2.58		2.58		2.58
Total	10.26		10.26		10.26
Previous year	7.68	2.58	10.26		10.26

Notes:

- The Company has taken over possession of 32.52 hectares of private Land till 31st March 2018 (previous year 31.14 hectares).
- The Land value capitalized is the purchase price agreed between the landowners and the District Level Purchase Committee. The registration charges and the cost of stamp duty is not taken into consideration, as Government of Kerala granted exemption from payment of these charges vide Government order no.G.O.(P) No. 164/2014/TD/2353 & 2354 dated 25th September 2014 and the company did not incur any expenditure against these items.
- Procedures for registration of Land in the name of the Company in the Government records is under process in respect of land with extent of 21.81 hectares with a value of Rs.324,86 lakhs.
- Metro works are under progress on land with an extent of 1.63 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 included in the fixed assets
- The Government of Kerala (GoK) vide G.O. (MS) No.91/13/RD dt. 12-3-2013 had allotted an area of 17.315 acres land situated at Kakkannad which is in the possession of Kerala Public Works Department to Kochi Metro Rail Limited for the purpose of property development. Value of this parcel of land is not included in Fixed assets, as the title of the land is not yet registered in the office of the Sub-Registrar/Registry in the name of Kochi Metro Rail Ltd .The Company did not take possession of this land.The Company did not incur any expenditure against the cost of this land.
- The Company paid an amount of Rs.27.76 crores during the financial year 2014-15 towards way leave charges being permission for crossing railway land to Southern Railways for the construction of viaduct for Kochi Metro Rail Project over railway land. The permission has been taken for an initial period of 35 years against one time lump sum payment equivalent to 99% of the prevailing market value of the land in 2014-15 .The tenure of the permission can be extended for a further period of 35 years on payment of a nominal fees as applicable. The amount of Rs.27.76 crores paid to Railways is shown under intangible asset and amortized for a period of 70 years, pending execution of an formal agreement.
- Title deeds in respect of parcel of land with an extent of 3.33 Ares are erroneously registered in the name of the company, and it is not included in the fixed assets of the Company.
- In case of mobile phone, grouped under office equipment, the useful life is estimated at three years.
- During the year, the Company capitalised assets valuing Rs. 3234,99.19 lakhs.

	<i>Amount (Rs.in lakhs)</i>	
Note 4 : Other Financial Assets- Non current	As at 31st March 2018	As at 31st March 2017
Receivable from Government of Kerala		
- Interest Receivable against the EDCB Loan taken towards Sub-Ordinate Debt Receivable (Refer Note No. 30.5)	80 59.62	90 67.07
- Sub -Ordinate debt Receivable (against the Loan taken from EDCB) (Refer Note No. 30.5)	292 80.00	329 40.00
- Vyttila-Petta Land Acquisition (Refer Note 30.6)	64 61.32	42 42.85
- Phase I Land Acquisition	6 30.93	-
Security Deposit (Unsecured and Considered Good)		
- Telephone Deposit	0.63	0.63
- Security Deposit-Casting Yard Land	-	3 08.90
- Security Deposit -Others	1 76.25	53.41
Total	446 08.75	466 12.87

	<i>Amount (Rs.in lakhs)</i>	
Note 5 : Other Non Current Assets- Non Financial Assets	As at 31st March 2018	As at 31st March 2017
Capital advances (Unsecured and Considered good) ;		
- Project Advance to Delhi Metro Rail Corporation	122 01.25	18 92.32
- District Collector-Land Aquisition	102 94.08	69 43.90
- District Collector-Land Aquisition(Petta extension) (Refer Note No. 30.6)	18 80.89	7 17.15
Prepaid Expenses ;		
- Prepaid Expenses - ROU Railway Land	62.09	64.11
- Prepaid Expenses - Rental of Building	2.37	2.10
Income Tax Refund Receivable (Net of provisions)	4 74.44	2 54.39
Total	249 15.12	98 73.97

	<i>Amount (Rs.in lakhs)</i>	
Note 6 : Trade Receivables [Current] Financial Assets	As at 31st March 2018	As at 31st March 2017
Unsecured- Considered Good		
Trade Customers	39.07	-
Total	39.07	-

	<i>Amount (Rs.in lakhs)</i>	
Note 7 : Cash and Cash equivalents [Current]	As at 31st March 2018	As at 31st March 2017
Cash on hand	16.03	-
Balance with Banks (In current accounts)	1 60.97	6.57
Balance in Sub Treasury Account	77.93	195 77.70
Term Deposits with banks (with maturity period less than twelve months)	42 34.04	216 74.00
Total	44 88.97	412 58.27

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Note 8 : Other Bank balances	Amount (Rs.in lakhs)	
	As at 31st March 2018	As at 31st March 2017
Earmarked Balances with Banks *	1 14.59	0.50
Total	114.59	0.50

* Fixed Deposits with banks pledged with Government Agencies/Authorities

Note 9 : Other Financial Assets [Current]	Amount (Rs.in lakhs)	
	As at 31st March 2018	As at 31st March 2017
Receivable from Government of Kerala		
- Interest Receivable against the EDCB Loan taken towards Sub-Ordinate Debt Receivable (Refer Note No. 30.5)	10 07.45	10 07.45
- Sub -Ordinate debt Receivable (against the Loan taken from EDCB) (Refer Note No. 30.5)	36 60.00	36 60.00
- For Preparatory Works (Refer Note No. 30.7)	11 78.22	9 99.60
- State Tax Reimbursement Receivable	84 63.03	-
UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED		
- Interest Accrued	73.82	1 77.86
- Income accrued but not due	1.13	-
- Work Deposits	-	9.38
- Security Deposits	3 11.05	35.92
- Other Employee Advance	44.38	16.72
- Others (include CFA from MoUD - Refer Note No. 30.8)	67.36	1 39.16
Total	148 06.44	60 46.09

Note 10 : Other Current Assets	Amount (Rs.in lakhs)	
	As at 31st March 2018	As at 31st March 2017
Receivable from Government of Kerala		
- Vyttila-Petta Land Acquisition (Refer Note 30.6)	10 40.00	10 40.00
Advance Paid	9 79.54	0.32
Prepaid Expenses	1 07.87	64.61
Stock of Tools	66.13	-
GST Input Credit	27.38	-
Total	22 20.92	11 04.93

Note 11 : Equity Share Capital	As at 31 st March 2018		As at 31 st March 2017	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)

Authorised

Equity Shares of Rs.100 each	20 00 00 000	2000 00	20 00 00 000	2000 00
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Issued, Subscribed and Fully paid up

Equity shares of Rs.100 each fully paid up	15 07 46 000	1507 46	15 07 46 000	1507 46
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Reconciliation of number of shares and amounts outstanding

Particulars	As at 31 st March 2018		As at 31 st March 2017	
	Number of Shares	Amount (Rs. in Lakhs)	Number of Shares	Amount (Rs. in Lakhs)
Equity Shares outstanding at the beginning of the year	15 07 46 000	1507 46	12 83 00 000	1283 00
Add : Shares issued during the year	-	-	2 24 46 000	224 46
Equity Shares outstanding at the end of the year	15 07 46 000	1507 46	15 07 46 000	1507 46

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

Name of Shareholder	As at 31 st March 2018		As at 31 st March 2017	
	Number of Shares	% of holding	Number of Shares	% of holding
President of India	7 53 73 000	50	7 53 73 000	50
Governor of Kerala	7 53 73 000	50	7 53 73 000	50

11.2 The Company has one class of equity shares having a par value of Rs.100/- per share. Each shareholder is entitled to receive dividends as declared from time to time and entitled for one vote per share in the meeting of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to the number of shares held by them after distribution of all preferential amounts, if any. The Honourable President of India and The Honourable Governor of Kerala have nominated four and five nominee directors respectively.

Amount (Rs.in lakhs)

Note 12 : Other Equity	As at 31 st March 2018	As at 31 st March 2017
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Deferred Income

Monetary Grants

Interest Free Sub Debt (Refer Note No. 30.5)

Government Of India

216 52.96

162 25.25

Government Of Kerala

805 26.92

732 83.62

Government of Kerala - Reimbursement of State Taxes

92 70.66

-

1114 50.54

895 08.87

Surplus in the Statement of Profit and Loss

Balance as at the beginning of the year

(34 75.17)

(23 60.38)

Add : Total comprehensive income for the current year

(167 33.74)

(11 14.79)

Less : Prior period adjustments to opening balance

-

-

Balance as at the end of the year

(202 08.91)

(34 75.17)

Total

912 41.63

860 33.70

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Amount (Rs.in lakhs)

Note 13 : Borrowings [Non current]	As at 31st March 2018	As at 31st March 2017
Term Loans (Secured)		
From Banks;		
Canara Bank (Refer Note No. 30.9)	763 37.99	392 22.68
Ernakulam District Cooperative Bank (land acquisition) (Refer Note No. 30.10)	292 80.00	329 40.00
Ernakulam District Cooperative Bank (Vytilla - Petta land acquisition for road widening) (Refer Note No. 30.6 and 30.10)	83 20.00	93 60.00
From Others;		
Pass Through Assistance - Government of India (Refer Note No. 30.11)	1268 43.00	1030 43.00
Interest Free Sub Ordinate Debt (Unsecured) (Refer Note No. 30.5)		
Government of India	31 97.08	20 33.79
Government of Kerala	115 48.03	92 00.34
Total	2555 26.10	1957 99.81

Amount (Rs.in lakhs)

Note 14 : Other Financial liabilities [Non current]	As at 31st March 2018	As at 31st March 2017
Retention	1 28.31	94.78
Security Deposits	16 26.15	16.49
Interest payable on EDCB loan	80 59.62	90 67.07
Total	98 14.08	91 78.34

Amount (Rs.in lakhs)

Note 15 : Provisions [Non current]	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits (Refer Note No. 30.12 and 30.13)		
Provision for gratuity	1 54.46	76.30
Provision for earned leave	2 15.96	1 08.91
Provision for half pay leave	71.37	72.76
Provision for leave travel concession	45.70	-
Total	4 87.49	2 57.97

Amount (Rs.in lakhs)

Note 16 : Deferred Tax Liabilities [Non current]	As at 31st March 2018	As at 31st March 2017
Deferred Tax Liabilities (Refer Note No. 30.14)		
On difference between book balance and tax balance of fixed assets	-	(2.06)
Deferred Tax Asset (Refer Note No. 30.14)		
Unabsorbed Depreciation and Loss	-	2.06
Total	-	-

Note 17 : Other Non Current Liabilities	<i>Amount (Rs.in lakhs)</i>	
	As at 31st March 2018	As at 31st March 2017
Deferred Fair valuation -Gain (Security Deposit)	6 74.76	-
Total	6 74.76	-

Note 18 : Borrowings [Current] - Financial Liabilities	<i>Amount (Rs.in lakhs)</i>	
	As at 31st March 2018	As at 31st March 2017
Current Maturity of Term Loan from Banks;		
Ernakulam District Cooperative Bank (Land Acquisition) (Refer Note No. 30.10)	36 60.00	36 60.00
Ernakulam District Cooperative Bank (Vytilla - Petta land acquisition for road widening)(Refer Note No. 30.6 and 30.10)	10 40.00	10 40.00
Total	47 00.00	47 00.00

Note 19 : Other Financial Liabilities [Current]	<i>Amount (Rs.in lakhs)</i>	
	As at 31st March 2018	As at 31st March 2017
Secured		
Interest accrued but not due on borrowing	5 98.31	1 76.71
Interest Payable on EDCB loan	10 07.45	10 07.45
Unsecured		
Ministry of New & Renewable Energy - Financial Assistance (Refer Note 30.15)	1 44.00	1 44.00
CFA for Urban Transport Planning (Refer Note No. 30.8)	-	2 26.73
Other payables;		
- Trade / Security Deposit Received	3 33.14	2 45.25
- Land Acquisition and Structural Valuation	42 71.77	75 47.45
- Others;		
- Project related liabilities	47 16.32	33 82.96
- Government of Kerala*	93 07.42	56 86.38
- Delhi Metro Rail Corporation	10 38.77	8 56.91
- Others	15 25.99	3 70.15
Total	229 43.17	196 43.99

*This represents amount received from Government of Kerala for various preparatory works, the ownership of which rest with the Government of Kerala. The funds for these preparatory works are routed through KMRL and hence the entire expenses are also recognised through this account have been set off against the fund received from Government of Kerala. Refer note 30.16 - 30.23

Note 20 : Other Current Liabilities	<i>Amount (Rs.in lakhs)</i>	
	As at 31st March 2018	As at 31st March 2017
Statutory Payments	1 35.23	93.32
Advance received from Customers	10 48.13	87.72
Deferred Fair valuation Gain (Security Deposit)	1 86.34	-
Total	13 69.70	1 81.04

Amount (Rs.in lakhs)

Note 21 : Provisions [Current]

Provision for Employee benefits (Refer Note No. 30.12 and 30.13)

	As at 31st March 2018	As at 31st March 2017
Provision for Gratuity	11.06	11.36
Provision for earned leave	16.24	15.40
Provision for half pay leave	5.43	10.47
Provision for leave travel concession	26.57	18.89
Total	59.30	56.12

Amount (in Rs. Lakh)

Note 22 : Revenue from operations

	For the year ended 31st March 2018	For the year ended 31st March 2017
Revenue from Train Operations being Fare Collections	32 17.25	-
Semi Naming rights	5 61.69	-
AFC Annual Premium	3 94.44	-
Advertisement rights	1 51.91	-
License fees	91.14	-
Others	50.20	-
Total	44 66.63	-

Note 23 : Other Income

	For the year ended 31st March 2018	For the year ended 31st March 2017
Government Grants (Benefit against the interest free subordinate Debts from Government of India and Government of Kerala)	11 86.93	10 32.16
Government Grants (Benefit against the reimbursement of state taxes from Government of Kerala)	2 92.37	-
Consultancy Income	91.82	40.98
Interest on bank deposits	64.64	46.30
Other non-operative income (Refer Note 23.1)	3 01.40	2 72.22
Income from Unwinding of security Deposits	5.03	27.61
Fair value differential - SD received	-	.21
Total	19 42.19	14 19.48

23.1 Other Non operating income :

Application/tender processing fees	21.64	3.12
Interest on income tax refund	6.57	4.11
Other income - DMRC	2 31.61	2 39.15
Liquidated damages	5.51	6.34
Others	36.07	19.50
Total	3 01.40	2 72.22

Note 24 : Operating Expenses	Amount (in Rs. Lakh)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Customer Facilitation Expenses	9 97.20	-
Electricity & water Charges	9 22.47	-
Security Expenses	3 91.87	-
Commission	1 51.84	-
External Project Consultancy	30.25	-
Other Operating Expenses	99.51	-
	25 93.14	-

Note 25 : Employee Benefits Expense	Amount (in Rs. Lakh)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and wages	23 26.91	3 48.35
Contribution to Provident Fund and other funds	1 74.24	34.15
Gratuity Expenses (Refer Note No. 30.12 and 30.13)	49.52	12.06
Staff welfare expenses	4 19.35	1 22.65
Total	29 70.02	5 17.21

Note 26 : Finance Costs	Amount (in Rs. Lakh)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Interest on Pass through Assistance - Government of India (Refer Note No. 30.11)		
Gross Interest (A)	16 40.18	7 74.23
Less: Expense during construction (B)	8 80.47	7 74.23
Total transfer to Statement of Profit and Loss (A-B)	7 59.71	-
b) Interest on Canara Bank loan (Refer Note No. 30.9)		
Gross Interest (A)	49 81.63	29 88.15
Less: Expense during construction (B)	25 79.69	29 88.15
Total transfer to the Statement of Profit and Loss (A-B)	24 01.94	-
c) Interest on Subordinate debt (Refer Note No. 30.5.2)		
Unwinding of Interest expense on subordinate debt (A)	11 86.93	9 90.67
Less: Expense during Construction (B)	-	-
Total transfer to the Statement of Profit and Loss (A-B)	11 86.93	9 90.67
d) Interest on Retention Money Deposit		
Unwinding of Interest Expense on Retention Money Deposit (A)	7.48	17.08
Less: Expense during Construction (B)	1.13	12.82
Less: Payable to GOK (C)	2.49	2.30
Total transfer to the Statement of Profit and Loss (A-B-C)	3.86	1.96
e) Interest on Security Deposit		
Unwinding of Interest Expense on Security Deposit(A)	1.39	1.45
Total transfer to the Statement of Profit and Loss (A)	1.39	1.45
Grand Total- Transfer to the Statement of Profit and Loss	43 53.83	9 94.08

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Amount (in Rs. Lakh)

Note 27 : Depreciation and Amortisation Expense	For the year ended 31st March 2018	For the year ended 31st March 2017
Depreciation on tangible assets (Refer Note No. 1.14 and 2A)	97 18.02	63.65
Amortisation of intangible asset (Refer Note No. 1.14 and 3A)	2 57.28	1 01.80
Total	99 75.30	1 65.45

Amount (in Rs. Lakh)

Note 28 : Other Expenses	For the year ended 31st March 2018	For the year ended 31st March 2017
Road Works	14 51.18	2 55.09
Rent,Rates and taxes	3 40.36	35.36
Repairs and maintenance	2 45.50	1 05.00
Promotional Expenses	2 45.46	54.73
Advertisement and publicity	1 50.03	35.02
Legal and Professional	1 46.04	35.18
Travelling and conveyance expenses	1 28.11	23.68
Miscellaneous expenses	2 27.27	77.78
Office Expenses	1 09.70	1 48.03
Insurance	98.58	0.49
Tree Planting Expenses	37.96	31.02
Printing and stationery	22.13	26.35
Power and Fuel	15.55	30.35
Payment to Auditors (Refer Note No. 28.1)	4.57	7.03
Bank charges	9.98	(12.58)
Total	32 32.42	8 52.53

Amount (in Rs. Lakh)

28.1 Payment to Auditors	For the year ended 31st March 2018	For the year ended 31st March 2017
Audit fees	3.60	4.04
Other Services	-	1.43
Reimbursement of Expenses	0.97	1.56
	4.57	7.03

Note 29 : Earnings per Equity Share

For the year ended
31st March 2018

For the year ended 31st
March 2017

Net Profit/ (Loss) after tax (In Rs. Lakh)	(167 33.74)	(11 14.79)
Number of Equity Shares	1507 46 000	1416 14 975
Basic and Anti-Diluted Earnings Per Share (EPS) (In Rs.) (Refer Note No. 30.25)	(11.10)	(0.79)

NOTE NO.30 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

30.1 Expenditure in Foreign Currency

Amount (Rs. In Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Tours and Travels	5.70	15.14
Expenditure by DMRC on contracts (see note below)	50,11.28	172,29.08

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

30.2 Foreign exchange variation

The Company has not recognized any amount, as foreign exchange rate variation. As per the Clause 12.1 of the Memorandum of Understanding dated 4th November 2013 entered into between the Government of India, the Government of Kerala and KMRL, any exchange rate variation, on foreign currency, shall be borne by GOK.

30.3 Capitalization of assets from CWIP

During the year, KMRL has capitalized assets valuing Rs.3168,98 .88 lakhs. It is based on the Fixed Asset register and relevant documents handed over by DMRC, as certified by their internal auditors as per clause 6.1.20 of the Memorandum of Understanding between DMRC and KMRL. In case of assets where the final settlement of bills with contractors is yet to be effected by DMRC, capitalization is done on provisional basis as certified by DMRC .

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

a) Review of contracts and contractors bill.

KMRL reviewed the contracts executed by DMRC on behalf of KMRL and the contract documents as made available for evaluating the scope of works and the extent of fixed assets created as part of the contract execution. The cost of construction / procurement of fixed assets is based on the latest available Interim Payment Certificate (IPC) . The IPC is reconciled with the amount shown in DMRC's books of account under respective contracts.

The same methodology is adopted for contracts entered into by KMRL.

b) Cost of unbilled works

The value of unbilled works was determined with reference to the certification provided by respective technical departments of DMRC and KMRL, as may be applicable.

c) Other common expenses

Common expenses like detailed design contracts, employee cost, other expenses etc. pending allocation have been apportioned to the fixed assets based on the total amount of CWIP and the value of asset capitalized.

d) Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Interest during construction in respect of qualifying assets commissioned during the year, is allocated in the ratio which the value commissioned assets bear the qualifying CWIP as at the end of the month of commissioning.

e) Residual Value

Residual Value is arrived as the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset is already of age and in the condition expected at the end of its useful life.

30.4 Capital work in Progress (CWIP)

As per the agreement dated 23rd May 2013, Delhi Metro Rail Corporation Limited (DMRC) agreed to execute all the works related to the project and commission the rail system. The metro rail from Aluva to Palarivattom was inaugurated on 17.6.2017 with commencement of commercial operations from 19.06.2017 and from Palarivattom to Maharajas College from 03.10.2017. The cost of fixed assets incurred in respect to Reach I and Reach 2A upto Maharajas College station are capitalized on the date of commissioning as mentioned above. The balance cost of the fixed assets under construction in respect of Reach 2B from Maharajas College Station to Petta Station is recognized as Capital Work in Progress based on the fund utilization statement furnished by DMRC as on 31st March 2018.

As per the agreement with DMRC dated 23rd May 2013, the Phase I of the Metro rail project (from Aluva to Petta) was scheduled to be completed by June, 2017. The work could not be completed as scheduled by June 2017 and a Supplementary agreement was executed between KMRL and DMRC on 4th August 2017. It was agreed that DMRC shall continue to execute the balance work of Phase I i.e. from Maharajas College Station to Petta Station.

Expenditure directly related to construction activity has been capitalized. All direct expenditure

attributable to the various components of the project are recognized under CWIP.

The borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset are grouped under CWIP, pending capitalization. The particulars of the borrowing cost are given below;

Amount (Rs. in lakhs)

Total borrowing cost	Borrowing costs capitalized during the year	Borrowing costs charged off to statement of Profit and loss	Borrowing cost grouped under CWIP
136,40.75	64,90.11	31,61.65	39,88.99

The interest earned on short-term deposits made out of Pass through assistance (PTA) funds received towards *Agence Francaise De Development (AFD)* loan is reduced from the borrowing cost in accordance with Indian Accounting Standard (IND AS) 23. The particulars of the interest earned are given below;

Amount (Rs. in lakhs)

Interest earned	Current year	Previous year
	945.33	676.80

Government of Kerala (GOK) vide G.O.(Ms) No. 72/2015/Trans dated 16th November 2015 and G.O.(Ms) No. 48/2017/Trans dated 20th May, 2017 had accorded administrative sanction for the new metro line for a distance of 11.2 km from Jawaharlal Nehru stadium to Kakkanad with an estimated cost of Rs.2577,25 lakhs. The project was under approval of Government of India, Ministry of Urban Development (MOUD). The MOUD vide letter number F.No.K-14011/08/2015-MRTS-IV dated 1st September 2017, has returned the DPR with a request to review the same as per the provisions of the new Metro Rail Policy 2017. The revised DPR in line with the new Metro Rail Policy 2017 has been considered by the GOK and the same has been approved vide G.O No.C2/75/2017/Trans dated 27th July 2018 at an estimated cost of Rs.2310,00 lakhs.

Expenditure on account of detailed project report, traffic study and other related expenditure

undertaken by KMRL is grouped under CWIP- Phase II.

30.5 Explanation for reconciliation of Balance Sheet and Statement of Profit and Loss as per IND AS 1 "Presentation of Financial Statements"

30.5.1 Government loan accounting (Sub ordinate debt) and related finance cost

While approving the Kochi Metro Rail project vide order No. K-14011 /37/2005-MRTS-IV dated 12th July 2012 of Ministry of Urban Development, Government of India, it was indicated that an amount of Rs. 672,00 lakhs towards cost of land acquired shall be provided as Interest free Subordinate Debt from Government of Kerala. Subsequently the Government of Kerala released Rs. 306,25 lakhs till 31st March 2017 as subordinate debt for land acquisition. For the remaining amount, Government of Kerala had decided that KMRL shall avail a loan on behalf of the Government.

As directed by GOK, vide G.O. (Ms) No.20/2015/Trans dated 25.03.2015, KMRL has availed a term loan from Ernakulam District Co-operative Bank Ltd (EDCB) towards land acquisition on behalf of GOK. The repayment of the loan with payment of interest against the said term loan has been undertaken by the Government of Kerala on back-to-back basis. The said loan was shown as borrowing in the financial statements .

In essence, the loan taken from EDCB part takes the character of Subordinate debt receivable from GOK as per the project approval order Accordingly, the amount of Rs. 366,00 lakhs is recognized as Subordinate debt receivable from GOK with effect from 01.04.2016. The amount of Rs. 366,00 lakhs is measured at fair value and the government grant being benefit is measured as the difference between the initial carrying values determined in accordance with Ind AS 109- Financial Instruments and fair value and recognized as grant as per IND AS 20-Accounting for Government grants.

Consequent to this change, the " Monetary grant" under "Other equity" increased by an amount of Rs. 329,63.90 lakhs and "Interest free Subordinate debt from GOK" under "Borrowings" by Rs.36,36.10 lakhs as on 01.04.2017.

The "Other Financial assets (non-current)" increased by an amount of Rs. 329,40.00 lakhs, and the "Other Financial assets (Current)" also increased by an amount of Rs. 36,60.00 lakhs on 01.04.2017.

The subordinate debt is measured at amortized cost and proportionate interest expense on the same is included under finance cost.

30.5.2 Unwinding of grant on Subordinate debt

The Government grant is credited to the Statement of profit or loss equivalent to the amount of interest recognized during the year. Accordingly, Interest on subordinate debt increased by an amount of Rs. 384.54 lakhs and income from unwinding of grant is recognized at Rs.10,32.16 lakhs. This has resulted in decrease of loss for the year 2016-17 by Rs. 6,47.62 lakhs and retained earnings as on

01.04.2017 by Rs. 6,47.62 lakhs.

30.5.3 Repayment of EDCB loan

The Government of Kerala releases the funds towards repayment of the EDCB loan on the due dates. The amount received is reduced from the Subordinate debt receivable from GOK .

30.6 Vytilla-Petta Road widening

Government of Kerala , vide G.O (Ms) No. 13/2015/Trans dated 10/03/2015 has accorded administrative sanction for widening of 1.5 KM of Vytilla - Petta road from Kunnara park to Petta. Government has released an amount of Rs. 22,35 lakhs for undertaking these works. An amount of Rs. 142.42 lakhs has been incurred by KMRL during the financial year 2017-18 (during previous year Rs. 690.32 lakhs) .The total cost incurred towards this preparatory work till 31.03.2018 is Rs. 16,06.48lakhs(till31.03 .2017 Rs. 1464.06lakhs) .

Vide order No.G.O. (Ms)No .2412015/Trans dated 30.04.2015,the Government of Kerala has accorded approval for availing term loan of Rs.104,00 lakhs from Ernakulam District Co-operative Bank Ltd (EDCB) towards land acquisition for widening of Vytilla- Petta road. Accordingly, the company has entered into term loan agreement with EDCB as approved in its 19th Board meeting held on 9th May, 2014. Consequent to the agreement, the EDCB released an amount of Rs.104,00 lakhs to KMRL during the financial year 2015-16. Out of the total amount received by KMRL, an amount of Rs 17.04 lakhs was withdrawn by GoK in February 2018, vide G.O. (P) No. 156/2017/Fin dated 14.12.2017 as a part of resumption of funds from TSB Accounts

Till 31.03.2018, the Company has transferred an amount of Rs. 102,53 lakhs to the District Collector as advance towards land acquisition for the road widening works. An amount of Rs 1,52.17 lakhs was paid to Defence Estate for acquiring the land.

30.7 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 Edappally flyover to KMRL, to be executed through DMRC at an estimated cost of Rs. 108,77 lakhs. An amount of Rs. 25, 00 lakhs has been released by Kerala Road Fund Board (KRFB) to KMRL for this work during the financial year 2013-14. The Memorandum of Understanding delineating the terms of execution was executed on 23rd May 2016.

Total expenditure including remuneration incurred by DMRC towards flyover construction is Rs. 33, 08.66 lakhs (up to previous year Rs.3079.07 lakhs) out of funds transferred by KMRL.

Till 31st March 2018, KMRL has incurred an amount of Rs. 369.73 lakhs (till previous year Rs.350.79 lakhs) which includes claim towards administrative charges.

The total expenditure on the Edapally flyover amounts to Rs. 36,78.39 lakhs (till previous year Rs. 34,29.86 lakhs) and balance funds are yet to be released by Kerala Road Fund Board.

30.8 Central Financial Assistance (CFA) from Ministry of Urban Development (MOUD) and Government of Kerala (GOK)

During the financial year, an amount of Rs. 81.62 lakhs (previous year Rs. 99.76 lakhs) has been released as Central Financial Assistance (CFA) by MOUD under the Scheme of Urban Transport Planning, wherein 80% of the total expenditure for all kinds of traffic and transportation studies etc. shall be borne by MOUD and 20% by the State Government.

Out of the total expenditure of Rs. 2,26.73 lakhs incurred till 31st March 2017, MOUD has released an amount of Rs. 1,81.38 lakhs till 31st March 2018. An amount of Rs. 45.35 lakhs is receivable from GOK, being their share of financial assistance.

30.9 Borrowings from Canara Bank

The Company has entered into a term loan agreement with Canara Bank for an amount of Rs. 1170,00 lakhs. Moratorium for repayment of the principal amount is up to June 2020. As requested by KMRL, the moratorium period is extended till March 2022. The loan shall be repaid in fifty two quarterly installments. The rate of interest applicable is one year MCLR (marginal cost of funds based on lending rates) plus 1.20% with annual rests and secured by paripassu charge on all assets of the company. During the year the company has withdrawn an amount of Rs. 371,14 lakhs. The company has paid interest of Rs. 46,02.47 lakhs during the year and the sum Rs. 106,65.68 lakhs (including accrued interest) paid cumulatively is accounted as interest till 31st March 2018.

30.10 Borrowings from Ernakulam District Co-operative Bank

While approving the Kochi Metro Rail project vide order No. K- 14011/37/2005-MRTS-IV dated 12th July 2012 of Ministry of Urban Development, Government of India, it was indicated that Rs. 672,00 lakhs towards cost of land acquisition shall be provided as Interest free Sub Debt by Government of Kerala. Against this, the Government of Kerala released Rs. 306,25 lakhs till 31st March 2017. For the balance amount, Government of Kerala had decided that KMRL shall avail loan on behalf of Government of Kerala towards the balance amount of 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. 366,00 lakhs 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 rests i.e @ 9.95 (Floating) per annum. The interest rate shall be reset every three years. The repayment of the loan with interest has been undertaken by the Government of Kerala on back-to-back basis. The company has withdrawn the entire loan amount of Rs. 366,00 lakhs during the year

2014-15 as per the directions of the Government of Kerala. An amount of Rs. 36,60 lakhs was repaid during the year.

Vide G.O. (Ms)No.24/2015/Trans dated 30.04.2015 of Government of Kerala has accorded approval for availing term loan of Rs. 104,00 lakhs from Ernakulam District Co-operative Bank Ltd (EDC) towards land acquisition for widening of Vytilla- Petta road. Accordingly, the company 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. The company has withdrawn the entire loan amount of Rs. 104,00 lakhs during the year 2015-16 as per the directions of the Government of Kerala. An amount of Rs. 10,40 lakhs was repaid during the year.

30.11 Pass Through Assistance from Government of India

The Pass Through Assistance (PTA) provided by Government of India is based on the credit facility agreement between Agence Francaise De Development (AFD), a French public funding agency and Government of India (GOI) as the borrower. The loan is secured by sovereign guarantee by the GOI. The rate of interest applicable is 6 monthly EURIBOR plus the margin of 155 basis point. Interest is due on each payment date i.e. on 15th March and 15th September of each year. Repayment of the principal amount shall be in forty equal half yearly installments after the moratorium period of five years and the first installment is due on 15th September 2019 and the last installment shall be payable on 15th March 2039.

The entire loan proceeds of Euro 180 million have been released by AFD to GOI till 31st March 2018. The loan is disbursed to KMRL in several tranches as per budgetary provisions of Government of India. As per CAAA accounts the sum of Rs. 1327,10 lakhs availed towards loan and Rs.28,68 lakhs towards interest accrued till 31st March 2018 is shown under this account. GOI has released an amount of Rs. 238,00 lakhs during the year and cumulatively Rs. 1268,43 lakhs till 31st March 2018. The company paid interest of Rs.15,97 lakhs during the year and the sum of Rs. 29,75 lakhs (including accrued interest) cumulatively is recognized as interest till 31st March 2018.

30.12 Disclosure in respect of INO AS-19, "Employee Benefits"

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

The company's pension scheme is linked with provident fund scheme. All eligible employees of the

company under provident fund schemes are also covered under employee pension scheme (EPS), except for those employees of the company who became provident fund (PF) member after 1st September 2014 and whose pay is more than Rs. 15,000/- per month. Such employee are not liable to be covered under the EPS scheme. The said benefit is being extended only, if the employee, while joining KMRL was an existing member of PF. Under the above pension scheme, no contribution is collected from the employees and is paid entirely from the employer's contribution.

Gratuity: Gratuity is payable as per Payment of Gratuity Act, 1972 to every employee who has rendered continuous service of five years or more. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method as required by INDAS 19. Provisions as per actuarial valuations are made in the books of accounts for the gratuity.

Earned Leave and half pay leave: The Company provides for earned leave benefits and half pay leave to the employees as per the HR policy. The liability on this account is recognized on the basis of actuarial valuation.

Leave Travel Concession (LTC): The Company provides financial assistance to the employee for meeting expenses of actual travel involved to their hometown as well as any place in India as per the approved policy. The liability on this account is recognized on the basis of actuarial valuation.

Insurance: The Company has also taken Medical Insurance Policy for all its eligible employees during the current year.

30.13 The summarized position of various defined benefits recognized in the Statement of Profit and Loss and Balance Sheet as per actuarial valuation is as under:

Disclosure for defined benefit plans i.e. Gratuity, Earned leave and half pay leave, Leave travel concession (unfunded plan), based on actuarial reports as on 31st March 2018.									
Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)		Amount (Rs. In Lakhs)
	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2017
Benefit obligations at the beginning of year	87.66	28.88	124.32	66.38	83.23	41.82	11.07		9.05
Current service cost	70.90	58.07	89.28	52.26	28.78	32.30	18.81		11.07
Interest Cost	6.79	2.25	9.22	5.18	6.45	3.26	0.77		0.67
Benefits paid / provision withdrawn	0.00	0.00	-10.64	-5.23	0.00	0.00	-13.32		-4.66
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Actuarial (gain) /loss from change in Financial Assumptions	2.92	35.25	-5.96	32.14	-1.98	21.60	0.93		0.31
Actuarial (gain) /loss on obligations - Due to Experience Adjustments	-2.77	-36.79	25.98	-26.41	-39.68	-15.75	46.19		-5.37
Benefit obligations at the end of year	165.50	87.66	232.20	124.32	76.80	83.23	64.45		11.07

The amounts for the year ended March 31, 2018 recognised in the Statement of Profit and Loss under Employee benefit Expenses, are as follows:									
(Rs. In Lakhs)									
Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)		
	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	
Current service cost	70.90	58.07	89.28	52.26	28.78	32.30	18.81	11.07	
Interest Cost	6.79	2.25	9.22	5.18	6.45	3.26	0.77	0.67	
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Reimbursement Service cost	(6.49)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total	71.21	60.32	98.50	57.44	35.23	35.56	19.58	11.74	
Less: Actuarial (Gain)/ Loss transferred to CWIP	21.69	48.25	49.17	45.95	10.73	28.45	5.70	9.39	
Expenses recognized in statement of profit and loss	49.52	12.07	49.33	11.49	24.50	7.11	13.88	2.35	

The amounts for the year ended March 31, 2018 recognised in the Statement of Other Comprehensive income, are as follows: (Rs. In Lakhs)

Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)	
	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017
Re measurement of the net defined benefit liability / (asset)								
Actuarial (gains) /Losses from changes in Financial Assumptions	2.92	35.25	(5.96)	32.14	(1.98)	21.60	0.93	0.31
Actuarial (gains) /Losses - Due to Experience Adjustments	(2.77)	(36.79)	25.98	(26.41)	(39.68)	(15.75)	46.19	(5.37)
Total Re measurements in OCI	0.16	(1.54)	20.02	5.73	(41.66)	5.85	47.12	(5.06)
Less: Actuarial (Gain)/ Loss transferred to CWIP	0.05	(1.23)	6.10	4.58	(12.69)	4.68	14.32	(4.05)
Expenses recognized in statement of OCI	0.11	(0.31)	13.92	1.15	(28.97)	1.17	32.80	(1.01)

The principal assumptions used to determine Gratuity, Earned leave encashment, Half Pay leave Encashment and LTC benefit obligations as of March 31, 2018 , March 31, 2017 are as follows:

Particulars	As at 31/03/2018	As at 31/03/2017
Discount rate	7.75%	7.50%
Salary escalation rate - First 5 Years	6.00%	6.00%

Net Asset / Liability recognised in the Balance Sheet (Rs. In Lakhs)

Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)	
	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017
Present Value of the obligation	165.50	87.66	232.20	124.32	76.80	83.23	64.45	11.07
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Difference	165.50	87.66	232.20	124.32	76.80	83.23	64.45	11.07
Unrecognised transitional liability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognised past service cost - non vested benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liability recognized in the balance sheet	165.50	87.66	232.20	124.32	76.80	83.23	64.45	11.07

30.14 Disclosure in respect of INDAS-12, "Income Taxes"

The Company has a deferred tax asset of Rs. 118,82.65 lakhs (previous year Rs. 14,82.11 lakhs) as on 31.03.2018 owing to the existence of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2018 is Rs.65, 74.02 lakhs (previous year Rs.4,30.84 lakhs).

The net deferred tax asset as on 31.03.2018 is Rs: 5308.63 lakhs and as a matter of prudence, the deferred tax asset is not recognized in the books of accounts. The net impact (favorable) in tax on account of this comes to Rs. 53,08.63 lakhs (previous year Rs. 1051.27 lakhs)

30.15 Central Financial Assistance (CFA) from MNRE

An amount of Rs. 4,80 lakhs (being 15% of the estimated project cost of Rs. 32,00 lakhs) has been approved as Central Financial Assistance (CFA) by the Ministry of New and Renewable Energy (MNRE), Government of India for installation of grid connected Solar Photo Voltaic (SPV) power plants of total aggregate capacity of 4.0 MW under the "National Clean Energy Fund"

KMRL has received an amount of Rs. 1,44 lakhs being the 1st installment of the CFA during the financial year 2015- 16 and grouped under "Other financial liabilities". Release of further installments shall be considered after submission of requisite claims, project completion reports, utilization certificate and audited statements of expenditure .

The supply, installation, testing and commissioning of the Solar PV power plants has been awarded to M/s Hero Solar Energy Private Limited (the developer) by DMRC . The contract is based on RESCO (Renewable Energy Service Company) model, where in the project cost is borne by the developer and PPA(Power Purchase Agreement) for 25 years at a mutually agreed tariff , being signed by KMRL.

The financial assistance received from MNRE shall be disbursed to the developer on submission of the audited certificate of the project cost.

30. 16 Preparatory works

Preparatory works are undertaken by DMRC as per the Government of Kerala (GOK) order vide G.O.(MS) No. 34/2010/Tran Dated 19.3.2010 and G.O.(MS) No. 110/2013/Trans Dated 07- 12-2013 with an estimated cost of Rs.242,47 lakhs.The ownership of these assets rests with the Government of Kerala (GOK). After formation of Kochi Metro Rail Limited (KMRL), the funds for these 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. Till 31.03.2018,the GOK has released an amount of Rs. 218,67.19 lakhs towards the preparatory and other miscellaneous works executed by KMRL (till 31.03.2017 Rs.218,67 .19 lakhs). The total expenditure till 31.03.2018 on these preparatory works including funds transferred to DMRC is Rs. 199,84.62 lakhs (till 31.03.2017 Rs.199,70.00 lakhs)

Funds received from GOK are released to DMRC based on their requisition. KMRL has transferred cumulative funds of Rs.101,20 lakhs (till previous year Rs. 101,20 lakhs) to DMRC towards these

works . The total expenditure incurred by DMRC till 31st March 2018, out of the funds transferred towards preparatory works, is Rs.128,94.30 lakhs (till previous year Rs. 127,77.38lakhs) .

30.17 Pachalam Rail Over Bridge (ROB)

Government of Kerala vide order No. G.O(Ms) No. 23/2014/Trans dated 05/03/2014 has entrusted the works of construction of Pachalam ROB to KMRL for executing the works, through DMRC for reducing the traffic block due to civil construction from Aluva to Petta, with an approved cost of Rs. 52,70 lakhs.

Government of Kerala has released the entire funds to KMRL. Out of the funds received, an amount of Rs. 8,81.00 lakhs has been paid to District Collector towards the cost of land acquisition and an amount of Rs. 14,83.92 lakhs to DMRC towards project fund till 31st March 2018.

DMRC has spent an amount of Rs. 20,02.48 lakhs including remuneration (upto previous year Rs. 20,02.48 lakhs) towards construction of the rail over bridge till 31st March 2018 .

30.18 Integrated Water Transport system

Government of Kerala (GOK) vide G.O(Ms) No. 73/2015/Trans dated 19/11/2015 has accorded approval for the conception of an Integrated Water Transport system in Kochi with an estimated cost of Rs. 682,01 lakhs. The project is being financed through a loan by the German funding agency "**Kreditanstalt fur Wiederaufbau**" (KfW) under the Indo German Bilateral Cooperation as part of the "Climate Friendly Urban Mobility" initiative and GOK is also funding for the cost of the project to the tune of Rs. 102,30 lakhs. During the year 2016-17, KMRL has entered into a project agreement with the State of Kerala and KfW. KMRL has also entered into a separate agreement with KfW in accordance with the loan agreement between GOI and KfW for availing the loan for an amount of 85 million Euros.

During the year 2017-18 , Rs.10,00 lakhs was released by GoK and Rs.4,68.73 lakhs by KfW (Previous year nil)

All the financial and operational risk of the project will vest with the GOK as the de-jure owner of the project and KMRL shall be the executing and operating agency on behalf of GOK. Expense of Rs.8,55.95 lakhs (till previous year Rs. 69 lakhs) has been incurred till 31.03.2018 on this account and balance is shown as fund available for Water Project.

30.19 Construction of the Chambakkara Bridge (Four Lane)

Government of Kerala, vide G.O(Ms) No. 68/2016/Trans dated 09/11/2016 has accorded administrative sanction for construction of the four lane Chambakkara Bridge as a preparatory work of Kochi Metro Rail Limited for Rs.33,66.44 lakhs. Government has released an amount of Rs.12,00 lakhs to the Treasury Savings Bank (TSB)Account of KMRL in September 2017 and Rs.101.50 lakhs was withdrawn by GoK in February 2018, vide G.O. (P) No. 156/2017/Fin dated 14.12.2017 as a part

of resumption of funds from TSB Accounts. The work is being done by DMRC. An amount of Rs. 2.36 lakhs has been incurred by KMRL up to 31.3.2018 (till 31.03.2017 Nil).

30.20 Non-Motorized transport (NMT) initiatives in KMRL

GOK vide GO. No. 3412017 /Trans dated 19/04/2017 has accorded administrative sanction for the Non-motorized transport initiatives of KMRL for an amount of Rs.161,00 lakhs by availing fund from the French development agency- "**Agence Francaise De Development (AFD)**" on terms similar to those for the Kochi Metro Rail Project. NMT plan includes station-oriented development, major junction improvements & urban place making pedestrianisation project.

During the year, KMRL has incurred an amount of Rs.13,97.37 lakhs (till 31.03 .2017 Rs.32.82 lakhs) towards station oriented development works.

30.21 Improvement of Edappally – High Court Road

Government of Kerala , vide G .O(Ms) No. 56/2016/Trans dated 26/08/2016 has accorded administrative sanction for improvement of Edappally -High Court Road from Edappally to JLN Stadium/Kaloor and upgrading the drainage system as a preparatory work of Kochi Metro Rail Limited for Rs. 39,41.40 lakhs. Government has released an amount of Rs. 28,00 lakhs during the year 2017-18 for undertaking these works. An amount of Rs. 7,32.52 lakhs has been incurred by KMRL up to 31.3.2018 (till previous year Nil)

30.22 Preparatory works for the extension of Kochi Metro Rail Project from Petta to SN Junction, Tripunithura

Government of Kerala, vide G.O(Ms) No. 31/2016/Trans dated 31/03/2016 has accorded administrative sanction for preparatory works for the extension of Kochi Metro Rail Project from Petta to SN Junction, Tripunithura at a total cost of Rs. 123,00 lakhs. Government has released. an amount of Rs. 50,00 lakhs to the Treasury Savings Bank (TSB) Account of KMRL in September 2017 and it was withdrawn by GoK in February 2018, vide G.O. (P) No. 156/2017/Fin dated 14.12.2017 as a part of resumption of funds from TSBAccounts.

30.23 Preparatory works of the new metro line from Jawaharlal Nehru Stadium to Kakkanad via Info park

Government of Kerala , vide G.O(Ms) No. 13/2016/Trans dated 08/02/2016 has accorded administrative sanction for preparatory works of the new metro line from Jawaharlal Nehru Stadium to Kakkanad via Infopark at a total cost of Rs.189,00 lakhs. Government has released an amount of Rs. 20,00 lakhs to the Treasury Savings Bank (TSB) Account of KMRL in September 2017 and it was withdrawn by GoK in February 2018, vide G.O. (P) No. 15612017I Fin dated 14.12.2017 as a part of resumption of funds from TSBAccounts.

30.24 Disclosure in respect of IND AS-23, "Borrowing costs"

During the year, an amount of Rs.64,90.11 Lakhs (previous year NIL) has been capitalized and amount of Rs.31,61.65 lakhs has been charged to revenue in line with the accounting policy on "Borrowing cost".

30.25 Disclosure in respect IND AS- 33, "Earnings per Share".

Particulars	2017-18	2016-17
Net Profit/(Loss) for the year (Rs.in Lakhs)	(167,33.74)	(11'14.79)
Weighted average number of equity shares outstanding during the year		
Basic	15,07,46,000	14,16,14,975
Diluted	15,07,46,000	14,16,14,975
Basic Earnings Per Share (Face value of Rs.100/-per share) (Rs.)	(11.10)	(0.79)
Anti-Dilutive Earnings Per Share (Face value of Rs. 100/-per share) (Rs)	(11.10)	(0.79)

30.26 Disclosure in respect of INDAS-1, "Presentation of financial statements"

Capital Management

Particulars	As at 31st March 2018 (Rs. in lakhs)	As at 31st March 2017 (Rs. In lakhs)
(a) Total Debt	2602,26.10	2004,99.81
(b) Total Capital	2419,87.63	2367,79.70
© Debt/ Equity ratio (a/b)	1.08	0.85

For the purpose of the company's capital management, capital includes issued capital and reserves. Debt includes long term loans and subordinate debt.

30.27 Disclosure in respect of INDAS-17, "Leases"

30.27.1 The company has taken on lease/rent premises for employees . These lease arrangements are usually renewable on mutually agreed terms. During the year the company has paid lease rent (net of recoveries) amounting to Rs.192.85 Lakhs (P.Y. Rs.23.80 Lakhs) and the lease rent so paid is included under the head Expenditure Salaries & Wages.

Further the company has entered in an agreement with Kerala State Housing Board for taking office building on lease: These lease arrangements are usually renewable on mutually agreed terms. During the year the company has paid lease rent amounting to Rs.114.72 Lakhs (P.Y. Rs.33.21 Lakhs) and

the lease rent so paid is included under the head Expenditure - Rent, Rates and taxes .

30.27.2 Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease , whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

The company has leased out its various assets to parties on operating lease basis. Future minimum lease rent receivables under operating lease are given below:

Operating Lease	As at 31st March 2018 (Rs. in lakhs)	As at 31st March 2017 (Rs. in lakhs)
Not later than one year	462.37	NIL
Later than one year and up to five years	2898.21	NIL
Beyond five years	1054.78	NIL

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

30.28.1 Key Management persons:

30.28.1.1 Shri. Elias George (Ex Managing Director) (up to 2nd November 2017)

30.28.1.2 Shri. A PM Mohammed Hanish, (Managing Director, effective from 2nd November 2017)

30.28.1.3 Shri. Abraham Oommen (Director-Finance) (upto 31st October 2017)

30.28.1.4 Shri. Kumar K R (Director-Finance) (from 4th April 2018)

30.28.1.5 Shri. Praveen Goyal (Director- System) (upto 23rd October 2017)

30.28.1.6 Shri. Thiruman Archunan (Director-Projects)

30.28.1.7 Shri. Anil Kumar B (Company Secretary)

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

Sl.No.	Particulars	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)
1	Salaries & Allowances	99.79	92.98
2	Contributions to Provident Fund and others	7.48	8.72
3	Other benefits	23.16	31.72
	Total (included in employee cost)	130.43	133.42

a) The Managing Director, Shri. A P M Mohammed Hanish was drawing his salary from "Kerala State Civil Supplies Corporation Limited" in his capacity as Chairman & Managing Director up to 31st May 2018 .Thereafter, he is on the payroll of KMRL.

b) 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.

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

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

Since the Project has a longer life, no indication exists for the impairment of assets and hence no impairment loss of asset is recognised in the accounts for the financial year.

30.30 Disclosure in respect of Ind AS -37 "Provisions , Contingent liabilities and Contingent Assets".

a) Provisions, Contingent liabilities and Contingent Assets

Amount (Rs. in lakh)

Particulars	Opening balance as on 01.04.2017	Additions/transf er / utilization during the year	Closing balance as on 31.03.2018
Provisions	903.47	1299.28	2202.75
Contingent liabilities			
• Towards Kochi Metro rail project	494.49	70722.19	71216.68
• Towards preparatory works under taken by KMRL on behalf of Government of Kerala (GOK)	130.11	3046.86	3176.97
• Bank Guarantee	77.55	37.04	114.59
• Statutory Authorities	NIL	73.84	73.84
Contingent Asset	NIL	NIL	NIL

As on 31st March 2018, twelve land acquisition cases are pending with the Sub-court Ernakulam and Additional District Court Ernakulam. The estimated additional amount on account of enhanced compensation, where claim statements have been filed by the petitioners, is estimated around Rs. 32,06.76 lakhs. This is included under contingent liabilities.

Further twenty-eight land acquisition cases are pending with the Sub-court Ernakulam and Additional District Court Ernakulam where claim statements have been made by the petitioners for an estimated amount of Rs. 30,54 lakhs for the preparatory works which is also included under Contingent liabilities

For the remaining cases, the claim statements are yet to be filed by the petitioners and hence KMRL is unable to quantify the present liability on account of such references. Liabilities, if any, in respect of these cases pending with the courts shall be provided after completion of the legal proceedings or on receipt of the final order.

30.31 Corporate Social Responsibility (CSR)

Companies Act 2013 mandates companies fulfilling criteria to spend / earmark amount out of profits towards CSR expenses with effect from 01.04 .2014 . Though , the CSR provisions are also applicab le to KMRL, the company has not spent any amount mandatorily on CSR, owing to the losses incurred during the current year.

30.32 Disclosure in respect of Ind AS - 107 "Financial Instruments: Disclosures"

30.32.1 Financial Instruments by categories

Particulars	As at 31st March 2018			As at 31st March 2017		
	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI
Financial Assets						
Other Financial assets (refer note no. 4 & 9)	594,15.19	-	-	526,58.96	-	-
Trade recievables	39.07	-	-	0.00	-	-
Total	594,54.26	-	-	526,58.96	-	-
Financial Liabilities						
Borrowings	2,60,226.10	-	-	2,00,499.81	-	-
Other Financial liabilities	32,757.25	-	-	28,822.33	-	-
Total	2,92,983.35			2,29,322.14		

30.32.2 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The company's financial assets and liabilities by category are summarized above. The main types of risks are market risk, credit risk and liquidity risk . The company's risk management focuses on actively securing the Company's short to medium term cash flows by minimizing the exposure to volatile financial markets.

The most significant financial risks to which the company is exposed are described below.

Market risk

The Company has foreign exchange risk and interest rate risk as the Market risk. Also company does not have price risk since company is not having any derivative financial asset. KMRL has not recognized any amount as foreign exchange rate variation, because, any exchange rate variation, on foreign currency, shall be borne by GOK.

Credit Risk

- Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The company is exposed to this risk for various financial instruments, for example by granting advances to employees receivable from customers, security deposits etc. The maximum exposure to the credit risk at the reporting date is primarily from carrying amount of following types of financial assets.
- Trade receivables
- Other financial assets measured at amortized cost

The company continuously monitors defaults of customers and other counter parties, identified either individually or by the company, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counter parties are obtained and used.

Credit risk management

Trade Receivables

The company has outstanding trade receivables (gross) amounting to Rs. 39.07 Lakhs and Rs.NIL as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risks related to trade receivables are mitigated by taking security deposit from customers. The company closely monitors the credit worthiness of the debtors and only deals with creditworthy parties. The company's internal systems are configured to define credit limits of customers, thereby limiting the credit risk to pre- calculated amounts.

Other financial assets

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

Expected credit losses - Company provides expected credit losses based on the following:

Trade receivables

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are

of good credit quality.

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

Amount (Rs. in lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Gross	Impairment	Gross	Impairment
Not past due	4.78	-	-	-
Past due less than three months	34.29	-	-	-
Past due more than three months not more than six months	-	-	-	-

Other financial assets measured at amortized loss

Credit risk related to employee festival loans are considered negligible. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that the amounts are within defined limits. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

30.33 Disclosure in respect of Ind AS -108, "Operating Segments "

The Company has only one reportable business segment, which is implementing the construction and operation of a Metro Rail Project in the city of Kochi. Other operating revenues including consultancy income, rental income earned from leasing space (in stations and outside stations), in respect of property development assets ,is considered as an integral part of the company's primary business under the internal decision making and performance measurement process of the company.

Accordingly, the amounts appearing in the financial statements are related to the Company's single business segment.

30.34 Disclosure in respect of Capital and other commitments

Capital and other commitments	As at 31.03.2018 (Rs. in lakhs)	As at 31.03.2017 (Rs. in lakhs)
Estimated amount of tangible asset contracts entered into by DMRC on behalf of KMRL (including foreign currency contracts net of advances) remaining to be executed and not provided for.	755,50.88	582,80.02
Estimated amount of contracts entered into by KMRL contracts (net of advances) remaining to be executed and not provided for		
a. Tangible asset	260,03.00	24,13.14
Total	1015,53.88	606,93.16

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

30.35 Dues to micro enterprises and small enterprises

As at March 31, 2018 and March 31, 2017, there are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.

30.36 Disclosure with respect to "Events after reporting period" IND AS 10

The assets installed at Aluva Station, Companyady Station and Muttom Yard , were severely damaged due to incessant rains and floods in Kerala State including Kochi during the period 15th August 2018 till 20th August 2018. KMRL is under the process of assessing the actual value of loss of assets due to the floods..The company has taken insurance with "The New India Insurance Company Limited" under the "Operational Large Risk Insurance Policy" to cover the risk on property damage.

30.37 Previous Year figures have been regrouped /re-arranged/reclassified, wherever necessary, to make them comparable to the current year's presentation .

In terms of our report of even date attached.

For K.Venkatachalam Aiyer & Co

For and on behalf of the Board of Directors

Chartered Accountants

IFRN: 004610S

A. Gopalakrishnan

A.P.M Mohammed Hanish

Kumar K.R

Partner

Managing Director

Director (Finance)

Membership No. : 18159

Anil Kumar

Company Secretary

Place: New Delhi

Place : New Delhi

Date : 14-Sep-2018

Date : 14-Sep - 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOCHI METRO RAIL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of KOCHI METRO RAIL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into 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 there

under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as 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. 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 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 (financial position) of the Company as at March 31, 2018, and its Loss (financial performance including Other Comprehensive Income), its Cash Flows and the Changes in Equity for the year ended on that date.

Other Matters

1. The comparative financial information of the company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards, included in these Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated 3 Oct, 2017 expressed an unmodified opinion

.Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the

“**Annexure A**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Companies Act, 2013, the compliance of which is set out in “**Annexure B**”

3. Further to our comments in Annexure A 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 purpose 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, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. According to the information and explanation given to us, the company is a government company. Therefore, provision of section 164(2) of the act is not applicable pursuant to the Gazette Notification No. G.S.R 463(E) dated 5th June, 2015 issued by the Government of India.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure C**”.

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

i. The Company has disclosed the impact of pending litigations on its financial position in financial statements (Refer Note No. 30.30 to the financial statements).

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

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

iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were

applicable for the period from 8th November 2016 to 30th December 2016 and are not relevant to these financial statements. Hence reporting under this clause is not applicable.

For **K. VENKATACHALAM AIYER & Co**

Chartered Accountants

ICAI Firm Registration No.: 004610S

Sd/-

CA A GOPALAKRISHNAN

Partner

Membership No. 18159

Place : New Delhi

Date : 14-Sep-2018

Annexure A to the Independent Auditors' Report of even date to the members of Kochi Metro Rail Limited on the financial statements for the year ended March 31, 2018

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

1. In respect of Company's Fixed Assets:

(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The company has a programme of physical verification of its fixed assets. In our Opinion, the periodicity of physical verification needs improvement having regard to the size of the Company and nature of its business.

(c) According to the information and explanations given by the management and based on the examination of the records of the Company, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company except for 21.81 hectares of land for which the registration of title Deeds is in progress. As informed by the Management, the documentation is in progress and the same is handled by Revenue department of Government of Kerala.

2. The Company does not have any other stock of inventory. Hence, this clause is not applicable.

3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships 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, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of grant of loans, making investments and providing guarantees and securities.

5. The Company has not accepted any deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable to the Company.

6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company

7. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Goods and Services Tax, Service

Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.

b) According to the information and explanation provided to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Goods and Services Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

According to the records of the company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess which have not been deposited as on 31st March 2018 on account of dispute.

8. In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowings to Financial Institutions, Banks or government.

9. In our opinion and according to the information and explanations given to us, monies raised by way of term loans have, prima facie, been applied by the Company during the year for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information explanations provided by the management, we report that no fraud on the company by the officers and employees of the company has been noticed or reported during the year.

11. As per notification no. G.S.R 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to Government Companies. Accordingly, provisions of clause 3(xi) of the Order are not applicable to the Company.

12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the company's transactions with its related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting

requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

15. According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of the Companies Act 2013.

16. According to the information and explanations provided to us, the provisions of section 45-I of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **K. VENKATACHALAM AIYER & Co**

Chartered Accountants

ICAI Firm Registration No.: 004610S

Sd/-

A GOPALAKRISHNAN

Partner

Membership No. 18159

Place : New Delhi

Date : 14-Sep-2018

Annexure B to the Independent Auditor’s Report of even date to the members of Kochi Metro Rail Limited on the financial statements for the year ended March 31, 2018

Referred to in Paragraph 2 under ‘Report on Other Legal and Regulatory Requirement’ of our report to the members of Kochi Metro Rail Limited on the accounts for the year ended 31st March, 2018

Sl. No.	C&AG Directions	Comments of Statutory Auditing
1	<p>Whether the company has clear title/lease deeds for freehold and leasehold land respectively?</p> <p>If not please state the area of freehold and leasehold land for which title/lease deeds are not available.</p>	<p>According to the information and explanations given to us, the company has taken over possession of 32.52 hectares of private land.</p> <p>Off the above, 10.71 hectares of land have been registered as per Government Records, in the name of the company and registration of 21.81 hectares of land in the name of the company is under progress. Further it appears that the title deeds pertaining to land with an extent of 3.33 Ares of land are erroneously registered in the name of the company and hence it is not included in the fixed assets of the Company.</p>
2	<p>Please report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons therefore and the amount involved”.</p>	<p>On verification of the records furnished before us and according to the information and explanations given to us, there are no cases of waiver / write off of any debts / loans / interest.</p>
3	<p>Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities.</p>	<p>According to the information and explanations given to us there are no inventories lying with any third parties. Further no assets or gifts were received from Government or other authorities during the year 2017-18. However, metro works are under progress in land with an extent of 1.63 hectares belonging to various Government bodies/departments. Pending finalisation of the price, transfer formalities and other terms and conditions, these parcels of lands are not included in the fixed assets.</p>

4	The financial impact of enhanced compensation claimed for acquisition of land and its accounting treatment may be commented upon	According to the information and explanations given to us, twelve land acquisition cases are pending with the Sub-court Ernakulam and Additional District Court Ernakulam. The estimated additional amount on account of enhanced compensation, where claim statements have been filed by the petitioner is around Rs. 32,06.76 lakhs. This value is included under contingent liabilities in Note No 30.30.
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For **K. VENKATACHALAM AIYER & Co**
Chartered Accountants
ICAI Firm Registration No.: 004610S

Sd/-
A GOPALAKRISHNAN
Partner
Membership No. 18159

Place : New Delhi
Date :14-Sept-2018

Annexure C to the Independent Auditor's Report of even date to the members of Kochi Metro Rail Limited on the financial statements for the year ended March 31, 2018

(Referred to in paragraph 2(f) under 'Report on Other Legal & Regulatory Requirement' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Kochi Metro Rail Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **K. Venkatachalam Aiyer & Co**

Chartered Accountants
ICAI Firm Registration No. 004610S

Sd/-
CA A GOPALAKRISHNAN
Partner
Membership No. 18159
Place : New Delhi

Date : 14-Sep-2018



भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
तथा पदेन सदस्य लेखा परीक्षा बोर्ड, 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, KOCHI FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of financial statements of Kochi Metro Rail Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14 September 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Kochi Metro Rail Limited for the year ended 31 March, 2018 under section 143(6)(a). 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 supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the act.

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

Sd/-

(R. AMBALAVANAN)

**Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai**

Place: Chennai

Date : 2 November 2018