

ANNUAL REPORT 2012-2013





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INDEX

Page No.

1. Board of Directors	3
2. Notice of AGM	4
3. Chairman's Letter to Shareholders	6
4. Directors' Report.....	9
5. Report on Corporate Governance	13
6. Accounts for the year 2012-13.....	17
7. Cash Flow Statement for the year 2012-13	32
8. Auditors' Report.....	36
9. Comments of the Comptroller & Auditor General of India.....	40

Kochi Metro Rail Limited



REGISTERED OFFICE:

8th Floor,
Revenue Tower, Park Avenue Road
Kochi – 682 011
Kerala, India
Phone: +91 484 2350 455
Fax No. +91 484 2360 686
www.kochimetro.org

STATUTORY AUDITORS

M/s. T.D.M Raja & Co.
Chartered Accountants
Easland Enclave, SA Road
Ernakulam

INTERNAL AUDITORS

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

COMPANY SECRETARY

B. Anilkumar

OUR BANKS

Canara Bank
State Bank of India
State Bank of Travancore
Indian Bank
HDFC Bank Ltd.
Axis Bank Ltd.
IDBI Bank Ltd.
Federal Bank Ltd.
Dhanalaxmi Bank Ltd.



BOARD OF DIRECTORS

Dr. Sudhir Krishna	: Chairman, KMRL Secretary, Ministry of Urban Development, Room No.122 C, Nirman Bhavan, New Delhi
Shri. C.K. Khaitan	: Joint Secretary (UT) Ministry of Urban Development, Room No.138 C, Nirman Bhavan, New Delhi.
Shri. Sudhir Mital	: Addl. Member Railway Board, Room No.131, Railway Board, Ministry of Railways, Rail Bhawan, New Delhi.
Shri. S.D. Sharma	: Director (Business Development) Delhi Metro Rail Corporation Ltd., Metro Bhavan, Barakhamba Road, New Delhi.
Shri. D.D. Pahuja	: Director Rolling Stock & Signaling & Electrical, Bangalore Metro Rail Corporation Ltd., 3rd Floor, BMTCL Complex, Shanthinagar, Bangalore.
Shri. Elias George	: Managing Director Kochi Metro Rail Ltd., 8th Floor, Revenue Tower, Kochi.
Shri. Bharat Bhushan	: Chief Secretary Govt. of Kerala, Secretariat, Thiruvananthapuram.
Shri. V.J. Kurian	: Principal Secretary Govt. of Kerala, Secretariat, Water Resources Dept, Thiruvananthapuram.
Dr. V.P. Joy	: Principal Secretary (Finance) Govt. of Kerala, Secretariat, Thiruvananthapuram.
Shri. Sheik Pareeth	: District Collector Collectorate, Kakkanad, Ernakulam.
Shri. Mahesh Kumar	: Director (Projects) Kochi Metro Rail Limited, 8th Floor, Revenue Tower, Park Avenue Road, Kochi.
Shri. Abraham Oommen	: Director (Finance) Kochi Metro Rail Limited, 8th Floor, Revenue Tower, Park Avenue Road, Kochi.
Shri. Ved Mani Tiwari	: Director (Systems) Kochi Metro Rail Limited, 8th Floor, Revenue Tower, Park Avenue Road, Kochi.



NOTICE

Notice is hereby given that the Second Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 26th of September 2013 at 12:00 Noon at the Registered Office of the Company at Revenue Tower, 8th Floor, Park Avenue Road, Opp. Boat Jetty, Kochi - 682011, to transact the following businesses:

Ordinary Business:

1. Adoption of Annual Accounts.

To receive, consider and adopt the Balance Sheet of the Company as on 31st March 2013, the Profit and Loss Account of the Company for the year ending on that date and other statements along with the Report of Board of Directors and Statutory Auditors, Comments of Comptroller and Auditor General of India under Section 619 (2) of the Companies Act 1956 and Management Reply thereto.

2. Fixation of remuneration to the Statutory Auditors M/s. T.D.M. Raja & Co., Chartered Accountants appointed by the Comptroller and Auditor General of India for the financial years 2012-13 and 2013-14.

Special Business:

3. To consider and if thought fit, to pass with or without modification, the following as an ordinary resolution:

RESOLVED THAT Mr. Mahesh Kumar, Director (Projects), appointed by the Board of Directors, under section 260 of the Companies Act 1956 be and is hereby appointed as Director of the Company.

4. To consider and if thought fit, to pass with or without modification, the following as an ordinary resolution:

RESOLVED THAT Mr. Abraham Oommen, Director (Finance), appointed by the Board of Directors, under section 260 of the Companies Act 1956 be and is hereby appointed as Director of the Company.

5. To consider and if thought fit, to pass with or without modification, the following as an ordinary resolution:

RESOLVED THAT Mr. Ved Mani Tiwari, Director (Systems), appointed by the Board of Directors, under section 260 of the Companies Act 1956 be and is hereby appointed as Director of the Company.

Explanatory statement pertaining to Item Nos. 3 to 5 above is attached herewith.

By Order of the Board of Directors

B. Anilkumar
Company Secretary

Place : Kochi
Date : 02.09.2013



Notes:

1. 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.
2. The form of proxy duly stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Mr. Mahesh Kumar, Mr. Abraham Oommen and Mr. Ved Mani Tiwari were appointed as Whole Time Directors based on the selection made by the Selection Committee and approved by the Board. Pursuant to Section 260 of the Companies Act 1956, the Directors so appointed will continue only till the conclusion of the ensuing Annual General Meeting. Hence the resolution. (All the Directors mentioned above will be deemed to be interested in the resolution as the proposal relates to their respective appointments).



CHAIRMAN'S LETTER TO SHAREHOLDERS

I have great pleasure in welcoming you to the second Annual General Meeting of your Company. As you would recall, your Company was established as an equal equity joint venture between the Government of India and the Government of Kerala in September 2012 for setting up a modern Metro Rail system at Kochi; traversing a length of 25.612 kms at an estimated cost of ₹.51817.9 Million.

The implementation of the project is now well underway, and the Delhi Metro Rail Corporation (DMRC) is the designated agency for executing the works on ground. An agreement was signed between KMRL and DMRC on 23rd May 2013 delineating the respective roles, responsibilities and obligations of KMRL and DMRC in the implementation of the project. On 7th June 2013, the construction work of the Metro Rail project was inaugurated by the Hon'ble Shri. Oommen Chandy, Chief Minister of Kerala.

The execution of the project will be overseen by a Project Steering Committee comprising of a Director each from KMRL and DMRC and chaired by the MD of KMRL. This Committee is also tasked with identifying and remedying issues and obstacles hindering the pace of implementation, as well as settling any differences that may arise regarding implementation modalities. The Board of your Company also reviews the progress attained at its periodic meetings.

Out of the total extent of 40.409 Ha. of land required for the project, around 26.430 Ha. has been taken over by KMRL, while the remaining parcels of land are expected to be taken over in the next few weeks. In addition to this, an extent of 94.525 Ha. of land required for the proposed 'Metro Village' at Muttom has to be acquired. The Government of Kerala has recently accorded environmental clearance for acquiring this land.

Your Company is anxious to ensure that project implementation is undertaken without any significant adverse environmental, social or economic impacts. The selection of Consultants for conducting the Environmental Impact Assessment, Social Impact Assessment and for preparing an R&R plan is underway. Steps are being taken to ensure that the Metro system provides equitable access to the differently-abled, elderly persons & women; and the Board has instructed the management to ensure that measures for enabling equity of access are incorporated into the Metro system right from the initial design stage onwards.

The welfare of the labour working on the construction of the Metro system is a key concern of your Company, and an officer has been designated by KMRL to ensure adequate labour protection measures at the work-sites, in consultation with DMRC.

In terms of the Sanction Order for the Metro project, an amount of ₹. 21,700 Million is proposed to be sourced as debt. Presently, the project expenditure is being undertaken from the equity releases made by the Union Government as well as the Government of Kerala. Proposals for availing external financial assistance from overseas lending agencies like Agence Francaise De Development (AFD) and Japan International Cooperation Agency (JICA) are underway,



and it is expected that the overseas loan would be finalized shortly. A proposal to source domestic loans from Commercial Banks is at an advanced stage of consideration, and we are expecting that financial closure will be attained early next year.

Your Company is also in the process of being built up as an organization that is capable of not just implementing the Kochi Metro Rail project, but of also acting as a total solutions' provider for urban transportation requirements in Kerala. Your Company has inducted 3 full-time Directors to head the functional directorates of Projects, Finance and Systems, and now the Board of your Company has a complement of 13 Directors, as against the approved strength of 15. The approved manpower strength of the Company is now 122, and the recruitment process is underway for sourcing qualified professionals for various functions.

The Board of your Company has met 14 times since its inception, and 6 times in the financial year 2012-13. The Sub-Committees of the Board have recently been recast in light of the evolving functional requirements of the Company.

Your Company has also launched a number of complementary initiatives for upgrading the transportation infrastructure of the city as well as its urban amenities in the context of the proposed commissioning of the Metro system. A key initiative is the creation of a Unified Metropolitan Transport Authority (UMTA). The Government of Kerala has recently constituted a multi-stakeholder Committee for UMTA under the Chairmanship of the MD, KMRL with the objective of evolving and implementing an effective integrated transportation network and system for Kochi by the time the Metro Rail is commissioned. Your Company has also commissioned a detailed study by Urban Mass Transit Company (UMTC) for preparing a Transit Oriented Development (TOD) plan along the Metro corridor of Kochi city. I am glad to inform you that the Government of Kerala has leased out 18 acres of land at Kakkanad to your Company for setting up a Metro City, which will provide modern urban facilities to the citizens of Kochi, while adding to the Company's revenue streams. The Kochi Metro Village is also proposed to be set up on 230 acres of land at Muttom, adjacent to the Metro yard. It is expected that this Metro Village will be one of the prime urban development locales of the State of Kerala, with a mix of facilities including commercial and residential spaces, recreational areas and other urban amenities. A feasibility study has also been commissioned in respect of the second phase of the Metro Rail project for extending it to Angamaly, Kakkanad and the Western Islands.

While your Company's primary focus is on setting up a world-class Metro at Kochi within the stipulated time and costs, your Company is also anxious to ensure that complementary measures like UMTA, TOD and other city upgradation programmes are implemented in tandem. Your Company is conscious of the need to ensure the participation of all stakeholders and wider sections of the public in this endeavor, and is attempting to reach out in an interactive mode through its website and other forms of new social media.

It is our hope that the effective implementation of the Metro Rail project will be a tipping point for the transformation of the city, and for improving the quality of living for all sections of society in Kochi.

Kochi Metro Rail Limited



The Audited Accounts, the Reports of the Directors and Auditors and the comments of the Comptroller and Auditor General of India as well as the notice to shareholders have already been circulated to you and with your permission, we will formally transact the business specified in the notice calling the Annual General Meeting.

Thanking you,

(Sd/-)

Dr. Sudhir Krishna
Chairman



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Second Annual Report of your Company along with the audited Annual Accounts for the year ending 31st March 2013, the Report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956. As you are aware, Kochi Metro Rail Limited was incorporated with the object of establishing a State-of-the-Art Metro Rail system in the Greater Kochi area. Your Directors are happy to report that the foundation stone for the Kochi Metro project was laid on 13th September 2012 by Hon'ble Dr. Manmohan Singh, Prime Minister of India. The civil work of the Metro project was launched on 7th June 2013 by Hon'ble Sri. Oommen Chandy, Chief Minister of Kerala.

Progress of the project

The execution of the present phase of the Kochi Metro project has been entrusted to the Delhi Metro Rail Corporation Ltd. (DMRC). An agreement to this effect has been signed between KMRL & DMRC on 23rd May 2013. The project is divided into four reaches in respect of the civil infrastructure, and these civil contracts have been awarded to leading construction companies. The procurement process for other key elements of the Metro system, like Rolling Stock, Traction, Signaling & Telecommunication, etc., are at various stages of bidding, following the International Competitive Bidding (ICB) process.

This phase of the project requires a total area of 40.409 hectares, out of which 26.430 hectares has been taken over by your Company. Land acquisition is being undertaken following a fast-track procedure of negotiated purchases.

Your Company is anxious to ensure that the Kochi Metro Rail system provides equitable access to differently abled and elderly persons. Measures are being taken to incorporate appropriate facilities towards this end, right from the design stage. Kochi Metro Rail will also be a women-friendly system, with adequate facilities for ensuring the convenience and safety of women commuters.

Your Company is also anxious to ensure that the adverse social and environmental impact of the project is minimized and managed following the best international practices in this regard. Your Company is engaging a consultant for undertaking a comprehensive social impact study and for preparing a 'best-in-class' Rehabilitation and Resettlement policy for the project-affected persons and institutions.

Apart from the construction of the Metro Rail, your Company is also taking up a number of initiatives for improving urban facilities for optimizing benefits from the induction of the Metro in the city of Kochi. A key initiative in this regard is the formulation of the Transit Oriented Development (TOD) plan for regulating urban development along the Metro corridor. A TOD Committee has been formed for this purpose by the State Government, under the chairmanship of the MD, KMRL. The National Transportation Planning and Research Centre (NATPAC), which is an agency of the State Government, along with Urban Mass Transit Company (UMTC), has been awarded the work of preparing a detailed TOD plan along the Metro corridor.



Another key initiative in this regard is the formation of the Unified Metropolitan Transport Authority (UMTA) for the metropolitan area of Kochi with appropriate statutory backing. The State Government has formed a Committee for working out a road map for UMTA- Kochi under the chairmanship of the MD, KMRL. The purpose of this initiative is to integrate the various modes of urban transport in the Greater Kochi area from a commuter-centric point of view, particularly by bringing about a centralized command and control system for the operation of various modes of urban transport including the bus system, the Metro Rail and the water transport system.

Your Company also aims to be a Green company and to set up a Green Metro Rail system with minimum environmental impacts. Your Company plans to associate with Indian Green Building Council (IGBC) to facilitate green designs for the Metro stations as well as their surroundings. Your Company is also launching a tree planting initiative in the city as part of its CSR obligations. Already, a number of saplings have been distributed as part of this initiative, and a comprehensive planting plan will be drawn up for key locations of Kochi city.

Your Company is also set to become a paperless office with the installation of a Digital Document Filing System (DDFS). This would introduce an efficient system of management, besides preserving the environment by reducing use of paper.

For maximizing the benefits to the Greater Kochi from the establishment of the Metro Rail system, it is essential to complete the Metro project by providing a return loop from the tail end of the first phase (i.e. Petta / Tripunithura) towards the Kochi Airport and beyond. There have also been demands from the city for extending the Metro Rail in the subsequent phase to the Western islands. Consequently, your Company has commissioned M/s. Rail India Technical and Economic Service Ltd. (RITES) to conduct a feasibility study for the proposed extension of the Metro system, and the report is expected in seven months.

Project Funding

Out of the total envisaged project cost of ₹. 5,181.79 crore, around ₹. 2,170 crore is to be availed as credit from financial institutions including commercial banks and international agencies. Discussions are at an advanced stage with domestic banks, for the domestic component of the anticipated loan. Proposals have also been submitted to two international funding agencies i.e., AFD and JICA. The discussions with AFD are at an advanced stage and it is expected that financial closure would be attained before March 2014.

Directors' Responsibility Statement:

As required under section 217 (2AA) of the Companies Act 1956, your Directors hereby confirm –

- i. That in the preparation of the Annual Accounts for the year ended 31st March 2013, applicable Accounting Standards had been followed along with proper explanation relating to material departures, wherever necessary.
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year ended 31st March 2013.



- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the annual accounts on a going concern basis.

As your Company has not bought back any shares during the period under report, the information relating to Section 217(2B) is not applicable to the Company.

Directors:

The Company has 13 Directors, out of whom 5 Directors are nominees of the Union Government and 5 are the nominees of State Government with 3 full-time Functional Directors. The Chairman of the Board is a nominee of the Union Government and the Managing Director is a nominee of the Government of Kerala. The present Board of Directors consists of the following persons:

1. Dr. Sudhir Krishna - Chairman
2. Shri. C.K. Khaitan - Director
3. Shri. Dev Dutt Pahuja - Director
4. Shri. Sudhir Mital - Director
5. Shri. Som Dutt Sharma - Director
6. Shri. E.K. Bharat Bhushan - Director
7. Shri. V.P.Joy - Director
8. Shri. V.J. Kurian - Director
9. Shri. Sheik Pareeth - Director
10. Shri. Elias George - Managing Director
11. Shri. Mahesh Kumar - Director (Projects)
12. Shri. Abraham Oommen - Director (Finance)
13. Shri. Ved Mani Tiwari - Director (Systems)

After the last Annual General Meeting, the following Directors were inducted, based on nominations received/ appointments made by the Board:

1. Shri. Som Dutt Sharma, Nominee Director, Government of India
2. Shri. C.K. Khaitan, Nominee Director, Government of India
3. Shri. E.K. Bharat Bhushan, Nominee Director, Government of Kerala
4. Shri. Mahesh Kumar, Functional Director
5. Shri. Abraham Oommen, Functional Director
6. Shri. Ved Mani Tiwari, Functional Director

All the functional Directors as above appointed by the Board will continue in office till conclusion of the ensuing Annual General Meeting pursuant to Section 260 of the Companies Act 1956. Necessary resolutions proposing their appointment have been put up in the notice convening the Annual General Meeting.

**Note of Appreciation:**

The Board places on record its appreciation for the valuable services rendered and expert advice provided by the Directors whose tenure ceased during the year 2012-13.

Auditors:

M/s TDM Raja & Co., Chartered Accountants, Ernakulam were appointed as Auditors of the Company by the Comptroller and Auditor General of India and they will continue in office till the conclusion of the ensuing Annual General Meeting. Pursuant to Section 224(8)(aa) of the Companies Act 1956, the remuneration payable has to be approved by the members in the Annual General Meeting. Necessary resolution, as recommended by the Board for payment of remuneration to the Auditors, is being placed at the Annual General Meeting. Your Directors recommend adoption of the resolution.

Share Capital:

The authorized share capital of your company remains ₹. 2,000 crore and the paid up share capital as on 31st March 2013 is ₹. 5 crore.

Personnel:

As on date of this report the manpower position of the Company stands at 38 as against the sanctioned strength of 122, including staff to be sent to DMRC.

There were no employees drawing remuneration in excess of the limits specified under Section 217(2A) of the Companies Act 1956 during the year under report.

Conservation of energy, technology upgradation and foreign exchange transaction:

Your company does not fall within the list of industries, which have to compulsorily disclose the steps taken for conservation of energy, technology upgradation, etc. However, all steps are being taken to adopt latest technologies in the construction of civil engineering structures and system components with emphasis on energy efficiency. There is no foreign exchange inflow or outflow during the period under report.

Acknowledgement:

Your Directors wish to place on record their sincere appreciation and thanks for the assistance rendered by the Central / State Government and local body authorities, Office of C&AG, Statutory Auditors, Financial Institutions including Commercial Banks, Delhi Metro Rail Corporation Ltd., Company's Vendors and Advisors, customers and all others connected with the affairs of the Company. The Board also places on record its sincere appreciation for the whole-hearted co-operation extended by the officers and other staff members of the Company.

For and on Behalf of the Board of Directors

Sd/-

Dr. Sudhir Krishna
Chairman

Place: Thiruvananthapuram

Date: 27th August 2013



REPORT ON CORPORATE GOVERNANCE

Kochi Metro Rail Limited (KMRL) is registered as a public limited company, with equal equity participation of both the Government of India (GoI) and the Government of Kerala (GoK). As a Board managed company in the Public Sector, it believes in the philosophy of adhering to impeccable corporate governance practices by ensuring transparency, accountability and standards of fair dealing and ethics for attaining its corporate objectives of providing a safe, reliable, efficient, viable and customer-friendly metro system for the city of Kochi.

The Company performs its functions transparently in line with the relevant guidelines. The Company also follows the CVC guidelines, the Articles of Association (AoA) of the Company, the provisions of the Companies Act 1956, applicable Accounting Standards, regulations prescribed by authorities like the C&AG, provisions of the Right to Information Act 2005 and Rules made thereunder.

1. Board of Directors:

In accordance with Article 116 of the AoA of the Company, the Board shall comprise of a minimum of 3 Directors and may have a maximum of 15 Directors. The company has a well-balanced Board, enriched with the presence of 13 Directors who are eminent professionals. Apart from 3 functional directors appointed by the Company, the GoI and GoK have nominated 10 directors, with the Chairman being nominated by the GoI and the Managing Director by the GoK.

The Board guides the Company in fulfilling its objectives and achieving stakeholders' satisfaction, in line with the vision and mission of the Company. The Board enables the Company to pursue its objectives through appropriate delegation of powers.

Board Meetings are conducted regularly for critical evaluation and review of the performance of the company and for ensuring effective implementation of management decisions. 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/Committee Meetings:

- i. The meetings are convened by giving appropriate notice after obtaining approval of the Chairman of the Board. To address specific urgent need, 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 1956.
- ii. 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.
- iii. In special and exceptional circumstances, additional or supplemental items(s) not on the agenda are taken up for discussion with the permission of the Chair.



- iv. The Board is also informed of major events/items of approvals taken whenever necessary. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.
- v. A review of the status of actions taken on the directives of the Board in earlier meetings also forms a part of the Agenda.
- vi. The members of the Board have complete access to all information of the Company.

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 Meeting are recorded and are entered in the minutes Book. 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 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, 1956, the AoA and the CVC guidelines.

The management and employees of the Company are committed to discharging their duties and responsibilities with a value based approach. The employees of the Company are required to function with high moral standards and values and their actions and deeds are subject to the code of conduct approved and adopted by the Board.

2. Meetings of shareholders:

The First Annual General Meeting of the shareholders of the company was held on 28th December, 2012 at the Registered Office of the company. An Extra-ordinary General Meeting of the shareholders was held on 30th May, 2013 at the Registered Office of the Company for obtaining necessary approval to borrow money in excess of the paid-up capital and free reserves of the company as required under the Companies Act 1956, and also to create a security for the credit facilities that would be availed by the company.

3. Audit Committee:

In compliance with the provisions of Section 292A of the Companies Act 1956 and in line with the CPSE guidelines, the Board had constituted an Audit Committee comprising of the following Members of the Board :

- 1. Dr. V.P. Joy, IAS - Chairman
- 2. Shri Sheik Pareeth - Member
- 3. Shri. D.D. Pahuja - Member
- 4. Shri. C.K.Khaitan - Member

The Committee met on 21.05.2013 and 24.08.2013.



4. Board Sub committees:

In its 14th meeting on 27th August 2013, the Board reconstituted the Sub committees including the Audit Committee, with appropriate Terms of Reference. The Sub committees and its constituents are as follows:-

S/N	Name of Committee	Constituents
1	Audit Committee	Principal Secretary (Finance), GoK - Chairman Shri. D.D. Pahuja Shri. C.K. Khaitan Shri. Sheik Pareeth Shri. Ved Mani Tiwari, Director (Systems)
2	Human Resources Development Committee	Managing Director - Chairman Shri. Sudhir Mital Shri. V.J. Kurian Shri. Abraham Oommen, Director (Finance) Shri. Mahesh Kumar, Director (Projects) Shri. Ved Mani Tiwari, Director (Systems)
3	O&M Committee	Managing Director - Chairman Principal Secretary (Finance), GoK Shri. D.D. Pahuja Shri. Ved Mani Tiwari, Director (Systems) Shri. Abraham Oommen, Director (Finance) Shri. Mahesh Kumar, Director (Projects)
4	Project Management Committee	Managing Director - Chairman Shri. S.D. Sharma Shri. C.K. Khaitan Shri. Mahesh Kumar, Director (Projects) Shri. Abraham Oommen, Director (Finance) Shri. Ved Mani Tiwari, Director (Systems)
5	Investment Committee	Managing Director - Chairman Principal Secretary (Finance), GoK Shri. V.J. Kurian Shri. Abraham Oommen, Director (Finance) Shri. Ved Mani Tiwari, Director (Systems)
6	Procurement Committee	Managing Director - Chairman Shri. S.D. Sharma Shri. Abraham Oommen, Director (Finance) Shri. Mahesh Kumar, Director (Projects) Shri. Ved Mani Tiwari, Director (Systems)
7	Property Development Committee	Managing Director - Chairman Shri. V.J. Kurian Shri. Sheik Pareeth Shri. Abraham Oommen, Director (Finance) Shri. Mahesh Kumar, Director (Projects) Shri. Ved Mani Tiwari, Director (Systems)



5. Board Meetings:

During the financial year ended 31st March 2013, six board meetings were convened of which the 5th meeting did not take place for want of quorum. The attendance of each of the current Directors of the Company at the Board meetings held during their tenure is as given below:

Sl. No.	Name	Meetings held in 2012-13 during the tenure of their Directorship	No. of Board meetings attended
1.	Dr. Sudhir Krishna	4	4
2.	Shri. C.K.Khaitan	Nil	Nil
3.	Shri. Dev Dutt Pahuja	4	4
4.	Shri. Sudhir Mital	Nil	Nil
5.	Shri. Som Dutt Sharma	Nil	Nil
6.	Shri. E.K.Bharat Bhushan	Nil	Nil
7.	Shri. V.P.Joy	5	5
8.	Shri. V.J.Kurian	4	4
9.	Shri. Sheik Pareeth	5	5
10.	Shri. Elias George	3	3
11.	Shri. Mahesh Kumar	Nil	Nil
12.	Shri. Abraham Oommen	Nil	Nil
13.	Shri. Ved Mani Tiwari	Nil	Nil

6. Disclosures

- 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 potential conflict of interest with the interest of the company at large.
- There were no cases of any statutory non-compliances by the company or any instances of penalties imposed or strictures against the company by any statutory authority.
- There were no items of expenditure debited in books of accounts, which were not for the purpose of the business of the Company.

7. Company's Website:

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

Address for Correspondence:

Registered Office:

Kochi Metro Rail Limited, 8th Floor, Revenue Tower, Park Avenue, Kochi-682 011,
www.kochimetrail.org.

**ACCOUNTS
FOR THE YEAR 2012-2013**





KOCHI METRO RAIL LIMITED
Revenue Tower, Park Avenue, Kochi - 682011, Kerala, India
BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	Figures as at the end of current reporting period 2012-13 (₹)	Figures as at the end of previous reporting period 2011-12 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1.1	50,000,000	25,000,000
(b) Reserves and Surplus		-	-
(c) Money received against share warrants		-	-
(2) Share application money pending allotment	2	1,253,000,000	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	3.1	2,092,500,000	-
(b) Deferred tax liabilities (Net)	3.2	1,296,096	716,720
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	4.1	202,931,578	404,700,081
(d) Short-term provisions	4.2	350,000	-
Total		3,600,077,674	430,416,801
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	5.1	20,478,544	22,577,980
(ii) Intangible assets	5.2	1,523,082	1,835,601
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets	5.3	1,429,748	2,904,460
(2) Current assets			
(a) Current investments	6.1	3,511,006,729	66,345,212
(b) Inventories	6.2	229,986	41,410,000
(c) Trade receivables	6.3	65,409,585	295,343,548
(d) Cash and cash equivalents		-	-
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
Total		3,600,077,674	430,416,801

Explanatory notes forming part of accounts are attached.

For and on behalf of the Board of Directors

(Sd/-)
Abraham Oommen
Director (Finance)

(Sd/-)
Elias George
Managing Director

As per our report of even date attached

For T.D.M Raja & Co
Chartered Accountants
(Sd/-)

T.D.M Raja, F.C.A.
(M.No. 005574)
Partner

Place : Ernakulam
Date: 24th May 2013

Place: Ernakulam
Date: 5th June 2013



KOCHI METRO RAIL LIMITED

Revenue Tower, Park Avenue, Kochi - 682011, Kerala, India

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No	Figures as at the end of current reporting period 2012-13	Figures as at the end of previous reporting period 2011-12
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I +II)		-	-
IV. Expenses:			
Expenses towards Government works			-
Employee benefit expense			-
Financial costs			-
Depreciation and amortization expense			-
Other expenses			-
Total Expenses		-	-
V. Profit before exceptional and extraordinary items and tax (III - IV)		-	-
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax		-	-
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		-	-
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations (IX-X)		-	-
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		-	-
XVI. Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-

For and on behalf of the Board of Directors

As per our report of even date attached

(Sd/-)
Abraham Oommen
Director (Finance)

(Sd/-)
Elias George
Managing Director

For T.D.M Raja & Co
Chartered Accountants
(Sd/-)

T.D.M Raja, F.C.A.
(M.No. 005574)
Partner

Place : Ernakulam
Date: 24th May 2013

Place: Ernakulam
Date: 5th June 2013

**NOTES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2013****SHARE CAPITAL**

NOTE 1.1

Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹. 100 each	200,000,000	20,000,000,000	200,000,000	20,000,000,000
Issued				
Equity Shares of ₹.100 each	500,000	50,000,000	250,000	25,000,000
Subscribed & fully Paid up				
Equity Shares of ₹.100 each fully paid	500,000	50,000,000	250,000	25,000,000
Subscribed but not fully Paid up	-	-	-	-
	500,000	50,000,000	250,000	25,000,000

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Equity Shares			
	As at 31.03.2013		As at 31.03.2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	250,000	25,000,000		
Shares Issued during the year	250,000	25,000,000	250,000	25,000,000
Shares bought back during the year	-		-	-
Any other movement (please specify)	-		-	-
Shares outstanding at the end of the year	500,000	50,000,000	250,000	25,000,000

Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule VI to the Companies Act, 1956

Rights, preferences and restrictions attached to each class of shares:

NIL

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

Out of Equity and Preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

NIL

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	Equity Shares			
	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Government of Kerala	250,000	50	250,000	100
2. Government of India	250,000	50		



Disclosure pursuant to Note no. 6(A)(h) of Part I of Schedule VI to the Companies Act, 1956

Shares reserved for issue under options and contracts:

NIL

Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	
Shares bought back	

Disclosure pursuant to Note no. 6(A)(j) of Part I of Schedule VI to the Companies Act, 1956

Terms of any securities convertible into equity/preference shares issued :

NIL

Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956

Unpaid Calls	Numbers
By Directors	NIL
By Officers	

Disclosure pursuant to Note no. 6(A)(l) of Part I of Schedule VI to the Companies Act, 1956

Forfeited shares :

NIL

As per Point No. 6G of General Instructions for Preparation of Balance Sheet

Share Application money pending allotment

Note 2

Share Application Money Pending Allotment			As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
G(g)	Share Application Money Pending Allotment received :	Govt of Kerala: 1,05,00,00,000 Government of India: 20,30,00,000	1,253,000,000	-

Disclosure pursuant to Note no. 6G of Part I of Schedule VI to the Companies Act, 1956

Share application money not exceeding the issued capital and to the extent not refundable disclosed under this line item.

Sl. no	Particulars	As at 31 March 2013	As at 31 March 2012
1	Terms and conditions		
2	number of shares proposed to be issued		
3	the amount of premium, if any	Nil	-
4	the period before which shares are to be allotted		
5	whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	



Sl. no	Particulars	As at 31 March 2013	As at 31 March 2012
6	The period for which the share application money has been pending beyond the period for allotment as mentioned in the share application form along with the reasons for such share application money being pending.		

As per Point No. 6C of General Instructions for Preparation of Balance Sheet NOTE 3.1

C.	Long Term Borrowings	As at 31 March 2013 ₹	As at 31 March 2012 ₹
(i)	Long-term borrowings shall be classified as:		
(a)	Bonds/debentures		
(b)	Term loans - from banks - From other parties		
(c)	Deferred payment liabilities.		
(d)	Deposits.		
(e)	Loans and advances from related parties.		
(f)	Long term maturities of finance lease obligations		
(g)	Other loans and advances: Sub-Debt from Government of Kerala	2,092,500,000	-
(ii)	Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.		
(iii)	Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed.		
(iv)	Bonds/debentures (along with the rate of interest and particulars of redemption or conversion, as the case may be) shall be stated in descending order of maturity or conversion, starting from farthest redemption or conversion date, as the case may be. Where bonds/debentures are redeemable by installments, the date of maturity for this purpose must be reckoned as the date on which the first installment becomes due.		
(v)	Particulars of any redeemed bonds/ debentures which the company has power to reissue shall be disclosed.		
(vi)	Terms of repayment of term loans and other loans shall be stated.		
(vii)	Period and amount of continuing default as on the balance sheet date in repayment of loans and interest, shall be specified separately in each case.		



Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

Long Term Borrowings	As at 31 March 2013 ₹	As at 31 March 2012 ₹
Secured		
(a) Bonds/debentures *(state in descending order of maturity or conversion, starting from the farthest redemption or conversion date)		
____ (Previous Year: ____) ____ % Debentures of ` ____ each redeemable at ____ on ____		
(secured by ____)		
(of the above, ` ____ is guaranteed by Directors and / or others)		
Details of redeemed bonds/debentures which the company has power to reissue:		

*Terms of Repayment ____		
(b) Term loans		
from banks		
(Secured By ____)		
from other parties		
(Secured By ____)		
(of the above, ` ____ is guaranteed by Directors and / or others)		
*Terms of Repayment ____		
(c) Deferred payment liabilities		
(Secured by ____)		
(of the above, ` ____ is guaranteed by Directors and / or others)		
*Terms of Repayment ____		
(d) Deposits		
(Secured By ____)		
(of the above, ` ____ is guaranteed by Directors and / or others)		
*Terms of Repayment ____		
(e) Loans and advances from related parties		
(Secured By ____)		
(of the above, ` ____ is guaranteed by Directors and / or others)		
*Terms of Repayment ____		



(f) Long term maturities of finance lease obligations			
(Secured By _____)			
(of the above, ` _____ is guaranteed by Directors and / or others)			
*Terms of Repayment _____			
(g) Other loans and advances (specify nature)			
(Secured By _____)			
(of the above, ` _____ is guaranteed by Directors and / or others)			
*Terms of Repayment _____			
		-	-
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) & (g)			
1. Period of default			
2. Amount			
Unsecured			
(a) Bonds/debentures *(state in descending order of maturity or conversion, starting from the farthest redemption or conversion date)			
____ (Previous Year: ____) ____ % Debentures of ` ____ each redeemable at ____ on _____			
(of the above, ` _____ is guaranteed by Directors and / or others)			
Details of redeemed bonds/debentures which the company has power to reissue: _____			
*Terms of Repayment _____			
(b) Term loans			
from banks			
from other parties			
(of the above, ` _____ is guaranteed by Directors and / or others)			
*Terms of Repayment _____			
		-	-
(c) Deferred payment liabilities			
(of the above, ` _____ is guaranteed by Directors and / or others)			
*Terms of Repayment _____			

Kochi Metro Rail Limited



(d) Deposits		
(of the above, ` _____ is guaranteed by Directors and / or others)		
*Terms of Repayment _____		
(e) Loans and advances from related parties		
(of the above, ` _____ is guaranteed by Directors and / or others)		
*Terms of Repayment _____		
(f) Long term maturities of finance lease obligations		
(of the above, ` _____ is guaranteed by Directors and / or others)		
*Terms of Repayment _____		
(g) Other loans and advances (specify nature)		
Sub debt from Govt of Kerala	2,092,500,000	-
(of the above, ` _____ is guaranteed by Directors and / or others)		
*Terms of Repayment _____		
	2,092,500,000	-
* Terms of Repayment should include the period of maturity with respect to the Balance Sheet date, number and amount of instalments due , the applicable rate of interest and other significant relevant terms if any		
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) & (g)	NIL	
1. Period of default		
2. Amount		
Total	2,092,500,000	-

DEFERRED TAX LIABILITY(NET)

NOTE 3.2

Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Opening balance as on 01.04.2012	716,720	
Amount adjusted in pre operative expenses pending allocation - Metro related project expenses	579,376	716,720
	1,296,096	716,720



OTHER CURRENT LIABILITIES

NOTE 4.1

Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
(a)	Current maturities of long-term debt	-	-
(b)	Current maturities of finance lease obligations	-	-
(c)	Interest accrued but not due on borrowings	-	-
(d)	Interest accrued and due on borrowings	-	-
(e)	Income received in advance	-	-
(f)	Unpaid dividends	-	-
(g)	Application money received for allotment of securities and due for refund	-	-
(h)	Unpaid matured deposits and interest accrued thereon	-	-
(i)	Unpaid matured debentures and interest accrued thereon	-	-
(j)	Other payables :		
	Expense Payable	4,636,597	2,406,256
	Others	198,294,981	402,293,825
	Total	202,931,578	404,700,081

SHORT TERM PROVISIONS

As per Point No. 6H of General Instructions for Preparation of Balance Sheet NOTE 4.2

H	Short Term Provisions	As at 31 March 2013 ₹	As at 31.3.2012 ₹
	The amounts shall be classified as:		
a	Provision for employee benefits	-	-
b	Others : Provision for Income Tax	350,000	-

Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

	Short Term Provisions	As at 31 March 2013 ₹	As at 31 March 2012 ₹
(a)	Provision for employee benefits		
	Salary & Reimbursements		
	Contribution to PF		
	Gratuity (funded)		
	Leave Encashment (funded)		
	Superannuation (funded)		
	ESOP /ESOS		
(b)	Others (Specify nature)		
	Income Tax provision	350,000	-
	Total	350,000	-

FIXED ASSETS SCHEDULE

KOCHI METRO RAIL LIMITED
 REVENUE TOWER, PARK AVENUE, KOCHI - 682011, KERALA, INDIA

NOTE 5.1 and 5.2

Description	Gross Block					Depreciation					Net Block	
	Original cost as on 01.04.2012	Additions during the year	Revaluations/ (Impairments)	Deductions during the year	Original cost as on 31.03.2013	Upto 31.03.2012	For the year	Adjustment due to revaluations	On asset sold/ adjusted	Total	WDV as on 31.03.2012	WDV as on 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
5.1 Tangible Assets												
Computers	4,463,146	872,053	-	12,554	5,322,645	203,203	843,829	-	-	1,047,032	4,259,943	4,275,613
Electrical Appliances	526,655	37,800	-	-	564,455	9,603	29,564	-	-	39,167	517,052	525,288
Electrical Equipments	803,495	-	-	75,856	727,639	11,575	34,563	-	-	46,138	791,920	681,501
Electrical Installations	5,890,224	153,096	-	553,159	5,490,161	84,656	253,530	-	-	338,186	5,805,568	5,151,975
Fire equipment	56,070	-	-	5,293	50,777	17,005	33,772	-	-	50,777	39,065	-
Furniture& Fixtures	7,928,227	1,409,439	-	730,234	8,607,432	196,444	1,358,668	-	-	1,555,112	7,731,783	7,052,320
Office Equipment	909,168	78,300	-	19,457	968,011	59,897	25,277	-	-	85,174	849,271	882,837
Traffic equipment	515,058	-	-	-	515,058	64,574	450,484	-	-	515,058	450,484	-
Vehicles	2,193,338	-	-	17,146	2,176,192	60,443	206,738	-	-	267,181	2,132,895	1,909,011
Total	23,285,380	2,550,688	-	1,413,699	24,422,369	707,400	3,236,425	-	-	3,943,825	22,577,980	20,478,544
5.2 Intangible Assets												
Software	1,952,421	51,686	-	-	2,004,107	116,820	364,205	-	-	481,025	1,835,601	1,523,082
Total	1,952,421	51,686	-	-	2,004,107	116,820	364,205	-	-	481,025	1,835,601	1,523,082
Grand Total	25,237,801	2,602,374	-	1,413,699	26,426,476	824,220	3,600,630	-	-	4,424,850	24,413,581	22,001,626

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

As per our report of even date attached.

 (Sd/-)
Abraham Oommen
 Director (Finance)

 (Sd/-)
Elias George
 Managing Director

 For **T.D.M. Raja & Co.**
 Chartered Accountants

 (Sd/-)
T.D.M. Raja, F.C.A.
 (M. No. 005574)
 Partner

 Place : Ernakulam
 Date: 24th May 2013

 Place : Ernakulam
 Date: 5th June 2013

Kochi Metro Rail Limited

Annual Report 2012 - 13

OTHER NON-CURRENT ASSETS

Disclosure pursuant to Note no.6(M) (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

NOTE 5.3

Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
a. Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful debts	-	-
b. Others (specify nature)		
Secured, considered good-deposits	-	-
Unsecured, considered good	-	-
Doubtful	1,429,748	2,904,460
Less: Provision for _____	-	-
c. Debts due by related parties (refer note 2)	1,429,748	2,904,460
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful debts	-	-
Total	1,429,748	2,904,460

CASH AND CASH EQUIVALENTS

Disclosure pursuant to Note no.6(Q) (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

NOTE 6.1

Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
a. Balances with banks		
This includes:	3,510,994,507	66,296,561
Earmarked balances	-	-
Margin money	-	-
Security against borrowings	-	-
Guarantees	-	-
Other commitments	-	-
Bank deposits with more than 12 months maturity	-	-
b. Cheques, drafts on hand	-	-
c. Cash on hand	-	-
d. Others (specify nature)-Foreign Currency	12,222	8,921
Total	3,511,006,729	66,345,212



SHORT-TERM LOANS AND ADVANCES

NOTE 6.2

6.5.1 Disclosure pursuant to Note no.6(R) (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
a.	Loans and advances to related parties (refer note 6.5.2)		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Doubtful	-	-
	Less: Provision for doubtful loans and advances	-	-
		-	-
b.	Others (specify nature)		
	Secured, considered good		
	Unsecured, considered good	229,986	41,410,000
	Doubtful	-	-
	Less: Provision	-	-
		229,986	41,410,000
	Total	229,986	41,410,000

OTHER CURRENT ASSETS

NOTE 6.3

As per Point No. 6S of General Instructions for Preparation of Balance Sheet

	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
	Expense from various works-recoverable from Government of Kerala	-	266,030,112
	Prepaid Expense-Magazine subscription	1,963	4,580
	Interest accrued on Fixed Deposit	1,412,980	1,193,550
	Rent receivable- KSIDC	138,577	
	TDS	918,581	
	Preliminary Expense-KMRL Incorporation Expense	20,052,425	20,052,425
	Preoperative Expense pending allocation -Metro Project related Expense:		
	As per last balance sheet:	8,062,881	
	Add: amount incurred during the year (net)	34,822,178	8,062,881
		65,409,585	295,343,548



Note : 6.3 A

STATEMENT OF INCIDENTAL EXPENDITURE DURING CONSTRUCTION

Particulars	Figures as at the end of current reporting period 2012-13 (₹)	Figures as at the end of previous reporting period 2011-12 (₹)
Employee cost	12,444,386	2,501,079
Financial Charges	5,399	5,283
Depreciation and amortization expense	3,600,630	824,220
Advertisements and Recruitment	6,686,677	133,673
Foundation stone laying ceremony Expenses	2,941,163	-
Professional charges	6,666,300	1,705,739
Rent, Rates and Taxes	4,169,302	1,298,562
Other Office and administrative expenses	14,511,546	5,666,457
Provision for Income tax	350,000	-
Total	51,375,404	12,135,013
Less: Income received during construction		
Interest on Short term deposits	8,289,318	1,410,379
Other Income	114,802	310
Total	8,404,120	1,410,689
Net IEDC	42,971,284	10,724,324
Less: Proportionate expenditure debited to GoK towards preparatory works	8,149,107	2,661,443
Net Amount transferred to Preliminary and preoperative expenditure - project	34,822,177	8,062,881



KOCHI METRO RAIL LIMITED
Revenue Tower, Park Avenue, Kochi - 682011, Kerala, India
CASH FLOW STATEMENT FOR THE YEAR 2012-13

Particulars	Figures as at the end of current reporting period 2012-13	Figures as at the end of previous reporting period 2011-12
	₹.	₹.
I. Cash Flow from Operation activities	-	-
II. Cash Flow from Investing activities		
Purchase of Fixed assets	(2,576,303)	(23,692,713)
Interest Received	7,815,339	216,829
Investments FD	219,911,860	
Cash used in project and preparatory related works	(1,065,198,954)	(330,288,330)
Net Cash used in investing activities	(840,048,058)	(353,764,213)
III. Cash flow from Financing activities		
Advance from Transport Department, Government of Kerala	914,209,575	395,109,425
Sub Debt from Government of Kerala	2,092,500,000	
Share Capital	25,000,000	25,000,000
Share Application money pending allotment	1,253,000,000	
Net Cash used in financing activities	4,284,709,575	420,109,425
Net Increase in cash and cash equivalents	3,444,661,517	66,345,212
Cash and cash equivalents at the beginning of the period	66,345,212	-
Cash and cash equivalents at the end of the period	3,511,006,729	66,345,212
Comprising of		
Cash and stamps in hand	12,222	48,651
Cash at bank	3,510,994,507	66,296,561

For and on behalf of the Board of Directors

(Sd/-)
Abraham Oommen
Director (Finance)

(Sd/-)
Elias George
Managing Director

As per our report of even date attached

For T.D.M Raja & Co
Chartered Accountants
(Sd/-)

T.D.M Raja, F.C.A.
(M.No. 005574)
Partner

Place : Ernakulam
Date: 24th May 2013

Place: Ernakulam
Date: 5th June 2013



EXPLANATORY NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2013

1. Estimated amount of contracts remaining to be executed on capital account and not provided for, claims against the Company not acknowledged as debts and contingent liabilities- NIL
2. Since the Company is yet to commence commercial operations, all the revenue expenditure and income are itemized and is disclosed as pre-operative expenses pending allocation
3. In the opinion of the Board, the current assets, loans and advances have values at which they are stated in the balance sheet, if realized in the ordinary course of business.
4. Debit and Credit balances in personal accounts are subject to confirmations by the parties concerned.
5. Provision for Income Tax has been made in the accounts for the period pursuant to the provisions of the Income Tax Act, 1961.
6. Small scale industrial undertakings to whom the Company owe any sum which is outstanding for more than 30 days: NIL
7. Details of unpaid amounts and interest due to Micro and Small Enterprises pursuant to the provisions of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are not furnished because of the non-availability of the relevant information from our suppliers.
8. The Company has not purchased goods / availed services from any of the organizations in which the Directors of the Company are interested except in the case of services availed from KSINC, a Government of Kerala undertaking, where Shri. Tom Jose, the MD of the Company up to 21-08-2012 was the managing director. The details of transactions between KSINC and KMRL:

Rent of KMRL Land acquisition wing located at KSINC Premises -Rs. 1,99,774/- from 1st April 2012 to 21st August 2012.
9. After an assessment as on 31.03.2013 for impairment of assets pursuant to the provisions of AS-28 issued by the ICAI, it has been concluded that there are no impairment of assets, in the absence of internal or external indications, requiring ascertainment of recoverable amounts.
10. There is no capital work in progress for the company as on 31-03-2013
11. There are no doubtful debts outstanding as on 31-03-2013
12. Monetary items denominated in foreign currencies are translated at exchange rates as at the reporting date and the gains in respect thereof has been taken into account
13. No government grants were received during the year.



14. Preparatory works undertaken by DMRC consists of rebuilding of North over bridge, construction of a new over bridge near KSRTC Bus Depot and three other road widening works. These are government works ordered by GO Number 34/2010/Tran Dated 19-3-2010. The ownership of these assets rest with the Government. After formation of KMRL, the funds for this works are routed through KMRL and hence entire expenses on this account have been set off against the funds received from the Government of Kerala. The total expenditure towards these works amounts to Rs. 111.42/- crore.
15. Expenditure in foreign currency-
 - a. Number of non-resident shareholders- NIL
 - b. Numbers of shares held- NIL
 - c. Dividend remitted in foreign currency-NIL
 - d. Earnings in foreign currency-NIL
16. Directly identifiable Expenses are charged to Government works and Metro Rail Project as the case may be. Common expenses are allocated in the ratio of 1:4 for preparatory works and Metro Rail Project related works respectively.
17. Deferred tax has been taken into account pursuant to the provisions of AS – 22 issued by the Institute of chartered Accountants of India
18. Cash Flow Statement has been drawn up under the Indirect Method as per AS -3 of the Institute of Chartered Accountants of India
19. As per the decision of the Board no insurance has been taken on any of the tangible assets, other than motorcars.
20. Significant accounting policies: -
 - a. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the Company and are prepared on going concern basis.
 - b. The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
 - c. Fixed assets are stated at acquisition cost less accumulated depreciation calculated at the rates stipulated in Schedule XIV to the Companies Act, 1956 on straight line value method.
 - d. Fixed Assets costing Rs. 5,000/- or less are depreciated fully in the year of purchase.
 - e. Structures in the nature of temporary erection, Aluminum Partitions Cabins, Workstations costing less than Rs 200,000/- are fully depreciated in the year of its construction.



- f. Computer software, being Intangible assets are amortised on Straight Line Method over a period of legal right to use or 5 years whichever is earlier.
- g. Traffic equipment for road transport are fully depreciated in the year of purchase itself
- h. Since all employees of the company are contract employees for a period of three years, no provision for gratuity has been made in the accounts.

For and on behalf of the Board of Directors

As per our report of even date attached

(Sd/-)

Abraham Oommen
Director (Finance)

(Sd/-)

Elias George
Managing Director

For T.D.M Raja & Co
Chartered Accountants

(Sd/-)

T.D.M Raja, F.C.A.
(M.No. 005574)
Partner

Place : Ernakulam
Date: 24th May 2013

Place: Ernakulam
Date: 5th June 2013

Kochi Metro Rail Limited

T. D. M. Raja & Co.

Chartered Accountants
[F.R No. 003390 S]

G – 4, Block – 2, Easland Enclave,
S. A Road, Elamkulam,
Cochin – 682 020

AUDITORS' REPORT

The Shareholders of
Kochi Metro Rail Limited
Revenue Tower
8th Floor, Opposite Subash Park
Ernakulam

Report on the Financial Statements

We have audited the accompanying financial statements of Kochi Metro Rail Limited, which comprise the Balance Sheet and Cash Flow Statement as at March 31, 2013, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view of the financial position and also the financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.



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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Cash Flow Statement of the cash flows for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have 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 appears from our examination of those books.
 - c. The Balance Sheet and Cash flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. In the absence of any written representation from the Directors, it is not possible to report whether any of them is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has neither issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For T.D.M Raja & Co
Chartered Accountants

(Sd/-)

T.D.M Raja, F.C.A.
(M.No. 005574)
Partner

Place: Cochin
Date: 5th June 2013

PHONE: 6527396(O) 98460 14041(Mob) 94464 32795(Mob), e-mail: tdmraja@gmail.com



The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Kochi Metro Rail Limited on the accounts of the company for the year ended 31st March, 2013

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we furnish below the details on matters specified in paragraphs 4 and 5 of the said Order:

- I. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
c. During the year, the Company has not disposed off any part of its fixed assets,.
- II. The Company had no inventory as at the close of the financial year.
- III. a. During the year the company has not granted any loan to any party.
b. During the year the company has availed an interest free subordinate debt from the Government of Kerala in respect of which the terms and conditions are yet to be stipulated by the Government. An amount Rs.209.25 Crores is outstanding in this account at the end of the year.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to awarding of contracts for works to be executed. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- V. a. According to the information and explanations given to us we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act are being entered in the register maintained under that section; and
b. In our opinion and according to the information and explanations given to us, the transactions exceeding the value of Rs.5.00 lakhs, made in pursuance of such contracts or arrangements made during the year in respect of any party have been made at prices/rates which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The Company has not accepted any deposits from the public requiring compliance of the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made there under.
- VII. The company is having an internal audit system commensurate with its size and the nature of its business.
- VIII. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the Company.



- IX. a The Company has not so far introduced Provident Fund, ESI, and other similar schemes. The Company is regular in depositing Service Tax, Income Tax, etc which are due. No arrears of any statutory dues at the end of the year.
- b No dues of Income Tax/Service Tax/Cess are outstanding for payment on account of any dispute.
- X. The Company has been registered only on 2nd August 2011.
- XI. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- XII. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
- XIV. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
- XV. The Company has not given any guarantees for loans availed by others.
- XVI. The company has not availed any term loans.
- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long- term investment. No long term fund has been used to finance short-term assets except permanent working capital.
- XVIII. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- XIX. The Company has not issued any debentures during the period covered by our audit report.
- XX. The Company has not made any public issue of shares or other securities during the year under report.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For T.D.M Raja & Co
Chartered Accountants

(Sd/-)

T.D.M Raja, F.C.A.
(M.No. 005574)
Partner

Place: Cochin
Date: 05.06.2013

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF KOCHI METRO RAIL LIMITED, KOCHI FOR THE YEAR ENDED 31 MARCH 2013

The preparation of financial statements of Kochi Metro Rail Limited, Kochi for the year ended on 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 05 June 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted the supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Kochi Metro Rail Limited, Kochi for the year ended on 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

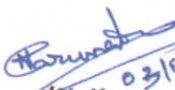
Comments on Profitability
Statement of Profit and Loss

1. The above was prepared without figures of expenditure and income though the company had incurred expenditure of ₹4.32 crore during year (₹0.95 crore previous year) towards start up costs and earned an income of ₹0.84 crore during the year (₹0.14 crore previous year). The company has disclosed the net expenditure under Other Current Assets after deducting the income instead of disclosing the same under the Statement of Profit and Loss. This has resulted in non-disclosure of cumulative loss of ₹4.29 crore (₹3.48 crore current year and ₹0.81 crore previous year) and overstatement of Other Current Assets by ₹4.29 crore. This has also resulted in non-compliance to the provisions of para 56 of Accounting Standard (AS) 26 Intangible Assets and Revised Schedule VI of the Companies Act, 1956 thereby affecting the true and fair view of the accounts of the company.



2. The above is understated by ₹2.01 crore on account of non-writing off of the preliminary expenses which have been accounted under Other Current Assets. Consequently, the loss has been understated by ₹2.01 crore and Other Current Assets are overstated to that extent.

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


03/09/2013.
(N. Karunakaran)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad

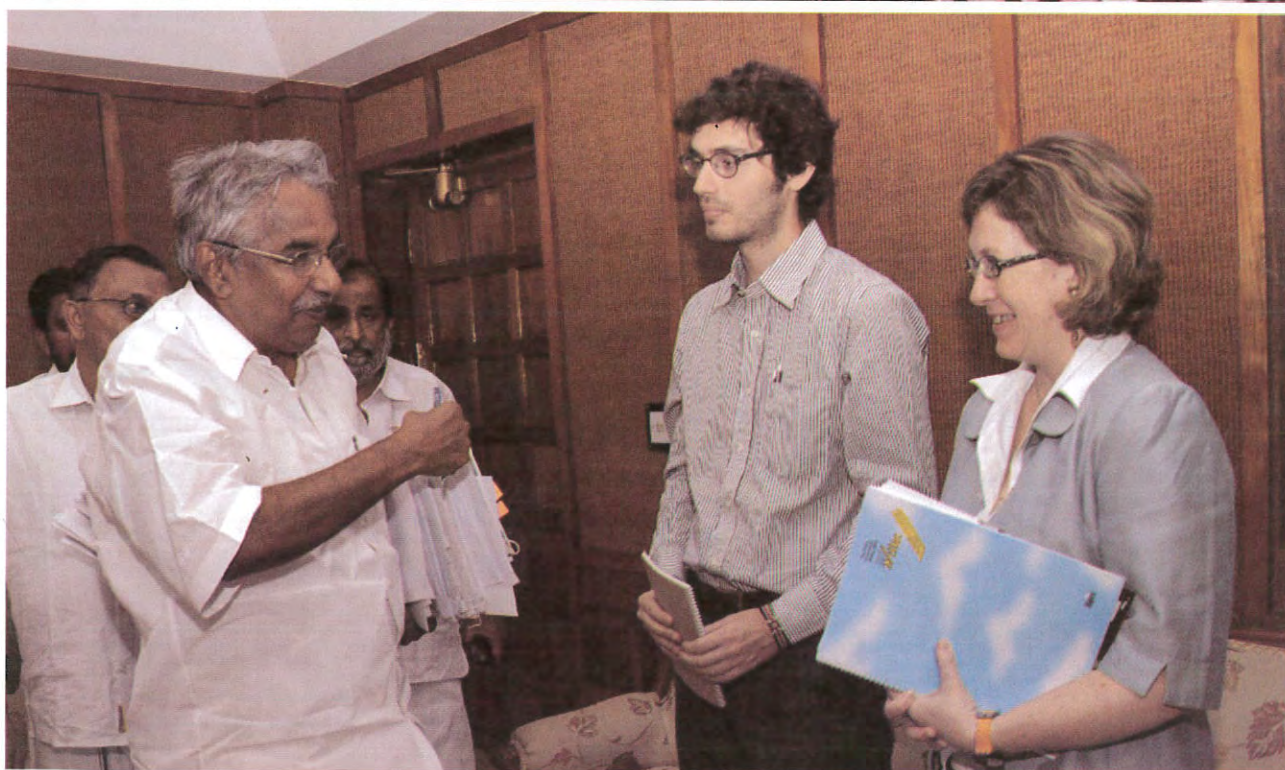
Date: 03 September 2013



MANAGEMENT REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG) ON THE ACCOUNTS OF KOCHI METRO RAIL LIMITED FOR THE YEAR ENDED 31ST MARCH 2013

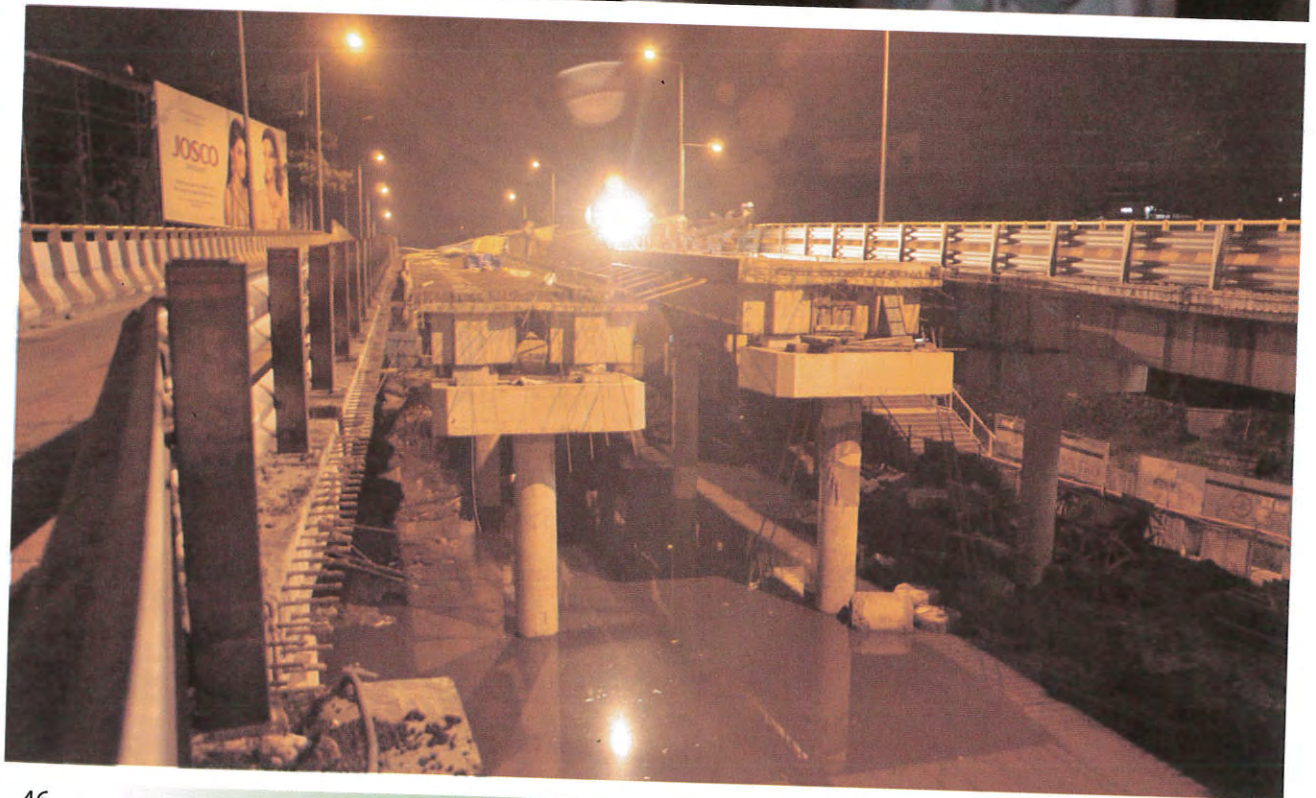
C&AG Comments	* Management Reply
1. Comments on Profitability Statement of Profit and Loss The above was prepared without figures of expenditure and income though the company had incurred expenditure of Rs. 4.32 crore during year (Rs. 0.95 crore previous year) towards start up costs and earned an income of Rs. 0.84 crore during the year (Rs. 0.14 crore previous year). The company has disclosed the net expenditure under Other Current Assets after deducting the income instead of disclosing the same under the Statement of Profit and Loss. This has resulted in non-disclosure of cumulative loss of Rs. 4.29 crore (Rs. 3.48 crore current year and Rs. 0.81 crore previous year) and overstatement of Other Current Assets by Rs. 4.29 crore. This has also resulted in non-compliance to the provisions of para 56 of Accounting Standard (AS) 26 Intangible Assets and Revised Schedule VI of the Companies Act, 1956 thereby affecting the true and fair view of the accounts of the company.	As done in the previous year, KMRL had not prepared a statement of profit and loss this year since the company has not commenced its commercial operations. This fact is duly disclosed in note no 2 in the explanatory notes attached to and forming part of the accounts. The expenses incurred during the year is stated in the form of a statement of incidental expenditure during construction and attached with the balance sheet as on 31.3.2013. Non-preparation of statement of profit and loss was not commented by C&AG during 2011-12 audit. However the observation of audit is noted for future guidance.
2 The above is understated by Rs. 2.01 crore on account of non-writing off of the preliminary expenses, which have been accounted under Other Current Assets. Consequently, the loss has been understated by Rs. 2.01 crore and Other Current Assets are overstated to that extent.	This expenditure is relating to the financial year 2011-12. Since a statement of profit and loss was not prepared, this expenditure, was shown under current assets in the annual accounts of 2011-12 and 2012-13, to be written off when commercial operations begin. This treatment was approved by CAG audit in 2011-12. The expenditure will be written off as soon as a statement of profit and loss is made out in future years as observed by Audit.

* Approved by the Board of Directors, by Circular Resolution



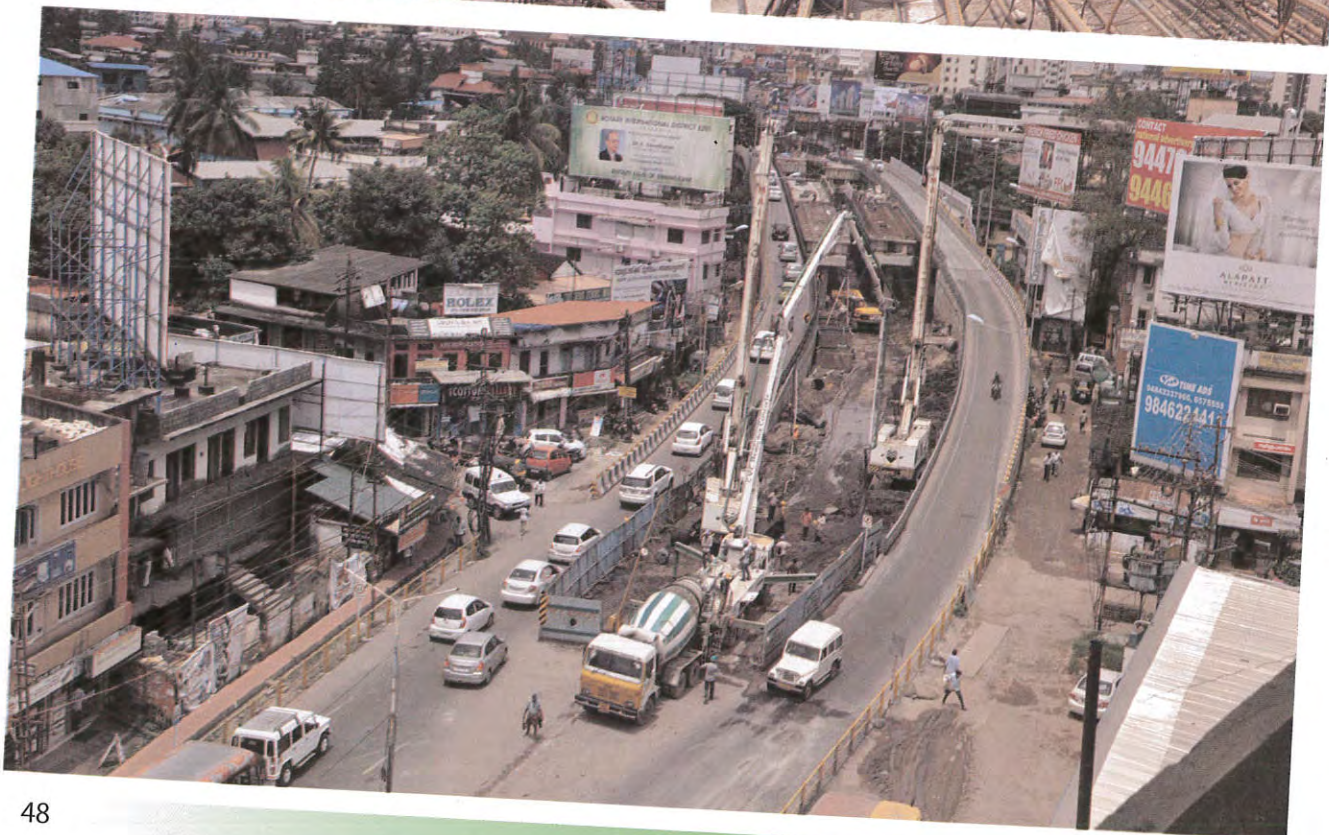
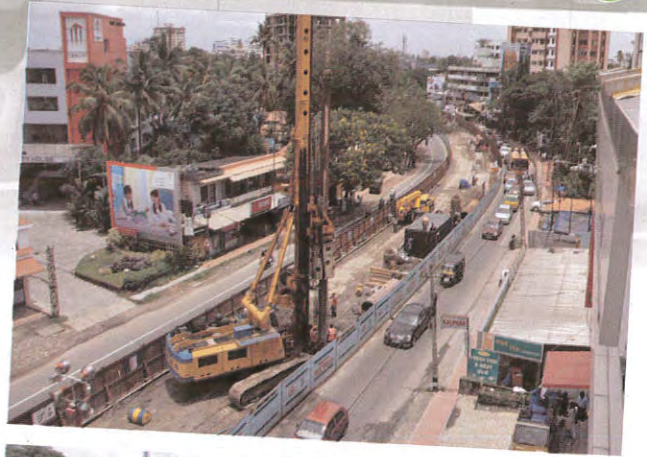


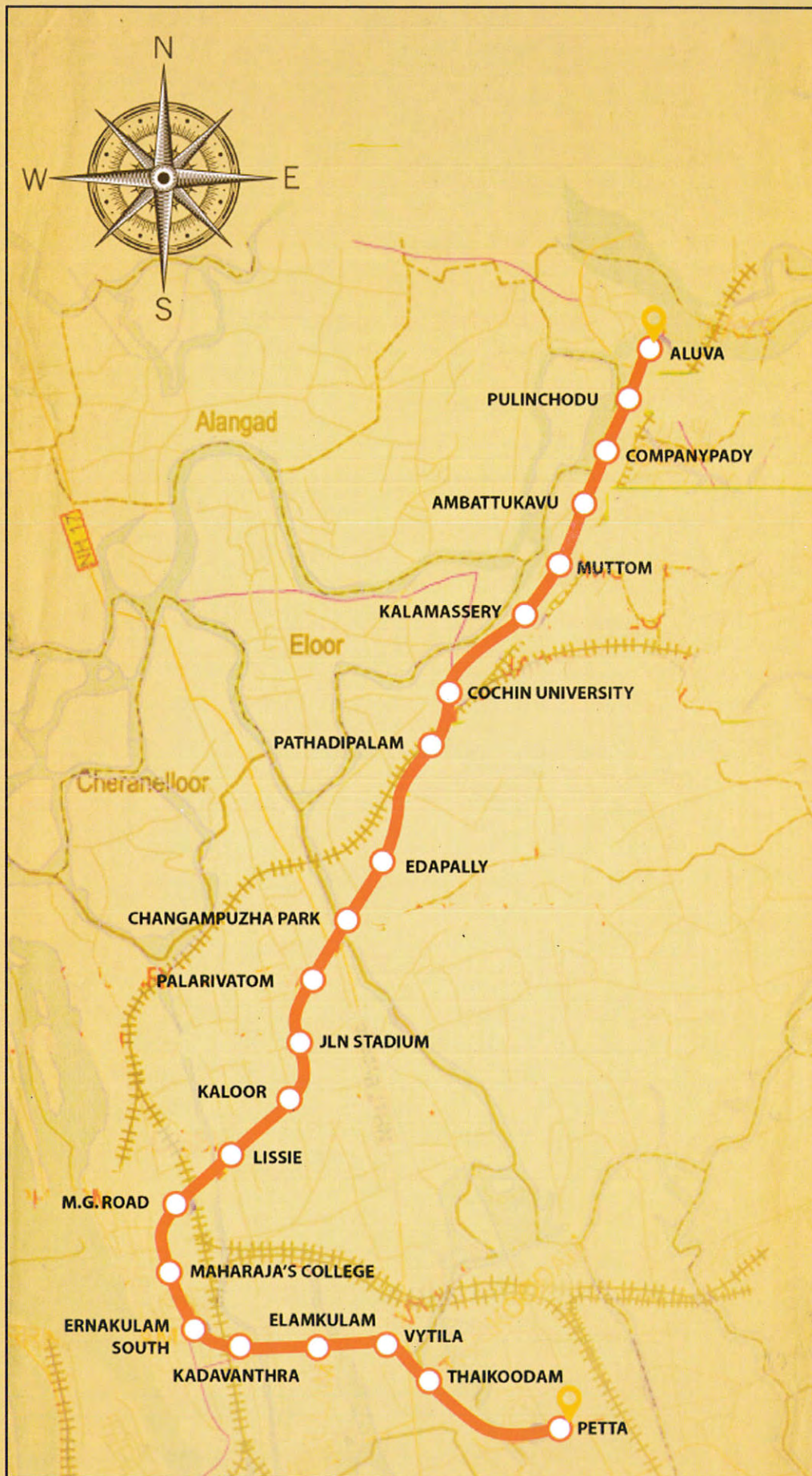






Kochi Metro Rail Limited







KOCHI METRO RAIL LTD.

(A joint venture company of Govt. of India & Govt. of Kerala)

REGISTERED OFFICE:

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