

ANNUAL REPORT

2018-2019





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REGISTERED OFFICE:

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

Shyam Sunder Agrawal

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 9th August, 2019)

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
Smt Sujatha Jayaraj	- Director (Finance), 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 K.R. Jyothilal	- Principal Secretary (Transport), Government of Kerala, Government Secretariat, Thiruvananthapuram
Shri S. Suhas	- 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.

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Chairman's Message



I have great privilege in extending a warm welcome to this Eighth Annual General Meeting of your company. The Directors' Report and the Audited Annual Accounts of the Company for the Financial Year 2018-19 as well as the Statutory Auditors' Report have already been circulated to you and with your permission, I take them as read. 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.

Your Company is currently operational for the stretch from Aluva to Thykoodam; the stretch from Aluva to Palarivattom commenced commercial operation on 19th June 2017 and that of Palarivattom to Maharaja's College on 3rd October 2017. The stretch from Maharaja's College to Thykoodam was opened to the public on 4th September 2019 and it gives me immense pleasure to share with you that this stretch has received fabulous response from the public, as huge increase have been seen in ridership.

The average ridership per day and revenue collection per day for the year 2018-19 is recorded at 34,589 number of passengers and Rs. 11.24 lakh respectively. The average ridership per day and revenue collection per day after the opening of the stretch from Maharaja's College to Thykoodam from 4th September 2019 is recorded at 82,615 number of passengers and Rs. 14.66 lakh respectively.

It is heartening to note that your Company was able to meet the operational expenses in the second year of partial operations of 16 km. The Company has made adequate provision towards impairment of affected assets due to incessant floods in Kerala State. Your Company is adequately insured to cover the risk of property damage.

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 was forwarded to Government of India and on 26th February 2019 was accorded in-principle approval. The French funding agency M/s Agence Française de Développement (AFD) has shown interest in funding the project. 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 had framed a draft Unified Metropolitan Transport Authority (UMTA) Bill. The Bill was published in Legislative Assembly and a Select Committee had convened public hearing

meetings at Kozhikode, Kochi and Thiruvananthapuram. The suggestions as proposed have been incorporated in the Bill, which will be submitted before the next session of Legislative Assembly for consideration.

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. The ground breaking ceremony of the first terminal of the Water Metro Project was held on 3rd September 2019 by the Hon'ble Chief Minister of Kerala Shri Pinarayi Vijayan in the august presence of Minister of State (I/C) for Housing and Urban affairs Shri Hardeep Singh Puri. 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.

Kochi Metro was also lauded for its introduction of RuPay based, National Common Mobility Card, in the name and style, 'Kochi 1' card, in association with Axis Bank. The 'Kochi 1' card was unveiled by the Hon'ble Prime Minister of India on 17th June, 2017, and enjoys a loyal patronage since its inception and it's the most used payment instrument in India, complying to 'One Nation, One Card' programme of Govt. of India. The Kochi 1 card has also been accepted in 100 city buses and growing. Extension of card acceptance to Passenger Boats and Auto Rickshaws are also planned, facilitating integration of payment ecosystem in public transport.

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. The 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.

It 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.

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.

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I would also like to place on record my deep appreciation of the crucial role that you have played in carrying forward the organisational objectives of the Company.

I would like to start by expressing my deepest approbation for the Managing Director, Shri A.P.M. Mohammed Hanish for paving the way for the Company going forward. 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.

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,

Sd/-

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

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 EIGHTH ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of the Shareholders of the Company will be held on Monday, 30th September, 2019 at 11:30 AM 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 2019 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 2018-19) of Rs. 6,00,000/- (Rupees Six Lakh only) plus out of pocket expenses and taxes.

By Order of the Board of Directors

For Kochi Metro Rail Limited

Sd/-

Shyam Sunder Agrawal

Company Secretary

Date: August 9, 2019

Place: Bangalore

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 in not less than 48 hours before the meeting. A proxy form is enclosed.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Comments from the Comptroller and Auditor General of India pursuant to section 139 (5) of the Companies Act, 2013 is attached.
5. The route map showing directions to reach the venue of the 8th AGM is annexed.

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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 30th September 2019 at 11:30 AM at Kochi Metro Rail Limited, 8th Floor, Revenue Tower, opposite Park Avenue, Kochi - 682011

Signature of Member / Proxy

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No.	Resolution
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 st March 2019 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 2018-19).

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note:

1. A Proxy need not be a Member of the Company.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP



BOARD'S REPORT 2018-19

Dear Members,

The Directors of your Company are pleased to present the Eighth 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 2019.

Status of Revenue Operation

The fare box revenue from metro train operations covering a total distance of 18.22 km from Aluva to Maharajas is Rs 41.04 crore (previous year Rs. 32.17 crore) with average ridership of 34588 per day and revenue per day was Rs.11.24 lakhs.

During the financial year 2018-19 your Company made a net loss after tax of Rs.281.23 crore against the previous year's loss of Rs. 167.33 crore.

A snapshot of the financial result is given below:

Rs. In lakh

Particulars	2018-19
Gross Income	10575.94
Operating Expenses	10130.09
Profit/(Loss) before Interest and Depreciation	445.85
Finance Charges	(7510.88)
Gross Profit/(Loss)	(7065.03)
Other Comprehensive Income	(62.36)
Provision for Depreciation and Impairment of assets	(20995.91)
Net Profit/(Loss) before Tax	(28123.30)
Provision for Tax	-
Net Profit/(Loss) after Tax	(28123.30)

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Share Capital and Subordinate debts

The total paid up Share Capital of KMRL as on 31st March 2019 is Rs. 1507.46 crore (previous year Rs. 1507.46 crore). Your Company has received 100% of the approved equity-funding share from the Government of India and the Government of Kerala.

The Government of India and Government of Kerala has released their entire share of sub debt towards central taxes amounting to Rs. 248.50 crore each.

Government of Kerala vide order No. G.O (Ms) No.73/2014/Trans dated 17/10/2014 has given administrative sanction for the Extension of Phase I of the metro line from Petta to S N Junction for Rs 359.00 crore. Out of Rs 359.00 crore, Rs 58.11 crore was released by GoK directly to Special Tahasildar LA towards land acquisition during the year 2018-19.

Dividend

In view of non-availability of distributable profits, your Directors do not recommended any dividend for the year ended 31st March, 2019.

Transfer to Reserves

Your Directors do not proposed any amount to be transferred to the Reserves for the year ended 31st March, 2019.

Term Loans

During the year, an amount of Rs. 58.68 crore was drawn as Pass Through Assistance (PTA) from Government of India against the Agence Française de Développement (AFD) loan. An amount of Rs. 353.43 crore was drawn from Canara Bank during the year.

The total loan outstanding as on 31st March, 2019 is Rs. 1327.11 crore and Rs. 1117.01 crore from AFD and Canara Bank respectively.

The Project in Retrospect

Reach 1 (Aluva to Palarivattom) & Reach 2A (Palarivattom to Maharaja's College)

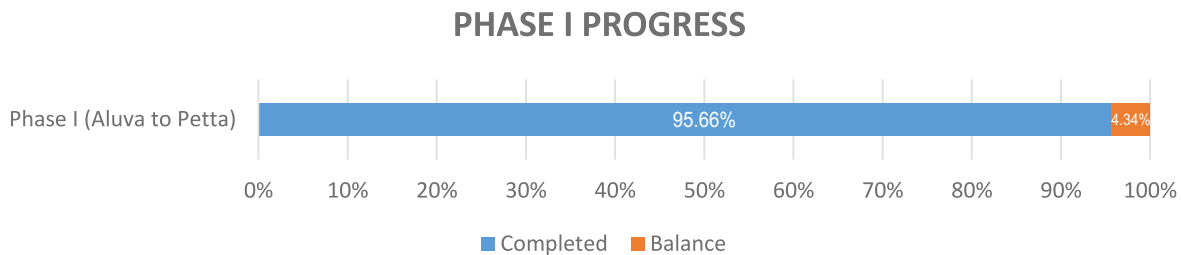
- The Phase I of the Kochi Metro Rail project was sanctioned in July 2012, which envisages a route length of 25.612 km from Aluva to Petta, on a fully elevated metro viaduct with 22 stations.
- The originally sanctioned cost of the project was Rs.5181.79 crore, which now stands revised to Rs 5687.79 crore, as approved by GoK due to cost escalations and omissions in DPR.
- After commencing the construction in June 2013, the Reach 1 of the metro from Aluva to Palarivattom with 13.4 km and 11 stations was commissioned on 17th June 2017. Another reach of 4.96 km from Palarivattom - Maharajas College was commissioned on 3rd October 2017, leaving a length of 18 km

under operation.

Project Progress

Overall Physical Progress (Civil)

The overall physical progress of Phase I Metro corridor from Aluva to Petta as on 30.06.2019 is as follows:

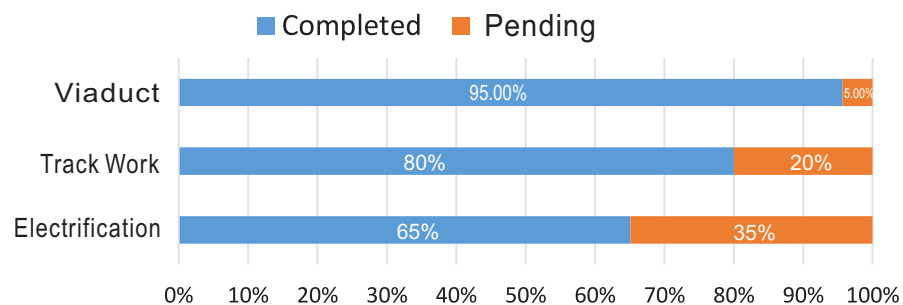


Project Key Elements

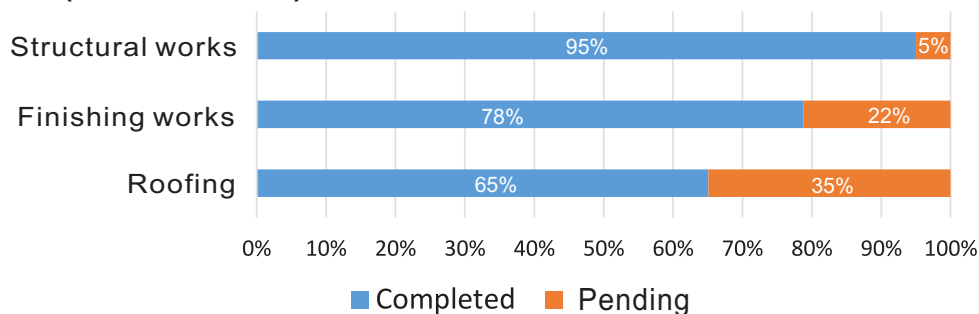
Overall percentage of progress of the works from Aluva to Petta is 95.66% .Construction works are progressing in Maharajas College to Petta stretch - Reach 2B & 2C. The progress of the key elements for Maharajas College to Petta (2B & 2C) are as follows:

1. Reach - 2B & 2C (Maharaja's College to Petta)

a) Viaduct Works



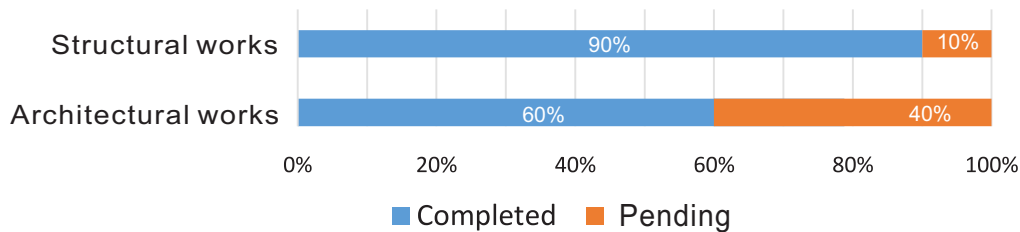
b) Station (Main Structure) Works



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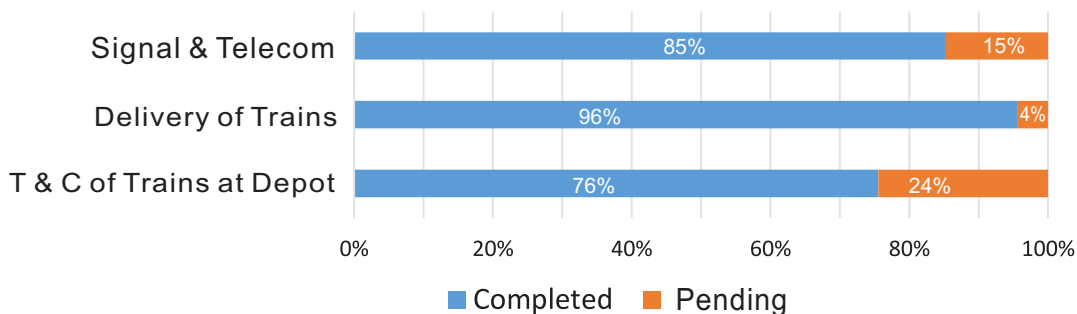
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c). Station (Entry Exit Structure) Works



d). Metro train & Signalling

There are Twenty five trains that has been targeted to be delivered for utilisation in the section Phase I of KMRL project. The number of trains required for the section from Maharajas to Petta is about 13 trains. Out of the 13, 12 trains have been delivered at Muttom Depot, with testing and commissioning of 6 Trains being completed. The testing and commissioning of 6 trains are in progress. The manufacturing of 1 train is in progress.



Milestones for commercial operations Reach 2B & 2C

The electrical design works, installation works of traction sub-stations, other electrical works, Lighting, Lift, Escalators, Fire Safety Systems and Automatic Fare Collection works are in progress.

The schedule of testing, commissioning and project certification is as under:

- Inspection by Commissioner of Metro Rail Safety (CMRS) & Approval– Maharajas college to Thykoodam : **Aug 2019**
- Start of Commercial Operation – Maharajas college to Thykoodam : **Aug 2019**
- Inspection by Commissioner of Metro Rail Safety (CMRS) & Approval–Thykoodam to Petta : **Feb 2020**
- Start of Commercial Operation –Thykoodam to Petta : **Mar 2020**

1. Phase I Extension- Phase IA (Petta to SN Junction)

The Land Acquisition process in this stretch is in final stage and the final award preparation is in progress. M/s L&T infrastructure Engineering Limited, Chennai has been appointed as Detailed Design Consultant for Phase I extension (Phase IA). Tender for the construction contract of Viaduct and Stations is opened and evaluation is in progress. The contract for preparatory works of Phase I Extension awarded to M/s SEGURO Foundations & Structures, Ernakulam and the preliminary activities are in progress.

2. Phase- I Extension- Phase IB (SN Junction to Thripunithura Terminal)

Government of Kerala has issued Administrative Sanction for extending Metro from SN Junction to Thripunithura vide GO.(Ms) No 27/2019/Trans dated 14.06.2019 for an amount of Rs. 356 crore. The tender for Detailed Design Consultant is under preparation and will be published shortly.

Project status of Phase II

The Board of Directors in its 18th Meeting held on 16th September, 2014 had accorded approval for taking up the work of the Metro corridor from JLN Stadium to Infopark via Kakkanad for a distance of 11.2 km, at an estimated cost of Rs. 2017.46 crore including taxes and duties. With this mandate, KMRL had submitted the proposal to GoK, and administrative sanction was accorded vide No. G.O (M/S) No.32/2015/Trans on 25th May, 2015. Subsequently, the proposal was submitted to the Govt. of India (GoI) on 29.05.2015 for approval.

MoHUA vide their letter dated 1st September 2017, had returned the DPR of KMRL project Phase II and advised to revise and resubmit the proposal as per the provisions of the new Metro Rail Policy 2017. Accordingly, Urban Mass Transit Company (UMTC) was engaged as a consultant to prepare the Alternative Analysis Report (AAR) as well as to revise the Detailed Project Report (DPR) of Phase II from JLN Stadium to Infopark via Kakkanad. The consultant had submitted the reports duly revising cost until completion of the project to Rs. 2310 crore (including taxes & duties) and the same was approved by KMRL Board in its 30th Meeting held on 6th June 2018. The revised proposal was submitted to the Government of Kerala on 14th February 2018. GoK had accorded administrative sanction vide G.O (Ms).No.52/2018/TRANS dated 27/07/2018. The proposal along with Alternative Analysis Report (AAR) and Revised Detailed Project Report (DPR) was submitted to the Government of India for approval through the Letter No.C2/75/207/TRANS dated 27-07-2018.

Based on the advice of MoHUA, the cost of the project was revised based on the cost being followed by other metros as well as the benchmark cost of Metro Rail Projects. The revised cost of the project, until completion of the project, is Rs.1957.05 crore (including taxes & duties). The revised cost along with a supplementary document to the revised DPR had been submitted to GoI through GoK vide letter No.C2/75/2017/Trans. dated 4th February 2019. The revised DPR along with AAR and Comprehensive Mobility Plan (CMP) was circulated by MoHUA among the departments and ministries in the inter-ministerial committee and the clarifications sought were satisfactorily replied.

Based on the submissions made, Department of Expenditure, Government of India has accorded 'In principle' approval for the Phase II of Kochi Metro Rail Project from JLN Stadium to Infopark via Kakkanad at the cost of Rs.1957.05 crore, vide MoHUA letter No F.No.K-14011/08/2015-MRTS-IV dated 26th February 2019.

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The proposal is presently awaiting the consideration of the Public Investment Board (PIB), followed by the approval of the Cabinet.

Status of various associated works for Phase II are as follows:

1. Appointment of EIA consultant: The contract for carrying out the Environmental Mitigation/Monitoring plan for Kochi Metro Phase II was awarded to M/s EQMS India Pvt. Ltd on 24.04.2019.
2. Appointment of Detailed Design Consultant: Tender for the selection of Detailed Design Consultant has been floated on 15.03.2019. Tender Opened & Consultant is expected to board in the month of September 2019.
3. Preparatory Works: Government of Kerala has accorded administrative sanction of Rs. 189 crore for the preparatory works of Phase II. The Land Acquisition procedures for the same is in progress and it is expected that land acquisition can start from October 2019.
4. Preparatory works: Government of Kerala had issued Administrative Sanction for an amount of Rs. 74.07 crore vide G.O.(Ms) 73/2018/TRANS as a preparatory works package of Phase II for widening 2.5 km of Seaport Airport road.

In line with the same, contract KBC1 for road widening along metro corridor for a 2.5 Km stretch of seaport airport road from Kakkanad signal junction to Info park expressway entrance has been awarded to M/s K V Paulose - Structon JV on 06.07.2019 for a contract value of 49.21 Cr

Metro Staff Quarters at Muttom:

During the phase of Operation & Maintenance of Kochi Metro Phase I, KMRL would be in requirement of residential quarters for operational staff. Keeping this in mind, KMRL had decided to invite tenders to obtain Design Consultancy Services, Project Management Service and Construction Agency involving civil, structural, architectural, mechanical, electrical and plumbing works to complete the construction. Subsequently, M/s Fountain head, M/s Aswathnarayan & Eswara LLP, M/s Kool Home Builders were selected respectively as DDC, Project Management Consultant and Contractor, after scrutinization of their credentials.

Construction of quarters to the staff in the Operation & Maintenance wing have been planned in three categories:

1. From NE5 to NE 8 – Type I, with Plinth area of 70Sqm (Phase I)
2. Up to Manager (E0-E3) – Type II, with Plinth area of 80Sqm
3. Up to SDGM – Type III, with Plinth area of 95Sqm.

Out of the above, construction has already commenced for Phase I, with two residential towers with 112 units, sewage treatment plant with capacity of 70KLD, substation for electrical supply to the buildings. The quarters are also facilitated with firefighting and alarming systems as per NFPA requirements including talkback system.

The Project is in the final stage of completion and will be handed over to the staff by September 2019

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). 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 38 jetties + 7 under consideration and provide inter-modal connectivity between jetties, bus terminals and metro networks. The project is expected to reduce traffic congestion 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 tripartite agreement between the GoK, KfW and your Company was executed on 18th June 2016 in the presence of the Hon'ble Chief Minister of Kerala, Shri Pinarayi Vijayan in New Delhi.

A consortium comprising of AECOM, UMTC and Zebec Marine was appointed as General Consultant on 2nd June 2017. Your Company has completed 90% of the surveys of the project area for the General Consultant to finalize the project details and final stages of Geotechnical surveys for Phase two is progressing.

State level No-Objections have been received for Water Metro project from various statutory agencies like National Board for Wildlife, Archaeological Survey of India, Kerala Coastal Zone Management Authority, etc. and has been submitted to the Ministry of Environment and Forest & Climate Change (MoEF & CC) on 2nd March 2019 by the environmental consultant WAPCOS. Your Company was given the Consent to Establish on 2nd July 2018, and the public hearing for Environmental Clearance was conducted on 23rd July 2018 by the Kerala Pollution Control Board.

M/s. KITCO was appointed for Detailed Design Consultancy on 5th June 2018 for the landside terminals. Detailed designs of the first phase terminals are nearing completion. The terminal construction contract has been signed with M/s Marymatha Construction Company for lot 1 terminals viz. Vyttila-Eroor-Kakkanad . The next five terminals – High Court, Bolgatty, Vypin, Fortkochi, and Mattanchery – the final negotiation with L1 bidder M/s Marymatha Construction Company has been completed and submitted for NOC from KfW. The RFP documents for the remaining 30 terminals are under KfW review.

KMRL has taken possession of all Government lands except four lands of Kochi Municipal Corporation. Administrative sanction from GoK has been received vide GO (Ms) No.34/2019/TRANS dated 2nd July 2019 for proceeding with the acquisition of 3.0464 Ha of private lands (23 parcels) and 3.251 Ha of Revenue Puramboku land for the construction of boat terminals and associated terminal facilities for implementing Integrated Water Transport System in Kochi.

Your company has prequalified four shipyards for design, build and commissioning of boats required for the water metro projects through RFQ process. They are M/s Grandweld, Dubai, M/s Damen Shipyards, Netherlands, M/s Larsen & Toubro, Kattuppilli, Chennai, and M/s Cochin Shipyard Limited, Kochi, Kerala. RFP was published to these prequalified vendors and the most responsive bidder was Cochin Shipyard Ltd. Technical evaluation of the submitted bid has been completed and submitted for KfW for their No Objection to proceed further.

Completed the Request for Qualification (RFQ) for floating pontoons and shortlisted three companies. The tender documents for the Request for Proposal (RFP) of the pontoons are being finalized. Bids were opened for four number Workboat cum Ambulance on 10th June 2019 and clarifications are being sought from the bidders.

No objection has been received from KfW for publishing the RFP for the first phase dredging and is ready for publishing. The tender documents for “system” is under review by KfW.

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Rolling Stock and System Contracts

A. Rolling Stock

Rolling Stock deliveries for Phase I are in progress. All the trains under the current order except the 25th train has been delivered to KMRL Depot. There are nineteen trains in total that have been commissioned and the balance are in various stages of testing and commissioning. The train deliveries complies with the project completion of the Reach 2B & 2C of Phase I of the Kochi Metro Project.

B. Signalling & Telecom

Automatic Train Operation (ATO) has been introduced in the commissioned Reach 1 & Reach 2A sections. All the 19 trains are fitted with ATO system and made available for revenue operation. The Signalling & Telecommunication works for the section Reach 2B from Ernakulam South (ERSH) to Thykoodam (TKDM) are in progress. The work for implementing Automation Train Protection and Automatic Train Operation in the Muttom Depot is in progress and is planned to be commissioned along with Reach 2B.

C. Traction, Power Supply and Electrical & Mechanical

Power Supply and Traction works for the Reach 2B and 2C of Phase-I are under installation and testing. There are One Receiving sub-station located at Thykoodam along with 06 Auxiliary Sub-Stations and 04 Traction Sub-Stations in the new section. The execution of the works for the Power supply and traction installations are in line with the targets for opening of the Reach 2B & 2C section.

The work for the supply and installation of Lifts for the Reach 2B and 2C are progressing. There are 20 Nos of lifts planned for the six new stations. The works are progressing in line with the overall project schedules and the EIG inspections are in progress.

Supply and installation of escalators for the Reach 2B and 2C are progressing. There are 27 Nos of escalators planned for the six new stations. The works are progressing in line with the overall project schedules and the EIG inspections are in progress.

D. Solar Plant

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

In addition to the already commissioned rooftop solar plant of capacity, 2670KWp, a solar power plant was planned, executed and commissioning is completed. The energy generated from the new power plant of capacity 2719 KWp will be purchased by KMRL at a rate of Rs.3.55 per KWH for the next 25 years.

Presently, KMRL is able to meet more than 40% of their energy demands from solar plants, thereby reducing the carbon emissions deriving substantial financial benefits to KMRL.

E. Automated Fare Collection System

AFC system commissioned for the 16 stations from Aluva to Maharaja's College has been working satisfactorily since the opening of the section. In addition to QR code & contactless Smart card for transit operation, passes were launched for the benefit of regular commuters. To popularize and

increase the usage of Kochi 1 card, issuance of the same from locations outside the metro premises was introduced.

To have network redundancy for the operation of Automatic Gates, GPRS connectivity has been established for QR validation in all the 234 validators from ALVA to MACE. The AFC works for Reach 2B section are in progress.

The work for implementation of AFC system for Phase IA extension and for Water Metro Project has been entrusted to M/s Axis Bank consortium by exercising the option available in the existing contract. The preliminary design and the Bill of Quantities for Water Metro has been finalised.

F. IT initiatives

Continuing the efforts under open data policy, during the year KMRL has joined hands with Google to integrate the Kochi Metro GTFS feeds on, to the Google maps. With this integration, the commuters of Kochi will be able to plan their trips in the metro much efficiently by utilizing the Google transit features such as journey planning, timetable, schedules, and tracking.

G. Operations:

Kochi Metro entered into its second year with a weeklong celebration from 14.06.2018 to 20.06.2018. Along with the various activities during this period, free ride was given to public on 19.06.2018. More than 1.5 lakh passengers travelled during the free ride.

During FY 2018-19 trains were run at a minimum headway of 7 min with 10 trains thereby clocking total 15,19,854 km. Total 86,661 trips were run with an average punctuality of 99.90%. A total of 1,23,42,479 commuters travelled in Kochi Metro during this period enabling KMRL to earn a fare box revenue of 40,37,65,666.

During the devastating floods in the month of August 2018, the complete Muttom Depot was flooded with all key installation like Operations Control Center, Receiving Sub Station, IBL etc. inundated. Train services were briefly stopped on 16.08.2018 due to unavailability of power supply from KSEB. After restoration of traction supply from KSEB to Kaloor Sub Station, the passenger services were restored from 1600 hrs. Due to unavailability of systems trains were worked at slow speed. The engineers of KMRL worked relentlessly for restoration of system and normal operation of trains was restored from 22.08.2018.

During flood KMRL was only means of public transport operational in Kochi and played leading role in transportation of flood victims and relief items. KMRL offered free travel to all from 16.08.2018 to 20.08.2018 for five days. Despite the families of staff being affected by the flood they worked relentlessly for keeping the train services operational.

In order to enhance the patronage to Kochi Metro various measures for increasing the penetration of Kochi1 Card among patron were undertaken that included camps for outside issuance of Kochi1 card at various govt. and Non-Govt. organizations. Public awareness of Kochi1 card was enhanced by playing multimedia creative in Trains and LCD at stations. This has significantly increased the share of Kochi1 card users among metro riders.

For providing the last mile connectivity to patrons E-Auto were launched in collaboration with *Kinetic Green Energy & Power Solutions Ltd.* Currently feeder auto services have started running from MACE, MGRD and ALVA. Services are being extended to other stations.

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To augment the safety culture among the staff Safety week was celebrated from 4th to 10th March 2019. Various events were conducted during the period to engage the staff in various safety related activities like administration of Safety Pledge, Fire, First Aid, evacuation drills, Lectures by distinguished professional etc. Various competitions like safety quiz, safety poster and slogan writing were held and winners were felicitated. Further, to keep the operations staff abreast of safety procedures 11 Mock Drills and 347 Night drills were conducted during the year.

The card base increased from 11,834 to 37,835 during the financial year. Similarly the ratio of EMV card to QR code increased from 9.6% to 20.7%.

During the FY 2018-19 total 1594 man-days training was conducted in Training centre that included Competency/Refresher training of 131 staff, Safety induction Training of 443 outsourced staff, Ticketing training for 254 staff and Trip Pass awareness training for 149 staffs, EPIC training for 25 KMRL and 2 DMRC staff, Soft skill and Stress management training for 75 station controllers and waste management techniques training for 120 O&M staffs.

Till now 320 operation staffs, 246 maintenance staff, 382 Engineer's Possession In charges (EPIC), 44 Shunter and Points man have been trained & certified competent. Total 2122 outsourced staff has also been trained on Safety in KMRL System. Internship in various disciplines for Engineering Students are also being conducted. Till date 21 students from different colleges have been successfully completed their internship.

Non-Motorized Transport and pedestrian-friendly initiatives

In accordance with the guidelines of the Ministry of Housing and Urban Affairs (MoHUA) which stipulate that MRTS projects shall facilitate public bike sharing and pedestrian friendly facilities in the influence zone of the stations, your Company is preparing a Non-Motorized Transportation (NMT) Master Plan that 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 status of NMT projects is as under: -

1. Junction Improvement – Edappally

The Non-Motorized Transport Initiatives - Edappally Junction and Metro Station Oriented Civil works was awarded to M/s. Palathra Constructions 30.03.2017. The work completed successfully.

MoHUA conferred “Award of Excellence” in the category of Best Non- Motorised Transport (NMT) Project to Edappally Junction Improvement during 11th UMI Conference 2018 held at Nagpur.

2. Junction Improvement – Aluva

The Non-Motorized Transport Initiatives - Aluva Junction and Metro Station Oriented Civil works was awarded to M/s. Deens Constructions 30.03.2017. The value of work was around Rs. 9 crore. The work includes several salient features like pedestrian friendly footpaths, tactile tile for disabled persons, street furniture like bollards & bollard lights, flyover underside painting, streetlight for pedestrians and traffic etc. The work has been completed successfully.

3. Station Oriented Development – Pulinchodu to Muttom

The station oriented development work under Package - 1 was awarded to Mr. C A George on 28.08.2017 with name “Construction and improvements to drain and footpath leading to metro stations along Metro Corridor Package - 1”. The stations included in these developments are Muttom, Ambattukavu, Companypady and Pulinchodu. The work includes several salient features like pedestrian friendly footpaths, tactile tile for disabled persons, street furniture like bollards & bollard lights, streetlight for pedestrians and traffic etc. The work has been completed and is open to public.

4. Station Oriented Development – Muttom to Edappally Toll

In pursuit of the goal of seamless transportation & pedestrianisation in the city, the contract “Construction & Improvements to Drain & Footpath Leading to Metro Station along Metro Corridor-SOD II” was awarded under “Station Oriented Development”. The value of the contract is around Rs. 8.10 crore. The stations covered under this stretch is Pathadipalam, CUSAT & Kalamassery and the length of the corridor is 3.8 km. The work includes several salient features like pedestrian friendly footpaths, tactile tile for disabled persons, street furniture like bollards & bollard lights, streetlight for pedestrians and traffic etc. Tree planting and landscaping are also being done as part of this development. The work completed successfully.

5. Edappally- Kaloor Improvement to duct and drain

Further to Station Oriented Developments, Kochi Metro is improving the drain & duct from Edappally to Kaloor along the Metro Corridor under Government of Kerala Fund. The work include duct for electrical cables, improvement of drain, footpaths as per KMRL standards, tree planting, greening etc. The work is awarded to M/s RS Development for a value of around Rs. 24 crore. The work has been completed in September 2018.

AMRUT - Atal Mission for Rejuvenation and Urban Transformation

Atal Mission for Rejuvenation and Urban Transformation (AMRUT) is one of the new initiatives of Ministry of Housing and Urban Affairs (MoHUA) launching in June 2015. Providing basic services to households and build amenities in cities which will improve the quality of life for all especially the poor and the disadvantaged is a national priority. One of the key objectives of the project is Urban Transport and Green Space and Parks to ensure pedestrian friendly footage across the city and provide green access. MoHUA has selected the following (nine) cities in Kerala viz., Thiruvananthapuram, Kollam, Kochi, Thrissur, Kozhikode, Kannur Municipal Corporations and Alappuzha, Guruvayoor, Palakkad Municipalities for the programme.

GoK through Mission Director, SMMU Thiruvananthapuram has assigned KMRL for:

1. The preparation of DPR and implementation of Urban Transport Project for Kozhikode Municipal Corporation
2. The preparation of DPR and implementation of Urban Transport and Green space and Park Projects for Kochi Municipal Corporation.

In this context, a Tripartite Agreement was signed on 10th January between KMRL, AMRUT Mission Director and Kochi/Kozhikode Municipal Corporations for the preparation of DPR

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including detailed design estimation and project supervision providing end-to-end support for timely completion and handing over to the Municipal Corporations.

All the works under Kochi Metro Rail Limited are in execution stage.

The project status is as follows:

AMRUT PROJECT DETAILS UNDER URBAN TRANSPORT , PARK AND GREEN SPACES DEVELOPMENT (May-2019)							
SI No	Project Details	Project Locations	AS Amount (In cr)	Status	Expected Project Completion	% of Work Completion	Remarks
1	CONSTRUCTION OF PARKS AND GREEN SPACE DEVELOPMENT AT VARIOUS LOCATION FOR KOCHI MUNICIPAL CORPORATION UNDER AMRUT SCHEME SAAP 17-18 (PACKAGE I)	Kudumbi Colony	3.619	Site not yet Handed over	Jul-19		
		New park at Vyttila near Chilavannur kayal		Kerb wall and Flooring works ongoing		40%	Obstruction of works by Political parties like AAP & BDJS is adversely affecting the progress of work.
		Mythiri Nagar Park		Toilet block and rest room roof plastering completed		40%	
		Vypin Jetty Green space development		Site Clearance completed		5%	
2	CONSTRUCTION OF WALKWAY AT VARIOUS LOCATION FOR KOCHI MUNICIPAL CORPORATION UNDER AMRUT SCHEME SAAP 16-17 & 17-18 (PACKAGE II)	Walkway along Panorama Road	5.905	Canal Parapet wall work ongoing	Aug-19	28%	
		Walkway from Petta to Gandhi square		DR drain wall work and RCC Drain slab placing in progress		34%	
		Walkway along Nazarath Janatha Jubile Road		Drain slab placing in progress		35%	
		Walkway and Junction Development at Thoppumpady		Drain slab casting in progress		25%	
		Walkway and Junction Development at Pambayimola Indira Gandhi					

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3	CONSTRUCTION OF FOOT OVER BRIDGE WITH ELEVATORS AND ESCALATORS AND IMPROVING ACCESSIBILITY NEAR MOFUSIL/NEW BUS STAND UNDER AMRUT SCHEME, KOZHIKODE (PACKAGE III)	Near New Bus Stand, Kozhikode	11.35	Foot Path Rejuvenation works in progress and piling works at Indoor stadium side completed	Dec-19	28%	
4	CONSTRUCTION OF PADMASAROVARAM WALKWAY AND CYCLE TRACK FOR KOCHI MUNICIPAL CORPORATION UNDER AMRUT SCHEME (PACKAGE IV)	Near Elamkulam Metro station	9.309	Bund wall construction- 85% completed. Construction activities stopped as per the Stop Memo issued by District Collector due to the political protest regarding the temporary bund construction.	Dec-19	6%	District Collector, Ernakulam had issued a stop memo and instructed to get CRZ permission for the walkway bridge construction. Awaiting CRZ approval.
	CONSTRUCTION OF WALKWAY AT VARIOUS LOCATION FOR KOCHI MUNICIPAL CORPORATION UNDER AMRUT SCHEME SAAP 16-17 & 17-18 (PACKAGE V	Walkway from GCDA Jn to Kendriya Vidyalaya and Market road	6.602	Drain slab placing in progress	Aug-19	35%	
		Walkway along Karnakodam Thodu		Interlock paver laying in progress		60%	
		Walkway along Chambakara Canal road		Site Clearing		5%	
		Walkway and Junction development at Thevara Jn		Site Clearing and levelling works in progress		10%	
		Walkway from JLN Stadium to Pipe line road		Interlock paver laying in progress		10%	
		Walkway along Mulankuzhy beach road		Drain Kerbstone work ongoing and filling in progress		25%	
	TOTAL:-		36.785				

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Urban Transport

KMRL, in addition to the core responsibility of building & operating the metro rail system, the Government of Kerala (GoK) had assigned KMRL with an additional responsibility of assisting GoK in fulfilling certain conditions with respect of Public Transport Integration, as stipulated in the tripartite agreement executed between Government of India (GoI), GoK & KMRL. Therefore, KMRL has been assisting GoK in a number of transport modernization initiatives, which are narrated below.

- a. KMRL has been assisting GoK in framing the **Kerala Metropolitan Transport Authority Bill**. The bill was tabled as 103rd bill in the 14th legislative assembly and the enactment of the KMTA Bill 2019 is expected soon.
- b. KMRL has conducted a '**Passenger Opinion Survey**' through "Centre for Public Policy Research (CPPR), an NGO based out of Kochi for the measures to be taken for enhancement of ridership. The recommendations are being implemented.
- c. KMRL has been instrumental in integrating 15,000 auto rickshaws under six trade unions, operating in the Greater Kochi Region under a single co-operative society for serving as an intermittent public transport system to all PT modes. The said **Auto Society** is operating the shared electric auto rickshaw service at three metro stations on pilot basis and will be extended to remaining stations in near future. Bicycle docks have been provided at stations, for docking of personal bicycles.
- d. **Bus Route Rationalisation** Plan for Greater Kochi was one of the priorities of the GoK. Since the powers for implementation was proposed in the KMTA Bill, KMRL had done a basic framework of aggregating the individual stage carriage private bus operators to 7 cluster based companies. As an input to route rationalisation plan, about 900 private buses were fitted with GPS based vehicle tracking system and introduced a Journey Planner App (Chalo) for the citizens and an operation monitoring dash board for the bus operators.
- e. A study on **fare integration** (common fare structure irrespective of PT mode) has been conducted with the help of Centre of Excellence, CEPT University, in consideration of the economic profile of the city and the income profile of commuters. To implement this, the powers rest with Metropolitan Transport Authorities.
- f. To enable ease in transit and to align with the "One Nation, One Card" programme of GoI, a smart card acceptance system in the name and style '**Kochi 1 Card**' has been introduced in buses operating within the Greater Kochi Region. An on-board Passenger Information System & surveillance cameras were also provided as part of the ticketing system package. Presently 100 such buses are operating as 'Smart Buses', remaining 800 buses are expected to be ready by end of this year. The extension of the Kochi 1 card ticketing system to auto rickshaws is under consideration.

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. In order to fill up the short fall in SC/ST category, the Divisional Employment Exchange was approached for sponsoring suitable candidates, based on which due recruitment process is in progress. As of 31st March 2019, your Company has employed 42 Scheduled Caste, 1 Scheduled Tribe, 220 Other Backward Class, 9 Ex-Servicemen and 5 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 witnessed a strategic change in the branding and corporate communication aspects of KMRL. Since KMRL's social media handles are the most sought after and keenly followed by Keralites across the world, the task to keep the audience engaged was quite hard.

The Corporate Communications Department developed a new strategy to maintain the Company's online and offline presence. The department focused on what KMRL brought to the city and through various content updates, it has managed to keep the aura of Kerala's only Metro. The image portrayed among the public is that KMRL is not just a transit company but an urban architect.

KMRL has received overwhelming response for its social media posts across various platforms, including Facebook, Instagram, Twitter, Google+, LinkedIn and YouTube. At present KMRL has close to Ten lakh visitors on social media with its Facebook page alone having 4.4 lakh followers.

This year KMRL started posting more engaging content rather than normal posts and routine event updates. KMRL's social media stopped the practice of calendar based content creation. To engage and increase new commuters, new contests were launched – Kochi Clicks and Guess the Station. Both contests have become an instant hit with hundreds participating online.

KMRL, Kochi Metro, Metro, and Metro Updates are the most searched topics on the internet, so there is a plan to develop a real estate tab on the KMRL's website. At present the number of visitors on website is too low even though KMRL and related keywords are top most searched words on the

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internet. The real estate tab will help generating a wider audience resulting in more revenue.

KMRL celebrated its first anniversary on 17th June 2018 and as part of the celebrations all the employees planted one tree each. During the flood, the KMRL team joined hands with the public and helped the victims of flood.

To welcome the New Year, the Corporate Communications team created a 'happy video'. The video included almost all the employees of KMRL. The video was a hit on social media and the mainstream media. During March, KMRL celebrated Two crore ridership. To celebrate the milestone KMRL conducted 2 Crore Fiesta a first of its kind branding and marketing event. In a short time close to 2000 persons turned up for the event. The event was a hit as KMRL became the first public sector company to conduct entertainment events for public. The marketing team and corporate communications team worked in tandem to garner profit as well as smooth conduct of the event.

To commemorate the 150th anniversary of Mahatma Gandhi's birth anniversary KMRL joined hands with Gandhi Peace Foundation and observed the day.

The corporate communications team also managed to keep the momentum going when it came to the mainstream media coverage. The team managed to keep the media interested and disseminated press releases. The department also managed to get full page coverages in leading vernacular and English newspapers. News channels also covered KMRL related events extensively.

Routine works such as Newsletters, blogs, website content updation were also carried out to promote the company.

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 2018-19 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 Appellate Authority, Public Information Officer (PIO) and Assistant Public Information Officer (APIO) for looking after applications related to various departments of the Company. During the year, a total of 99 RTI applications and 13 first appeals were processed.

Conservation of energy and technology absorption

A study was conducted for optimizing the energy consumption due to no load losses in charged Auxiliary and Rectifier transformers. After analyzing the collected data, it was observed that nearly 64 MWH energy could be saved per month by switching off one Auxiliary Transformer and one Rectifier Transformer. This was implemented progressively from September 2018 onwards and presently KMRL is able to save approximately Rupees three lakh per month. In every 15 days the load is being transferred to the other transformer so that both transformers will be in use in a span of one month.

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.

Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made there under.

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. 0.09 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

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- 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. Vice Admiral S.K.K. Krishnan | - | Member |
| 3. Shri Thiruman Archunan | - | Member |
| 4. Shri D K Sinha | - | Member |
| 5. Shri Kumar K R | - | 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:

a. Plastic Recycling Bottle Machine:

Three metro stations were equipped with Plastic Bottle recycling machines – the public can deposit used bottles for recycling and in return they can avail gift coupons.

b. Dabba system:

As part of reduction of plastic usage and wastage in metro stations and Muttom Depot, a dabba system has been introduced. This project facilitates the delivery of lunch and other food in steel containers to the employees, whereby the use of plastic is considerably reduced.

c. Breast feeding pods:

This project was initiated with the intention of making Kochi Metro a women friendly space for traveling. Breast-feeding pods were installed in metro stations so that moms could feed their babies, hassle-free.

This initiative gained widespread public support and was even lauded by the newspaper 'The Guardian'.

d. E-Auto rickshaws as feeder service:

This has already been elaborated under the heading 'Urban Transport'.

e. Bio-waste gardening:

A Vertical Gardening project has been initiated in the Medians of the Metro, using bio-waste as the planting medium. Sample medians have already been completed. Currently, the Company is awaiting prospective sponsors for scaling up the project further.

Explanation or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by:

1. *The Secretarial Auditor had raised an observation regarding vacancy of post of woman Director on the Board of the Company.*

Your Company has had a woman director on its Board till 31.08.2017. Subsequent to her superannuation, the Company was not able to position a woman Director on its Board. The Company had requested Government of India for nominating a woman Director on its Board and subsequently vide Letter No. K-14011/37/2005-MRTS-IV (BoD) dated 24th September 2018, Smt Sujatha Jayaraj was appointed as woman Director on the Board of KMRL. Her appointment was taken up in the next Board Meeting held on 8th January 2019.

2. *The Secretarial Auditor had also raised the issue that the Company has only conducted three Board Meetings for the year 2018-19.*

Your Company could not hold four meetings in a year as prescribed under Section 173 of the Companies Act, 2013, due to the official preoccupation of Chairman and other Directors. The Company shall ensure the compliance of the same in future.

Alternate Revenue Initiatives

With a view to shore up its bottom line, your Company is exploring ways to leverage the indirect beneficiaries and other sources for alternate incomes. The avenues for non-fare box revenue has been identified and explored and includes the following:

1. SBIRASMAC & Branch Aluva

State Bank of India opened its Metro Station Branch and Retail Assets and Small and Medium Enterprises Centre (RASMAC) at Aluva Metro Station on 27th May 2019. RASMAC will cater to the needs of 47 branches around Aluva and hopes to establish branches across four taluks, very soon. The PBB Aluva Branch will now function as Aluva Metro Station Branch.

2. SBI Thaikkattukara Branch

SBI has started their Thaikkattukara branch at Companyppadi Metro Station on 28th June 2019.

3. Union Bank inauguration

Union Bank of India inaugurated its latest branch at the Changampuzha Park metro station early this year. Shri. Rajkiran Rai G, Managing Director & CEO of the bank inaugurated the branch in the presence of Shri. APM Mohammed Hanish IAS, MD, KMRL. With the opening of the new branch, banking will become easier and more accessible to commuters.

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4. Bank of Baroda

Bank of Baroda has started their Zonal office operation on 23rd March 2019.

5. Peter's Inn - Dormitory

The 200-bed air-conditioned cabins dormitory accommodation has been started on 12th July 2018. The facility is managed and operated by Peters Inn, the licensee, in the space leased out by the KMRL. A 3,500 sq ft space had been allotted by KMRL to the company to set up the MG Road facility. The aim is to provide quality accommodation at affordable rate.

6. ATMs

Various Banks like Indusind Bank, SIB, Federala Bank, EDCB etc have started ATM services in various stations for the convenience of commuters.

7. Kiosks

Started Food & Beverages Kiosks at Aluva, Kalamassery and Cusat by various vendors.

8. Advertisement @ Kochi Metro

KMRL has licensed advertisement areas on Pillar, Medians and Portals, areas inside & outside stations and Metro Trains as an alternate revenue avenue. Major part of the alternate revenue to the KMRL contributed by advertisement contracts.

9. Electric Auto

Kinetic Green & power Solutions, our licensee for E-Auto Feeder Service, has launched feeder services in various stations on 06 feb 2019. Now the licensee has operating with 26 E-autos and looking to increase the numbers soon.

10. Feeder Auto Services

The feeder auto services to Metro stations officially launched by Chief Minister, Kerala on 17th February 2019. The District Auto Drivers co-operative society runs the feeder services to Metro Stations.

11. Cycle stand

In order to improve last mile connectivity and to encourage a healthy lifestyle, KMRL has introduced bicycle stands with parking and locking mechanism at its stations. The facility can be availed free of cost and can be accessed at 22 locations, across stations, except Maharajas Ground. Metro commuters can park their cycles safely at designated locations before travel.

12. Bicycle sharing system

CSML, KMRL and Hero Youon Pvt Ltd has entered into an agreement to operate bicycle sharing system to serve the metro passengers and general public in the city. The phase 1 of the project will be launched soon.

13. Breast feeding pods

KMRL has decided to set up Breastfeeding Pods at four Metro Stations. Breast feeding pods are a small 4x4 ft. sized room that will be installed at Aluva, Edappally, Lissie and M.G Road metro stations. A mother can comfortably feed her child while waiting for the train. There will be a comfortable bench seat, in-use locks for privacy, light, fan and other basic facilities. Cimar

Hospitals is sponsoring all the four Pods at these metro stations. Breast feeding pod at Aluva inaugurated on Feb 8, 2019.

14. Plastic Bottle Recycling

KMRL has installed Plastic Bottle Recycling Machines at few stations. The machines have been designed to dispose and recover products effectively for recycling. The highlight of the machine is that customers using the facility will be incentivized by way of discount coupons redeemable at select commercial outlets. Food outlets and supermarkets will be linked with the machine manufacturer for provision of coupons.

15. Monthly Parking facility

KMRL has introduced monthly parking pass (at a nominal cost) to the regular customers of Kochi Metro.

Board of Directors

As on 31.03.2019, the Board of your Company comprises of 14 Directors, of whom 5 Directors are nominees of the Government of India, 5 Directors are nominees of the Government of Kerala, 1 is an independent director and 3 are functional directors. 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 2018-19, the Board of Directors of your Company met three times, on 6th June 2018, 14th September 2018 and 8th January 2019.

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:

SI No.	Name of the Director Ceased			
1.	Shri Ajit Pandit	28.06.2018	Shri Dimpy Garg	28.06.2018
2	Shri Paul Antony	30.06.2018	Shri Tom Jose	18.07.2018
3.	Shri L. Narasim Prasad	24.09.2018	Smt Sujatha Jayaraj	08.01.2019

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

- Shri Durga Shanker Mishra
- Shri Mukund Kumar Sinha
- Shri D.K. Saini
- Vice Admiral S.K.K. Krishnan
- Shri Manoj Joshi
- Shri M. Sivasankar
- Shri K. Mohammed Y. Safirulla
- Shri A.P.M. Mohammed Hanish
- Shri Thiruman Archunan
- Shri Kumar K.R.
- Shri D.K. Sinha

Directorial changes that occurred upto 31st March, 2019:

- 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 Dimpy 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.
- On 8th January 2019, Smt Sujatha Jayaraj, Director (Finance), Chennai Metro Rail Limited took charge as Director (Government of India nominee) on the Board in place of Shri L. Narasim Prasad.

Directorial changes that occurred after 31st March, 2019 but before the date of this report:

- On 10th July 2019, Shri K.R. Jyothilal, Principal Secretary (Transport), Government of Kerala took charge as Director (Government of Kerala nominee) on the Board in place of Shri M. Sivasankar.
- On 7th August, 2019, Shri S. Suhas, District Collector, Ernakulam took charge as Director (Government of Kerala nominee) on the Board in place of Shri K. Mohammed Y. Safirulla.
- On 9th August, 2019 Shri Jaideep, Executive Director, Electrical Engineering (G), Railway Board took charge as Director (Government of India nominee) on the Board in place of Shri Dimpy Garg.

Board placed on record its appreciation of the services of Shri Ajit Pandit, Shri Paul Antony, Shri L. Narasim Prasad, Shri M. Sivasankar, Shri Mohammed Y. Safirulla and Shri Dimpy Garg, during their tenure as Directors.

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 cum CFO
- Shri D.K. Sinha, Director, Systems,
- Shri Shyam Agrawal, 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, all the three functional Directors (Director Finance, Director Projects & Director Systems) were rated as 'Outstanding' during the FY 2018-19.

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

Details of Subsidiary, Joint Venture and Associate Companies

Your Company does not have any subsidiary, joint venture and associate company. No Company has become or ceased to be subsidiary, joint venture and associate company during the year.

Presentation of financial statements

The financial statements of your Company for the year ended 31st March 2019 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.

Extract of Annual Return

Annual Return as per Section 92(3) is attached along with this Board's Report.

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), which have been effective from 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 Annual Report, has been annexed herewith.

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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 2018-19. The report from the secretarial auditor and the comments to every observation / 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, 2019, 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.

Change in nature of Business

During the year under review, there has been no change in the nature of business of the Company.

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. Seeni Alex Kuruvilla, JGM(F&A) | - | Presiding Officer |
| • Dr Lizamma Koshy, Retd HoD (Chem)
Maharajas College, Ernakulam | - | External Member |
| • Ms. Lilly Kutty Raju , ES to MD | - | Member |
| • Dr A. J. Augustine, GM(HR, Admn & Trg) | - | Member & Convener |

There was no 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: Bangalore
Date: 9th August 2019

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EXTRACT OF THE ANNUAL RETURN (FORM MGT 9)

As on the Financial Year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS

- i. Corporate Identity Number, CIN : U60100KL2011SGC029003
- ii. Registration Date : 02/08/2011
- iii. Name of the Company : KOCHI METRO RAIL LIMITED
- iv. Category/ Sub Category of the Company : PUBLIC COMPANY
- v. Address of the Registered office and Contact Details : REVENUE TOWER, 8TH FLOOR,
OPPOSITE SUBHASH PARK,
KOCHI, KERALA, INDIA,
PIN – 682011.
Tel: +91 484 2380 980,
Fax: +91 484 2380686,
E-mail: contact@kmrl.co.in
Website: www.kochimetro.org
- vi. Whether listed Company : No
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. No.	Name and Description of the main products/ services	NIC Code of the product/ service	% to total turnover of the company
1.	Metro Railways	99532124	50.43
2.	License Fees, semi naming rights	99831690	15.15
3.	License Fees- Advertisement rights	99836390	12.90
4.	AFC Annual Premium	99715926	10.99

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

I Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	7,53,73,000	7,53,73,000	50	-	7,53,73,000	7,53,73,000	50	0
c) State Govt.(s)	-	7,53,73,000	7,53,73,000	50	-	7,53,73,000	7,53,73,000	50	0
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	15,07,46,000	15,07,46,000	100	-	15,07,46,000	15,07,46,000	100	
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1) +(A)(2)	-	15,07,46,000	15,07,46,000	100	-	15,07,46,000	15,07,46,000	100	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-

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c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	15,07,46,000	15,07,46,000	100	-	15,07,46,000	15,07,46,000	100	0

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ii) Shareholding of Promoters

SL No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	President of India	7,53,73,000	50	-	7,53,73,000	50	-	0
2.	Governor of Kerala	7,53,73,000	50	-	7,53,73,000	50	-	0
	Total	15,07,46,000	100	-	15,07,46,000	100	-	0

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

SL No	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	Name of Promoters	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	President of India	7,53,73,000	50	-	-
	Governor of Kerala	7,53,73,000	50	-	-
	Total	15,07,46,000	100	-	-
	Change in share holding				
	At the end of the year				
	President of India			7,53,73,000	50
	Governor of Kerala			7,53,73,000	50
	Total			15,07,46,000	100

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

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

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v) Shareholding of Directors and Key Managerial Personnel:

SL No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Durga Shanker Mishra				
	At the beginning of the year	1	-	-	-
	At the end of the year	1	-	-	-
2.	Shri Mukund Kumar Sinha				
	At the beginning of the year	1	-	-	-
	At the end of the year	1	-	-	-
3.	Shri A.P.M. Mohammed Hanish				
	At the beginning of the year	2	-	-	-
	At the end of the year	2	-	-	-
4.	Shri L. Narasim Prasad				
	At the beginning of the year	1	-	-	-
	At the end of the year	0	-	-	-
5.	Smt Sujatha Jayaraj				
	At the beginning of the year	0	-	-	-
	At the end of the year	1	-	-	-
6.	Shri D.K. Saini				
	At the beginning of the year	0	-	-	-
	At the end of the year	1	-	-	-
7.	Shri Paul Antony				
	At the beginning of the year	0	-	-	-
	At the end of the year	1	-	-	-
8.	Shri Tom Jose				
	At the beginning of the year	0	-	-	-
	At the end of the year	1	-	-	-
9.	Shri Manoj Joshi				
	At the beginning of the year	1	-	-	-
	At the end of the year	1	-	-	-
10.	Shri M. Sivasankar				
	At the beginning of the year	1	-	-	-
	At the end of the year	1	-	-	-
11.	Shri K. Mohammed Y. Safirulla				
	At the beginning of the year	1	-	-	-
	At the end of the year	1	-	-	-
12.	Shri Kumar K.R.				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
13.	Shri D.K. Sinha				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

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14.	Shri Thiruman Archunan				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
15.	Shri Shyam Sunder Agrawal				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

Note: The Directors hold shares as nominees of the Government.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Rs. in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	245480.99	14745.11	-	260226.09
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9665.38	-	-	9665.38
Total (i+ii+iii)	255146.37	14745.11	-	269891.47
Change in Indebtedness during the financial year				
Addition	41488.88	3295.21	-	44784.09
Reduction	-5708.74	-	-	-5708.74
Net Change	35780.14	3295.21	-	39075.35
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	281993.16	18040.32	-	300033.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8933.35	-	-	8933.35
Total (i+ii+iii)	290926.51	18040.32	-	308966.83

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakh)

SL. No.	Particulars of Remuneration	Name of the MD/WT/Manager				Total Amount
		Shri A.P.M. Mohammed Hanish(MD)	Shri Kumar K R(WTD)	Shri D K Sinha (WTD)	Shri Thiruman Archunan (WTD)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	24.07	34.19	34.61	37.95	130.82
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		0	0	1.20	1.20

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	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-		-
2	Stock option		-	-		-
3	Sweat Equity		-	-		-
4	Commission		-	-		-
	as % of profit		-	-		-
	others (specify)		-	-		-
5	Others, please specify	6.97	6.02	7.18	8.48	28.65
	Total (A)	31.04	40.21	41.79	47.63	160.67
	Ceiling as per the Act	Not Applicable				

Salary and perquisites include all elements of remuneration i.e. salary, allowances and benefits. No bonus, pension or performance linked incentive is paid to any of the Directors. The Company has not issued any stock options to any of the Directors.

B. Remuneration to other Directors:

-

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

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

(Rs. in Lakh)

SL No	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	CEO	Company Secretary B. Anilkumar	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	23.73		23.73
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0	-	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	2.05	-	2.05
	Total	-	25.78	-	25.78

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year 2018-19, there were no penalties/punishment/compounding of offences under Companies Act, 2013.



भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक वार्षिक 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 2019.

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 appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 09.08.2019.

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 2019 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)
Director General of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai**

Place: Chennai
Date : 24 September 2019

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Corporate Governance Report

Corporate Governance in simple words means, the way by which a corporation is governed. Corporate governance refers to mechanisms, processes and relations by which corporations are controlled and directed. Corporate Governance is a systematic process driven by the ethical conduct of the business and affairs of an organisation aimed at promoting sustainable business and enhancing shareholders value in long term. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. Corporate governance essentially involves balancing the interests of a company's stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. We believe that Corporate Governance is a continuous journey for sustainable value creation for all the stakeholders driven by our values of Integrity, Commitment, Passion, Seamlessness and Speed.

Board of Directors

As on the date of this report, the Board of Directors of KMRL comprises of 14 Directors, of whom 5 Directors are nominees of the Government of India, 5 Directors are nominees of the Government of Kerala, 1 is an Independent Director and 3 are Functional Directors. 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.

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 2018-19 during the tenure of their director ship	Meetings attended	Attended AGM
1.	Shri Durga Shanker Mishra	3	3	No
2.	Shri Mukund Kumar Sinha	3	2	No
3.	Shri L. Narasim Prasad	2	2	No
4.	Smt Sujatha Jayaraj	1	1	No
5.	Shri D.K. Saini	3	2	No
6.	Shri Ajit Pandit	1	1	No
7.	Shri Dimpy Garg	2	2	No
8.	Shri Paul Antony	1	0	No
9.	Shri Tom Jose	2	2	No
10.	Shri Manoj Joshi	3	2	No
11.	Shri M. Sivasankar	3	0	No
12.	Vice Admiral S.K.K. Krishnan	3	1	No
13.	Shri K. Mohammed Y. Safirulla	3	1	No
14.	Shri A.P.M. Mohammed Hanish	3	3	Yes
15.	Shri Kumar K.R	3	3	No
16.	Shri D.K. Sinha	3	3	Yes
17.	Shri Thiruman Archunan	3	3	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 2018-19, the Board of Directors of the Company met three times; on 6th June 2018, 14th September 2018 and 8th January 2019.

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, no resolutions were approved by 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.

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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 have 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, 2019:

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

During 2018-19, the Audit Committee met once viz., 3rd August 2018. 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 2018-19 during the tenure of	Meetings attended
1.	Shri Mukund Kumar Sinha	1	0
2.	Shri Manoj Joshi	1	1
3.	Shri M. Sivasankar	1	1
4.	Vice Admiral S.K.K. Krishnan	1	0
5.	Shri K. Mohammed Y. Safirulla	1	0

2. Corporate Social Responsibility (CSR) Committee

Composition as on 31st March, 2019:

- | | | | |
|----|------------------------------|---|----------|
| 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 |
| 5. | Shri D.K. Sinha | - | Member |
| 6. | Shri Kumar K.R. | - | Member |

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

3. Project Management Committee

Composition as on 31st March, 2019:

- | | | | |
|----|------------------------------|---|----------|
| 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 |
| 5. | Shri Kumar K.R. | - | Member |

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

4. Investment Committee

Composition as on 31st March, 2019:

- | | | | |
|----|-----------------------------|---|----------|
| 1. | Shri Manoj Joshi | - | Chairman |
| 2. | Shri A.P.M. Mohammed Hanish | - | Member |
| 3. | Shri M. Sivasankar | - | Member |
| 4. | Shri Kumar K.R. | - | Member |

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

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5. Procurement Committee

Composition as on 31st March, 2019:

- | | | |
|---------------------------------|---|----------|
| 1. Shri A.P.M. Mohammed Hanish | - | Chairman |
| 2. Vice Admiral S.K.K. Krishnan | - | Member |
| 3. Shri Thiruman Archunan | - | Member |
| 4. Shri Kumar K.R. | - | Member |
| 5. Shri D.K. Sinha | - | Member |

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

6. Operation and Maintenance Committee

Composition as on 31st March, 2019:

- | | | |
|--------------------------------|---|----------|
| 1. Shri A.P.M. Mohammed Hanish | - | Chairman |
| 2. Smt Sujatha Jayaraj | - | Member |
| 3. Shri Thiruman Archunan | - | Member |
| 4. Shri Kumar K.R. | - | Member |
| 5. Shri D.K. Sinha | - | Member |

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

7. Property Development Committee

Composition as on 31st March, 2019:

- | | | |
|----------------------------------|---|----------|
| 1. Shri A.P.M. Mohammed Hanish | - | Chairman |
| 2. Shri K. Mohammed Y. Safirulla | - | Member |
| 3. Shri Thiruman Archunan | - | Member |
| 4. Shri D.K. Sinha | - | Member |
| 5. Shri Kumar K.R. | - | Member |

The Committee met once on 8th May, 2018

Attendance record of Members:

SL. No.	Name of the Member	Meetings held in 2018-19 during the tenure of	Meetings attended
1.	Shri A.P.M. Mohammed Hanish	1	1
2.	Shri K. Mohammed Y. Safirulla	1	0
3.	Shri Thiruman Archunan	1	1
4.	Shri Kumar K.R.	1	1
5.	Shri D.K. Sinha	1	1

8. Human Resources Development and Nomination and Remuneration Committee

Composition as on 31st March, 2019:

- | | | |
|---------------------------------|---|----------|
| 1. Vice Admiral S.K.K. Krishnan | - | Chairman |
| 2. Shri Mukund Kumar Sinha | - | Member |
| 3. Shri M. Sivasankar | - | Member |
| 4. Shri Thiruman Archunan | - | Member |
| 5. Shri Kumar K.R. | - | Member |

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

9. 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 a potential conflict of interest with the interests of the Company at large;
- There were no instances of penalties imposed or strictures passed against the Company by any statutory authority;
- There were no items of expenditure debited in the books of accounts, which were not for the purpose of the business of the Company;
- The Company has separate persons to the post of Chairman and Managing Director.

10. 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 8 th Floor, Revenue Tower, Park Avenue, Kochi-682 011. Ph: +91-484-2380980, Fax: +91-484-2380686	Shyam Sunder Agrawal Kochi Metro Rail Limited 8 th Floor, Revenue Tower, Park Avenue, Kochi-682 011. Ph: +91-484-2380980, +91-8129270036 E-Mail : shyam.agrawal@kmrl.co.in

Sd /-
Chairman

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SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2019

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

Form MR - 3

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, 2019 ('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, 2019 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 2 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 Meeting held on 08/01/2019 has appointed a Woman Director. The company did not have a Woman Director on its Board for the period 01/04/2018 till 07/01/2019 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.*
2. *During the financial year 2018-19, the company has held three board meetings on 06/06/2018, 14/09/2018 and 08/01/2019 respectively. As per Section 173(1) of the Companies Act, 2013, every company must hold a minimum of four Board Meetings every year. Thus, the company is in contravention of the provisions of Section 173(1) of the Companies Act, 2013 and Secretarial*

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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.

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 the following Labour legislations governing the Company's employees namely:
 - (i) Minimum Wages Act, 1958.
 - (ii) Employees State Insurance Act, 1948.
 - (iii) Employees Provident Fund and Miscellaneous Provisions Act, 1952.
 - (iv) The Payment of Wages Act, 1936.
 - (v) Employees Compensation Act, 1923.
 - (vi) The Minimum Wages Act, 1948.
- (d) Contract Labour (Regulation and Abolition) Act, 1970.
- (e) Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- (f) Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
- (g) Right to Information Act, 2005.
- (h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (i) The Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013.
- (j) Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 and
- (k) Indian Electricity Rules, 1956.

As per the management opinion, there is a partial compliance *vis a vis* maintenance of certain labour law related registers, EPF, certain provisions like water for fire fighting and disposal of batteries by Delhi Metro Rail Corporation (DMRC) which is the executing agency for the the project. The compliance of the same is adequately followed up by the company.

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 Director is subject to point 1 of this report. 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. It may be noted that, the Board of the company comprises of an Independent Director. The changes 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

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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/-

Place: Ernakulam

Date: 05/09/2019

Name of the Company Secretary: T R Sreeram

FCS No. : 4926

C.P. No : 3351

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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/-

Place: Ernakulam
Date: 05/09/2019

Name of the Company Secretary: T R Sreeram
FCS No. : 4926
C.P. No : 3351

INDEPENDENT AUDITORS' REPORT

To the Members of

KOCHI METRO RAIL LIMITED

Report on the Audit of the Financial Statements for the year ended 31st March 2019

Opinion

We have audited the financial statements of KOCHI METRO RAIL LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (Sas), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report.

We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of Matter

1. We draw attention to note 30.39 of the Ind AS financial statements in respect of insurance claim proposed to be made with The New India Assurance Co. Ltd. on account of the estimated loss of Rs.85,45.89 lakhs suffered in respect of certain assets of the company due to the heavy floods in Kerala State during August 2018. The company did not submit the claim with the insurance company to indemnify the estimated loss of Rs.85,45.89 lakhs suffered due to the floods. In accordance with Ind AS 37, the insurance claim receivable is a contingent asset defined as "a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more future events not wholly within the control of the company."

The company recognized the estimated loss of Rs. 85,45.89 lakhs suffered due to the floods in the Statement of Profit and Loss and did not recognize the insurance claim receivable from The New India Assurance Co. Ltd. to indemnify against the loss incurred due to floods as an asset for the reason that the insurance company did not intimate its acceptance of the claim made by the Company. Accordingly, the amount of Rs. 20,00.00 lakhs received from the Insurance Company as an advance

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against the claim of the company to be settled is recognized as a liability under Note No. 20 'Other Current Liabilities' in the Balance Sheet in view of the element of uncertainty of realization associated with the claim receivable.

The insurance claim receivable from the Insurance Company against the claim to be submitted by the company is a contingent asset in accordance with paragraph 10 of Ind AS 37 and in accordance with the requirement of paragraph 89 of Ind AS 37 and the accounting policy adopted, the company did not recognize any amount as a contingent asset. The company has disclosed in Note No. 30.39, a brief description of the nature of the contingent asset at the end of the reporting period, and, an estimate of its financial effect measured using the principles set out for provisions in paragraphs 36 to 52 of Ind AS 37.

2. We further draw attention to Note 30.8 with regard to the sum of Rs.53,00.00 lakhs received from Government of Kerala to finance the operating cash loss incurred by the company during the year ended 31 March 2018 and shown as Interest Free subordinate debt under Note No 13 'Borrowings' in the Balance Sheet. The company received an amount of Rs.53,00.00 lakhs from Government of Kerala (GoK) on 31.03.2019 "to finance cash losses during the operational phase in accordance with Clause No 12.19 of the MoU dated 04.11.2013 between Government of India, Government of Kerala and the Company. The amount of operating cash loss incurred by the company during the financial year ended 31 March 2018 was determined as the eligible financial aid due from Government of Kerala as per the aforesaid MoU. The sum of Rs.53,00.00 lakhs received from GoK towards financial aid is recognized as Interest free Subordinate Debt from GoK as approved in the meeting of the Board of Directors held on 09th August 2019.

The said sum of Rs. 53,00.00 lakhs was received during the Financial Year 2018-19 and was later taken back by the Government of Kerala. Subsequently, the company received the said sum of Rs.53,00.00 lakhs from Government of Kerala on 20th April 2019. The amount of cash loss agreed to be paid by the Government of Kerala is treated as an asset in the Balance Sheet as receivable from the Government of Kerala under Note No. 9 'Other Financial Assets (Current)' and the corresponding receipt due is shown as a liability in the Balance Sheet under 'Subordinate debt' in Note No. 13 'Borrowings'.

Our opinion on the financial statements is not modified in respect of the above matters.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our Auditors' Report thereon. The above referred information is expected to be made available to us after the date of this audit report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

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estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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 paragraph 3 and 4 of the Order, to the extent applicable;
2. Based on verification of books of accounts of the company and according to information and explanations given to us, we give in "Annexure B" a report on the directions issued by The Comptroller and Auditor General of India in terms of sub-section (5) of Section 143 of the Companies Act, 2013.
3. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of 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 accounts.
 - 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) As per Notification No G.S.R 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, provisions of section 164(2) of the Act regarding the disqualifications of Directors are not applicable to the company, since it is a Government Company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the

Company with reference to the Financial Statements and the operating effectiveness of such controls, refer to our separate report in “Annexure C”.

- g) As per notification no. G.S.R 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of section 197 of the Act regarding remuneration to Director are not applicable to the Company, since it is a Government Company.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 the financial statements. (Refer Note No.30.33 of 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.

Sd/-

For K.Venkatachalam Aiyer & Co.
Chartered Accountants
FRN : 004610S
CA. A Gopalakrishnan FCA
Partner | Membership No 018159

Place: Bengaluru

Date: 09.08.2019

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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, 2019.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

1) In respect of the 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 in respect of 22.71 hectares of land with a value of Rs.380,94.00 lakhs for which the registration of title Deeds is in progress. As informed by the Management, the documentation is in progress and the said matter is being handled by the Revenue department of Government of Kerala.

2) The Company does not have stock of inventory. Hence, the requirement of reporting under 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 requirement of reporting under the provisions of clause 3(v) of the order is 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) According to the information and explanations given to us, in respect of statutory dues:

- 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, 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 information and explanation provided to us, 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 2019 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 and 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, the provisions of section 197 of the Act as regards the Managerial Remuneration are not applicable to the Company, since it is a Government Company.

12) The Company is not a Nidhi Company and hence the provisions regarding reporting under 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 hence 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 them 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-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For K.Venkatachalam Aiyer & Co.
Chartered Accountants
FRN : 004610S

Place: Bengaluru

Date : 09.08.2019

Sd/-

CA. A Gopalakrishnan
Partner | Membership No 018159

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, 2019

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, 2019

Sl. No.	C & AG Directions	Comments of Statutory Auditor
1	Whether the company has system in place to process all accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with financial implications, if any, may be stated.	Yes, the Company has a system in place to process all the accounting transactions through IT system, namely SAP. Based on the verification carried out by us during the course of our audit and based on the information and explanations given to us, we have not come across any instance of processing of accounting transaction outside IT system having significant implication on the integrity of accounts and the consequent financial implication.
2	Whether there is restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc made by a lender to the company's inability to repay the loan? If yes, the financial impact may be stated	There is no such case of restructuring of an existing loan or cases of waiver / write off of debts / loans/ interest etc made by a lender to the company due to its inability to repay the loan during the year
3	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for /utilized as per its terms and conditions? List the cases of deviation.	On verification of the records furnished before us and according to the information and explanations given to us, funds received / receivable for specific schemes from central / state agencies are properly accounted for /utilized as per its terms and conditions except for an amount of Rs. 7.18 Crores, received from Government of Kerala towards the Construction of Edappally flyover in Ernakulam District, which was utilized for purposes other than the specific work for which the fund was received.
4	Whether ticketing revenue collection reports provided by the collecting bank is in agreement with the AFC database.	On verification of the sample records furnished before us and according to the information and explanations given to us, the daily ticketing revenue collection reports provided by the collecting bank, i.e., Axis Bank is reconciled with the AFC data base report from the date of receipt of the directions from the office of the C&AG.

For K. VENKATACHALAM AIYER & Co
Chartered Accountants ICAI Firm Registration No.: 004610S

Sd/-

A GOPALAKRISHNAN
Partner Membership No. 018159

Place: Bengaluru
Date: 09.08.2019

Annexure C 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, 2019

(Referred to in Paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' 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 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting" criteria established by the Company considering the essential components of internal 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 control system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

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Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements, to future periods are subject to the risk that the internal financial controls 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at 31st March 2019, based on the internal controls 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 issued by the ICAI.

For K.Venkatachalam Aiyer & Co.
Chartered Accountants
FRN: 004610S

Sd/-

CA. A Gopalakrishnan
Partner | Membership No 018159

Place: Bengaluru

Date : 09.08.2019

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KOCHI METRO RAIL LIMITED BALANCE SHEET AS AT 31st MARCH , 2019

		Amount (Rs.in Lakhs)	
Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
(I) Non- Current Assets			
(a) Property, Plant and Equipment	2.A	3820 18.08	3708 60.32
(b) Capital Work-In-Progress	2.B	1323 99.26	718 23.82
(c) Other Intangible Assets	3.A	33 05.33	36 73.97
(d) Intangible Assets Under Development	3.B	.58	10.26
(e) Financial Assets			
(i) Trade Receivables		-	-
(ii) Other Financial Assets	4	400 91.80	446 08.75
(f) Other Non Current Assets - Non Financial Assets	5	138 65.33	249 15.12
Total Non - Current Assets (I)		5716 80.38	5158 92.24
(II) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	6	7 11.19	39.07
(ii) Cash and Cash Equivalents	7	4 03.07	44 88.97
(iii) Other Bank Balances	8	85.60	1 14.59
(iv) Other Financial Assets	9	272 75.30	148 06.44
(b) Other Current Assets	10	13 93.31	22 20.92
Total Current Assets (II)		298 68.47	216 69.99
Total Assets (I) +(II)		6015 48.85	5375 62.23
EQUITY AND LIABILITIES			
(I) EQUITY			
(a) Equity Share capital	11	1507 46.00	1507 46.00
(b) Other Equity	12	925 65.68	912 41.63
Total Equity (I)		2433 11.68	2419 87.63
LIABILITIES			
(II) Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	2953 33.48	2555 26.10
(ii) Other financial liabilities	14	90 57.24	98 14.08
(b) Provisions	15	8 26.90	4 87.49
(c) Deferred Tax Liabilities	16	-	-
(d) Other Non-Current Liabilities	17	5 74.70	674.76
Total Non - Current Liabilities (II)		3057 92.32	2665 02.43
(III) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	47 00.00	47 00.00
(ii) Other Financial Liabilities	19	435 41.76	229 43.17
(b) Other Current Liabilities	20	41 23.88	13 69.70
(c) Provisions	21	79.21	59.30
Total Current Liabilities (III)		524 44.85	290 72.17
Total Equity and Liabilities (I) + (II) + (III)		6015 48.85	5375 62.23

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

Place : Bengaluru
Date : 09-08-2019

For and on behalf of the Board of Directors

Sd/- Sd/-
A P M Mohammed Hanish Kumar K R
Managing Director Director (Finance)

Sd/-
Shyam Sunder Agrawal
Company Secretary

Place : Bengaluru
Date : 09-08-2019

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KOCHI METRO RAIL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH , 2019

Particulars	Note No.	Amount (Rs. In Lakhs)	
		For the year ended 31.03.2019	For the year ended 31.03.2018
I Revenue from Operations	22	81 37.20	4,466.63
II Other Income	23	24 38.74	19 42.19
III Total Revenue (I + II)		105 75.94	64 08.82
IV Expenses:			
Operating Expenses	24	34 06.51	2,593.14
Employee Benefits Expense	25	37 74.30	29 70.02
Finance Costs	26	75 10.88	43 53.83
Depreciation and Amortization Expense	27	130 96.80	99 75.30
Impairment on Non Current Assets		78 99.11	0.00
Other Expenses	28	29 49.28	32 32.42
Total Expenses (IV)		386 36.88	231 24.71
V Profit / (Loss) Before Tax (III - IV)		(280 60.94)	(167 15.89)
VI Tax expense:			
(1) Prior tax adjustment		-	-
(2) Deferred tax		-	-
VII Profit / (Loss) for the period (V - VI)		(280 60.94)	(167 15.89)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations		(62.36)	(17.85)
Income tax relating to items that will not be reclassified to profit or loss		-	-
		(62.36)	(17.85)
IX Total Comprehensive Income for the year (VII+ VIII) (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		(281 23.30)	(167 33.74)
X Earnings per equity share:	29		
(1) Basic and Dilutive		(18.66)	(11.10)
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/-

Shyam Sunder Agrawal

Company Secretary

Place : Bengaluru

Date : 09-08-2019

Place : Bengaluru

Date : 09-08-2019

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KOCHI METRO RAIL LIMITED Statement of Changes in Equity for the year ended 31st March 2019

Amount (Rs.in Lakhs)

Particulars	Equity Share Capital	Deferred Income - Monetary Grants				Other Equity		Reserves and Surplus	Total
		Interest Free Sub Debt	GoK - Reimbursement of State Taxes	GoK	GoK	Deferred Income - Non Monetary Grants	GoK		
Balance as at April 1, 2017	1507 46.00	-	-	-	-	-	-	(38 30.74)	(38 30.74)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	355.57	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
Balance as at March 31, 2018	1507 46.00	216 52.96	805 26.92	92 70.66	-	(202 08.91)	-	(167 33.74)	(167 33.74)
Balance as at April 1, 2018	1507 46.00	216 52.96	805 26.92	92 70.66	-	(202 08.91)	-	(41.03)	912 41.63
Changes in accounting policy or prior period errors	-	-	-	9 63.03	-	-	-	9 22.00	9 22.00
	1507 46.00	216 52.96	805 26.92	102 33.69	-	(202 49.94)	-	(202 49.94)	921 63.63
Balance as at March 31, 2019	1507 46.00	213 24.86	886 70.82	171 04.72	138 38.52	(483 73.24)	-	(20 05.35)	925 65.68

For and on behalf of the Board of Directors

In terms of our report attached.
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/-
Shyam Sunder Agrawal
Company Secretary

Place : Bengaluru
Date : 09-08-2019

Place : Bengaluru
Date : 09-08-2019

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KOCHI METRO RAIL LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.19

Particulars	Amount (in Rs. Lakh)	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. Cash Flow from Operating activities		
Net Profit/(Loss) for the period	(281 23.30)	(167 33.74)
Adjustment for		
(Profit) / Loss on sale of asset (net)	.53	.88
(Profit) / Loss on sale of flood affected asset (net)	1 94.32	.00
Depreciation and amortization expense	130 96.80	99 75.30
Impairment of Asset	78 99.11	.00
Interest income	(33.92)	(64.64)
Finance cost	57 66.14	31 61.65
Net Gain arising on financial assets measured at FVTPL	(4 43.76)	.22
Operating Profit/(Loss) before working capital changes	(16 44.08)	(36 60.33)
Adjustments for (increase) / decrease in operating assets		
(Increase)/ Decrease in Financial Assets	38 44.82	(36 43.56)
(Increase)/ Decrease in other non- current Assets	16 77.24	(78 91.45)
(Increase)/ Decrease in other Assets	19 15.23	(17 13.09)
(Increase)/ Decrease in Provisions	3 59.32	2 32.70
(Increase)/ Decrease in other Payables	166 36.46	168 19.16
Net Cash flow from / (used in) Operating activities (A)	227 88.99	1 43.43
B. Cash Flow from Investing activities		
Payment to acquire property , plant and equipment including capital advances	(95 72.48)	(54 56.91)
Payment for Capital WIP including capital advances	(490 78.39)	(1036 07.26)
Interest income received	87.56	11 14.02
Receipts from Government Grants	.00	11 81.62
Net Cash flow from / (used in) investing activities (B)	(585 63.31)	(1067 68.53)
C. Cash flow from Financing activities		
Proceeds from Long term loan from Canara Bank	353 44.40	371 14.00
Proceeds from Pass through assistance from Agence Francaise de Development(AFD)	58 67.76	238 00.00
Proceeds from Sub Debt from Government of Kerala	58 11.00	132 51.01
Proceeds from Sub Debt from Government of India	.00	65 91.00
Finance Cost Paid	(106 34.74)	(62 00.21)
Loan repaid during the year	(47 00.00)	(47 00.00)
Net Cash flow from / (used in) financing activities (C)	316 88.42	698 55.80
Net Increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	(40 85.90)	(367 69.30)
Cash and cash equivalents at the beginning of the year	44 88.97	412 58.27
Cash and cash equivalents at the end of the year	4 03.07	44 88.97
Comprising of		
Cash on Hand	29.55	16.03
Balance with Banks:		
- Current Accounts	90.28	1 60.97
-Term Deposits (with maturity less than twelve months)	2 83.24	42 34.04
Cash in Sub Treasury Account	.00	77.93
Cash at bank	4 03.07	44 88.97

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/-
Shyam Sunder Agrawal
Company Secretary

Place : Bengaluru
Date : 09-08-2019

Place : Bengaluru
Date : 09-08-2019

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1.1 Corporate Information

Kochi Metro Rail Limited (hereinafter referred to as “the Company” or “KMRL”), incorporated under the Companies Act, 1956 on 2nd August 2011 with CIN: U60100KL2011SGC029003, is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013.

The Company is a Joint venture between the 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 the city of Kochi. KMRL and is also entrusted with the tasks of subsequent expansion of the Metro network, its operation, maintenance and allied activities to ensure sustainable operations and implementing a multi modal 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 properties and advertisement spaces, and providing consultancy services to other organization.

1.2 Significant accounting policies

a) Basis of Preparation

The Financial Statements have been prepared in accordance with Indian Accounting Standards under the historical cost basis except for the 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.

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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 1.19.

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 not recognized but disclosed as a note to the financial statements.

d) **Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions using the project unit credit method 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)and Intangible asset is determined based on judgment of assumptions of technical experts. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

f) **Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

g) **Trade Receivables and Loans & Advances**

Provision for doubtful trade receivables / loans & advances is recognized when there is uncertainty of realisation irrespective of the period of its dues and written off when unrealisability is established.

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 sale of tickets, sale of trip pass, money value of actual usage in case of smart cards and other direct fare collection.

1.6.2 Income from licensing of property /rental income is recognized in accordance with terms and conditions of the contract with the licensee/lessee and is accounted for on accrual basis over the lease terms.

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 their acquisition cost / historical cost less accumulated depreciation and impairment, if any. 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. Deposit works / contracts are capitalized on completion on the basis of statement of account received from executing agencies and in its absence, on the basis of technical assessment of the work executed. 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

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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 for the Phase I project 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 based on the statement furnished by the land acquisition unit functioning under the aegis of the District Collector, 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 made 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.

Land received from the state government at free of cost, ownership of which vests with KMRL, is recognized at market value of the land received which is calculated on the basis of Section 26 of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013 and shall be treated as non-monetary grant as per Ind AS 20 at the time of handing over the possession of the land.

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.

1.11 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.

1.12 Insurance claims

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

1.13 Depreciation 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 Equipment's 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

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- (iv) Residual value of 5% has been retained for all the Fixed Assets, which is in line with the provisions of Schedule II of the Companies Act, 2013.
- (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 incurrence of such expenditure.
- (ix) Intangible assets are amortized on a systematic basis over the best estimate of its useful life, from the date they are available for use.
- (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.

1.14 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 the 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.

1.15 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.

1.16 Operating cycle

Based on the nature of the operating activities of the company and the normal time between the 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.

1.17 Financial Instruments

1.17.1 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.

1.17.2 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)

1.17.3 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 statement of Profit and loss.

1.18 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.

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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.

1.19 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.

1.20 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.

1.21 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.

Employment Benefits to Deputationists

Employee benefits due to employees on deputation from other government departments/PSUs are paid to their respective parent organization/ employer based on their direction as Foreign Service

Contribution(FSC). Necessary provision for such benefits payable at the close of the financial year are estimated and provided for.

Under IndAS 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.

1.22 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, and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Costs in connection with the borrowing of funds 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.

1.23 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.

1.24 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.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the general policy on the borrowing costs. Contingent rentals are recognized as expenses in the period in which they are incurred.

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

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of time pattern in which economic benefits from the leased assets are consumed.

1.25 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.

1.26 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.

1.27 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'.

1.28 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 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Impairment	Deductions / Adjustments	As at 31st March 2019	As at 31st March 2018
Land (Freehold) (Refer Note 2.1)	619 05.15	230 42.71		849 47.86	-	.00			849 47.86	619 05.15
Building	814 91.60	1 25.26		816 16.85	9 86.92	14 21.12	68.62		791 40.20	805 04.68
Temporary structures		6.89		6.89		1.06			5.82	
Viaduct, Bridges, Tunnel & Culverts	1277 54.23	.00		1277 54.23	29 05.68	40 45.20	17.37		1207 85.98	1248 48.55
Plant and Machinery	60 20.93	1 96.10		62 17.03	2 69.85	3 52.70	5 64.00		50 30.48	57 51.08
Rolling Stock	435 10.00	69 50.75		504 60.74	10 04.47	16 75.95	24 02.31		453 78.00	425 05.53
Escalators & elevators	74 72.32	2 91.75		77 64.07	2 19.79	3 19.48			72 24.80	72 52.53
Signalling & Telecom Equipments	131 15.40	6.29		131 15.40	6 78.26	8 44.90	25 10.96	.53	90 81.82	124 37.14
Roads	12 07.97	.00		12 07.97	94.65	1 20.80			9 92.52	11 13.32
Fences, wells, tube wells	2 47.43	2.99		2 50.43	36.84	25.26	1 44.91		43.42	2 10.59
Computers	52 31.32	8.55		52 30.96	10 14.90	11 79.20	6 41.71	4.64	23 99.79	42 16.42
Electrical Appliance	212 55.37	7 83.40		220 17.42	15 03.80	20 17.24	10 87.29	2.44	174 11.53	197 51.57
Cables & Ducts	65 91.59	22.13		66 13.72	2 55.57	3 48.51			60 09.63	63 36.02
Switching Centres	14 58.37	2 72.06		17 30.43	76.73	1 13.88	2 65.86		12 73.97	13 81.63
Furniture and Fixtures	6 10.57	20.85		6 21.25	1 02.08	57.99	36.45	.98	1 95.55	5 08.49
Office Equipment	22 91.50	1 65.43		22 90.62	2 19.63	2 57.99	32.99	20.47	18 00.49	20 71.87
Low Value Assets	5 48.79	4.88		5 53.67	5 48.79	4.88	.00	.00	.00	.00
Vehicles	85.52	24.82		95.02	19.78	11.39	.00	2.20	66.06	65.74
Total	3807 98.05	319 24.84	2 28.33	4124 94.56	99 37.73	127 97.54	77 72.47	31.26	3820 18.08	3708 60.32
Previous year	583 40.25	3224 71.46	13.65	3807 98.06	2 28.87	97 18.02	.00	9.15	3708 60.32	581 11.38

Note 2.B : Capital work-in-progress

Particulars	As at 1st April 2018	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2019
Kochi metro rail project- phase I (Refer Note No. 30.4)	710 77.56	687 64.51	1398 42.07	84 83.57	1313 58.50
Phase II (Extension) (Refer Note No. 30.4)	7 46.27	- 8.72	7 37.55		7 37.55
Phase 1A (Extension)		197.96	197.96		1 97.96
Phase III (Aluva to Angamaly with Airport Link)		105.25	105.25		1 05.25
Total	718 23.83	690 59.00	1408 82.83	84 83.57	1323 99.26
Previous year	3006 75.18	880 47.52	3887 22.70	3168 98.88	718 23.82

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Note 3.A : Other Intangible assets							Amount (Rs.in lakhs)			
Particulars	Gross Block			Depreciation/ Amortisation/ Depletion				Net Block		
	As at 1st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Impairment	Deductions / Adjustments	As at 31st March 2019	As at 31st March 2018
Computer software	13 21.74	57.29	0.06	13 78.97	3 19.44	2 47.26	1 26.65	0.02	6 93.32	10 02.30
Branding- Kochi Metro	61.60			61.60	31.73	12.33			44.06	29.87
Way leave charges to Railway	27 76.22			27 76.22	1 34.42	39.67			1 74.09	26 41.80
Total	41 59.56	57.29	.06	42 16.79	4 85.59	2 99.26	1 26.65	.02	33 05.33	36 73.97
Previous year	31 31.83	10 27.73		41 59.56	2 28.31	2 57.28	.00	-	4 85.59	29 03.52

Note 3.B : Intangible assets under development				
Particulars	As at 1st April 2018	Additions/ adjustments during the year	Total	Capitalised during the year
SAP	7.67	(7.67)	.00	.00
DDFS	2.59		2.59	(2.59)
HRMS Module Taxation	.00	.58	.58	.58
Total	10.26	(7.09)	3.17	-2.59
Previous year	10.26		10.26	10.26

Notes:

- 2.1. The Company has taken over possession of 34,1460 hectares of private Land till 31st March 2019 (previous year 32.52 hectares).
- 2.2. 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/ITD/2353 & 2354 dated 25th September 2014 and the company did not incur any expenditure against these items.
- 2.3. Procedures for registration of private land in the name of the Company in the Government records is under process in respect of land with extent of 3,1816 hectares with a value of Rs.185.82 lakhs.19,5316 hectares of land with a value of Rs. 192.12 lakhs is taken over by passing an award.
- 2.4 The Government of Kerala vide G.O.(Ms) No. 477/2018/RD dated 24th Dec 2018 has assigned on registry 17,315 acres of land under the possession of Public Works Department (PWD) to KMRL at free of cost. The land is shown in the books at current market value of Rs.138,38.52 lakhs as per Section 26 of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.
- 2.5. Metro works are completed / under progress on 5.40 hectares of land belonging to various Government bodies/departments/NH. Pending finalisation of the price, transfer formalities and other terms and conditions, these parcels of lands are not included in the fixed assets.
- 2.6. 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.
- 2.7 Title deeds in respect of land parcel to an extent of 3.33 Acres are erroneously registered in the name of the company and is not included in the fixed assets of the Company. The land has been taken over by the Land acquisition unit for undertaking the preparatory works of the kochi metro rail project and the cost is being met from the preparatory funds of GoK.
- 2.8. In case of mobile phone, grouped under office equipment, the useful life is estimated at three years.
- 2.9. During the year, the Company capitalised tangible and other intangible assets valuing Rs. 319,82.13 lakhs.

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		Amount (Rs.in lakhs)
Note 4 : Other Financial Assets- Non current	As at 31st March 2019	As at 31st March 2018
Receivable from Government of Kerala		
- Interest Receivable against the EDCB Loan taken towards Sub Ordinate Debt Receivable (Refer Note No. 30.5)	70 50.87	80 59.62
- Sub -Ordinate debt Receivable (against the Loan taken from EDCB) (Refer Note No. 30.5)	256 20.00	292 80.00
- Vyttila-Petta Land Acquisition (Refer Note 30.9)	72 70.10	64 61.32
- Phase I Land Acquisition	.00	630.93
Security Deposit (Unsecured and Considered Good)	1 50.83	176.88
Total	400 91.80	446 08.75

		Amount (Rs.in lakhs)
Note 5 : Other Non Current Assets- Non Financial Assets	As at 31st March 2019	As at 31st March 2018
Capital advances (Unsecured and Considered good) ;		
- Project Advance to Delhi Metro Rail Corporation	.00	122 01.25
- District Collector-Land Aquisition	73 11.78	102 94.08
- District Collector-Land Aquisition(Petta extension) (Refer Note No. 30.9)	9.90	18 80.89
- District Collector-Land Acquisition-Petta to SN	58 11.00	.00
Prepaid Expenses	81.66	64.46
Income Tax Refund Receivable (Net of provisions)	6 50.99	4 74.44
Total	138 65.33	249 15.12

		Amount (Rs.in lakhs)
Note 6 : Trade Receivables [Current] Financial Assets	As at 31st March 2019	As at 31st March 2018
Unsecured- Considered Good		
Trade Customers	7 11.19	39.07
Total	7 11.19	39.07

		Amount (Rs.in lakhs)
Note 7 : Cash and Cash equivalents [Current]	As at 31st March 2019	As at 31st March 2018
Cash on hand	29.55	16.03
Balance with Banks (In current accounts)	90.28	1 60.97
Balance in Sub Treasury Account	.00	77.93
Term Deposits with banks (with maturity period less than twelve months)	2 83.24	42 34.04
Total	4 03.07	44 88.97

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Note 8 : Other Bank balances	Amount (Rs.in lakhs)	
	As at 31st March 2019	As at 31st March 2018
Earmarked Balances with Banks *	85.60	1 14.59
Total	85.60	114.59

* Fixed Deposits with banks pledged with Government Agencies/Authorities /MILMA/Kerala State Electricity Board/Department of Telecommunications

Note 9 : Other Financial Assets [Current]	Amount (Rs.in lakhs)	
	As at 31st March 2019	As at 31st March 2018
Receivable from Government of Kerala		
- Interest Receivable against the EDCB Loan taken towards Sub-Ordinate Debt Receivable (Refer Note No. 30.9 & 30.13)	10 07.45	10 07.45
- Sub -Ordinate debt Receivable (against the Loan taken from EDCB) (Refer Note No. 30.5 & 30.13)	36 60.00	36 60.00
- For Preparatory Works (Refer Note No. 30.10)	3 21.13	11 78.22
- State Tax Reimbursement Receivable	167 44.15	8,463.03
- Operating Cash Loss Receivable	53 00.00	.00

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

- Interest Accrued	20.17	73.82
- Income accrued but not due	3.99	1.13
- Work Deposits	5.21	.00
- Security Deposits	1 50.98	3 11.05
- Other Employee Advance	16.78	44.38
- Others (include financial assistance from GoK - Refer Note No. 30.11)	45.44	67.36
Total	272 75.30	148 06.44

Note 10 : Other Current Assets	Amount (Rs.in lakhs)	
	As at 31st March 2019	As at 31st March 2018
Receivable from Government of Kerala		
- Vyttila-Petta Land Acquisition (Refer Note 30.9 & 30.13)	10 40.00	10 40.00
Advance Paid	2 42.76	979.54
Prepaid Expenses	64.33	1 07.87
Stock of Tools	18.57	66.13
GST Input Credit	27.65	27.38
Total	13 93.31	22 20.92

Note 11 : Equity Share Capital			
Particulars	As at 3rd March 2019		As at 3rd March 2018
	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
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

Reconciliation of number of shares and amounts outstanding			
Particulars	As at 3rd March 2019		As at 3rd March 2018
	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	15 07 46 000 1507 46
Add : Shares issued during the year	-	-	- -
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 3rd March 2019		As at 3rd March 2018	
	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.

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		<i>Amount (Rs.in lakhs)</i>	
Note 12 : Other Equity		As at 31st March 2019	As at 31st March 2018
Deferred Income			
Monetary Grants			
Interest Free Sub Debt (Refer Note No. 30.5)			
Government Of India	213 24.86	216 52.96	
Government Of Kerala	886 70.82	805 26.92	
Government of Kerala - Reimbursement of State Taxes (Refer Note No. 30.6)	171 04.72	92 70.66	
	1271 00.40	1114 50.54	
Non Monetary Grants			
Government of Kerala - Freehold land (Refer Note No. 30.7)	138 38.52	0.00	
Surplus in the Statement of Profit and Loss			
Balance as at the beginning of the year	(202 49.94)	(34 75.17)	
Add :Total comprehensive income for the current year	(281 23.30)	(167 33.74)	
Balance as at the end of the year	(483 73.24)	(202 08.91)	
Total	925 65.68	912 41.63	

		<i>Amount (Rs.in lakhs)</i>	
Note 13 : Borrowings [Non current]		As at 31st March 2019	As at 31st March 2018
Term Loans (Secured)			
From Banks;			
Canara Bank (Refer Note No. 30.12)	1116 82.39	763 37.99	
Ernakulam District Cooperative Bank (land acquisition) (Refer Note No. 30.13)	256 20.00	292 80.00	
Ernakulam District Cooperative Bank (Vytilla - Petta land acquisition for road widening) (Refer Note No. 30.9 and 30.13)	72 80.00	83 20.00	
From Others;			
Pass Through Assistance - Government of India (Refer Note No. 30.14) [from AgenceFrancaise De Development (AFD)]	1327 10.77	1268 43.00	
Interest Free Sub Ordinate Debt (Unsecured) (Refer Note No. 30.5 and 30.8)			
Government of India	35 25.13	31 97.08	
Government of Kerala	145 15.19	115 48.03	
Total	2953 33.48	2555 26.10	

		<i>Amount (Rs.in lakhs)</i>	
Note 14 : Other Financial liabilities [Non current]		As at 31st March 2019	As at 31st March 2018
Retention	99.21	1 28.31	
Security Deposits	19 07.15	16 26.15	
Interest payable on EDCB loan	70 50.88	80 59.62	
Total	90 57.24	98 14.08	

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		Amount (Rs.in lakhs)
Note 15 : Provisions [Non current]	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits (Refer Note No. 30.15 and 30.16)		
Provision for gratuity	2 87.17	1 54.46
Provision for earned leave	3 78.68	2 15.96
Provision for half pay leave	1 20.42	71.37
Provision for leave travel concession	40.63	45.70
Total	8 26.90	4 87.49

		Amount (Rs.in lakhs)
Note 16 : Deferred Tax Liabilities [Non current]	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liabilities (Refer Note No. 30.17)		
On difference between book balance and tax balance of fixed assets	-	-
Deferred Tax Asset (Refer Note No. 30.17)		
Unabsorbed Depreciation and Loss	-	-
Total	-	-

		Amount (Rs.in lakhs)
Note 17 : Other Non Current Liabilities	As at 31st March 2019	As at 31st March 2018
Deferred Fair valuation -Gain (Security Deposit)	5 74.70	674.76
Total	5 74.70	6 74.76

		Amount (Rs.in lakhs)
Note 18 : Borrowings [Current] - Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Current Maturity of Term Loan from Banks;		
Ernakulam District Cooperative Bank (Land Acquisition) (Refer Note No. 30.13)	36 60.00	36 60.00
Ernakulam District Cooperative Bank (Vytilla - Petta land acquisition for road widening)(Refer Note No. 30.9 and 30.13)	10 40.00	10 40.00
Total	47 00.00	47 00.00

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		<i>Amount (Rs.in lakhs)</i>	
Note 19 : Other Financial Liabilities [Current]		As at 31st March 2019	As at 31st March 2018
Secured			
Interest accrued but not due on borrowing		8 75.02	5 98.31
Interest Payable on EDCB loan		10 07.45	10 07.45
Unsecured			
Ministry of New & Renewable Energy - Financial Assistance (Refer Note 30.18)		1 06.82	1 44.00
Other payables;			
- Trade / Security Deposit Received		3 57.66	3 33.14
- Land Acquisition and Structural Valuation		98 58.37	42 71.77
- Others;			
- Project related liabilities		184 62.33	47 16.32
- Government of Kerala*		108 42.40	93 07.42
- Delhi Metro Rail Corporation		10 38.77	10 38.77
- Others		9 92.94	15 25.99
Total		435 41.76	229 43.17

*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 30.9, 30.19, 30.20, 30.21, 30.22, 30.24, 30.25, and 30.26.

		<i>Amount (Rs.in lakhs)</i>	
Note 20 : Other Current Liabilities		As at 31st March 2019	As at 31st March 2018
Statutory Payments		2 97.67	1 35.23
Advance received from Customers		16 41.41	10 48.13
Deferred Fair valuation Gain (Security Deposit)		1 84.80	186.34
Insurance claim received in advance		20 00.00	-
Total		41 23.88	13 69.70

		<i>Amount (Rs.in lakhs)</i>	
Note 21 : Provisions [Current]		As at 31st March 2019	As at 31st March 2018
Provision for Employee benefits (Refer Note No. 30.15 and 30.16)			
Provision for Gratuity		17.68	11.06
Provision for earned leave		28.61	16.24
Provision for half pay leave		9.12	5.43
Provision for leave travel concession		23.80	26.57
Total		79.21	59.30

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Note 22 : Revenue from operations	Amount (in Rs. Lakh)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue from Train Operations being Fare Collections	41 03.89	3,217.25
Non fare box revenue	40 33.31	1,249.39
Total	81 37.20	44 66.63

Note 23 : Other Income	Amount (in Rs. Lakh)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Government Grants (Benefit against the interest free subordinate Debts from Government of India and Government of Kerala)	15 65.47	11 86.93
Government Grants (Benefit against the reimbursement of state taxes from Government of Kerala)	4 39.87	292.37
Consultancy Income	1 08.17	91.82
Interest on bank deposits	33.92	64.64
Insurance claim	12.96	
Other non-operative income (Refer Note 23.1)	1 02.96	3 01.40
Income from Unwinding of security Deposits	1 75.39	5.03
Total	24 38.74	19 42.19

23.1 Other Non operating income :

Application/tender processing fees	34.58	21.64
Other Interest	24.27	6.57
Others	44.11	2 73.19
	1 02.96	3 01.40

Note 24 : Operating Expenses	Amount (in Rs. Lakh)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Customer Facilitation Expenses	13 15.37	997.20
Electricity & water Charges	11 56.67	922.47
Security Expenses	4 40.69	391.87
Commission	1 93.70	151.84
External Project Consultancy	2 49.26	30.25
Other Operating Expenses	50.82	99.51
	34 06.51	25 93.14

Note 25 : Employee Benefits Expense	Amount (in Rs. Lakh)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries and wages	31 11.13	23 26.91
Contribution to Provident Fund and other funds	2 46.57	1 74.24
Gratuity Expenses (Refer Note No. 30.15 and 30.16)	82.20	49.52
Staff welfare expenses	3 34.40	4 19.35
Total	37 74.30	29 70.02

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Note 26 : Finance Costs	Amount (in Rs. Lakh)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
a) Interest on Pass through Assistance - Government of India (Refer Note No 30.14)		
Gross Interest (A)	19 19.72	16 40.18
Less: Expense during construction (B)	5 61.05	8 80.47
Total transfer to Statement of Profit and Loss (A-B)	13 58.67	7 59.71
b) Interest on Canara Bank loan (Refer Note No. 30.12)		
Gross Interest (A)	89 91.73	49 81.63
Less: Expense during construction (B)	45 84.26	25 79.69
Total transfer to the Statement of Profit and Loss (A-B)	44 07.47	24 01.94
c) Interest on Subordinate debt (Refer Note No. 30.5)		
Unwinding of Interest expense on subordinate debt (A)	15 65.46	11 86.93
Less: Expense during Construction (B)	-	-
Total transfer to the Statement of Profit and Loss (A-B)	15 65.46	11 86.93
d) Interest on Retention Money Deposit		
Unwinding of Interest Expense on Retention Money Deposit (A)	14.66	7.48
Less: Expense during Construction (B)	7.90	1.13
Less: Payable to GOK (C)	3.02	2.49
Total transfer to the Statement of Profit and Loss (A-B-C)	3.74	3.86
e) Interest on Security Deposit		
Unwinding of Interest Expense on Security Deposit(A)	1 75.54	1.39
Total transfer to the Statement of Profit and Loss (A)	1 75.54	1.39
Grand Total- Transfer to the Statement of Profit and Loss	75 10.88	43 53.83

Note 27 : Depreciation and Amortisation Expense	Amount (in Rs. Lakh)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Depreciation on tangible assets (Refer Note No. 1.14 and 2A)	1 27 97.54	97 18.02
Amortisation of intangible asset (Refer Note No. 1.14 and 3A)	2 99.26	2 57.28
Total	1 30 96.80	99 75.30

Note 28 : Other Expenses	Amount (in Rs. Lakh)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Station Oriented Works	1209.77	14 51.18
Rent,Rates and taxes	198.27	3 40.36
Repairs and maintenance	237.79	2 45.50
Advertisement and Promotional Expenses	161.53	3 95.49
Legal and Professional	134.50	1 46.04
Travelling and conveyance expenses	89.21	1 28.11
Office and other Miscellaneous expenses	143.61	4 12.61
Insurance	112.81	98.58
Payment to Auditors (Refer Note No. 28.1)	9.45	4.57
Bank charges	5.55	9.98
Post flood restoration expenses	646.79	.00
Total	29 49.28	32 32.42

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28.1 Payment to Auditors	Amount (in Rs. Lakh)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Audit fees	6.20	3.60
Other Services	3.13	.00
Reimbursement of Expenses	0.12	.97
	9.45	4.57

Note 29 : Earnings per Equity Share	For the year ended 31st March 2019	For the year ended 31st March 2018
Net Profit/ (Loss) after tax (In Rs. Lakh)	(281 23.30)	(167 33.74)
Number of Equity Shares	1507 46 000	1507 46 000
Basic and Anti-Diluted Earnings Per Share (EPS) (In Rs.) (Refer Note No. 30.28)	(18.66)	(11.10)

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NOTE NO.30 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

30.1 Expenditure in Foreign Currency

Particulars	Amount (Rs.In Lakhs)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Tours and Travels	8.57	5.70
Expenditure by DMRC on contracts (see note below)	26,18.80	50,11.28

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

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.84,22.13 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.

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.

b) 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 in which the value of commissioned assets bear to the qualifying CWIP as at the end of the month of commissioning.

c) Residual

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).

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 costs are given below;

Particulars	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
Current year	149,00.44	5,55.99	57,66.14	85,78.31
Previous year	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 Developement (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;

Interest earned	Amount (Rs. in lakhs)	
	Current year	Previous year
	20.58	9,45.33

Government of Kerala vide G.O No.C2/75/2017/Trans dated 27th July 2018 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 revised cost of Rs.2310,00 lakhs. The Government of India, Ministry of Housing and Urban Affairs (MOHUA) vide their letter F.No.K-14011/08/2015-MRTS-IV dated 26th February 2019 has accorded “in-principle” approval for the Kochi metro rail project – Phase II, subject to compliance from the GoK on certain comments by MOHUA.

Expenditure on account of detailed project report, traffic study and other related expenditure undertaken by KMRL for extensions is grouped under CWIP- Phase II.

30.5 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) amounting to Rs. 470,00 lakhs towards land acquisition on behalf of GOK. The repayment of the loan with payment of interest against the said

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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 partakes 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.

Government of Kerala vide order No. G.O (Ms) No.73/2014/Trans dated 17/10/2014 has given administrative sanction for the Extension of Phase I of the metro line from Petta to S N junction for Rs 359,00 lakhs. Out of Rs 359,00 lakhs, Rs 58,11 lakhs was released by GoK directly to Special Tahasildar LA towards land acquisition (Phase II) in October 2018 vide G O (MS) No.63/2018/TRANS dated 23.10.2018.

The amount of Rs. 366,00 lakhs and Rs. 58,11 lakhs are 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

30.6 Reimbursement of State taxes

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. 237,33.00lakhs towards state taxes shall be borne by Government of Kerala.

Accordingly, vide G.O.(Ms)No. 170/2019/Fin dated 3rd May 2019, administrative sanction was accorded towards reimbursement of state tax paid by KMRL/DMRC towards execution of the Kochi Metro project.

Till 31st March 2019, an amount of Rs. 105,33.24 lakhs (previous year Rs. 95,63.03 lakhs) towards Kerala Value Added Tax (KVAT) (KVAT applicable till 30th June 2017) and Rs. 73,10.90 lakhs towards State Goods and Service Tax (SGST) (for the period from 1st July 2017 to 31st March 2019)(previous year NIL)totaling to Rs. 178,44.14 lakhs is due from the State Government towards KVAT and SGST. Out of this, an amount of Rs. 11,00.00 lakhs was released during the year 2017-18.

30.7 Transfer of land at Kakkanad

Government of Kerala vide G.O.(Ms) No. 477/2018/RD dated 24th Dec 2018 has assigned on registry 17.315 acres of land under the possession of Public Works Department (PWD) to KMRL at free of cost for undertaking property development on the said land. The value of land parcel is treated as non-monetary grant in accordance with the Ind AS 20. The Grant is set up as deferred income and shall be recognized in the Statement of profit and loss account over the useful life of the underlying asset.

30.8 Funding towards the Cash Loss

Government of Kerala vide G.O.(Rt) No. 128/2019/Trans dated 29th Mar 2019 has accorded approval to finance the cash loss of the company of the financial year 2017-18. The sum of Rs.53,00.00 lakhs received from the Government of Kerala to finance the said cash loss is recognized as Sub ordinate debt as decided and resolved in the meeting of the Board of Directors held on 09.08.2019. The approval is in line with the approved funding of the Kochi Metro Rail Project, as per the terms of the Memorandum of Understanding (clause 12.19) between the Government of India, Government of Kerala and Kochi Metro Rail Limited dated 04th November 2013

The amount of Rs. 53,00 lakhs was released by GoK on 31st March 2019 and returned to GoK on the same date as per the Government order. Subsequently, the funds were once again released by transferring the said sum of Rs.53,00.00 lakhs to the Treasury Savings Bank (TSB) account of KMRL on 20th April 2019.

Accordingly the company recognized the Subordinate debt and the corresponding receivable from Government of Kerala amounting to Rs.53,00.00 lakhs in the Balance Sheet.

30.9 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. 330.00 lakhs has been incurred by KMRL during the financial year 2018-19 (during previous year Rs. 142.42 lakhs) .The total cost incurred towards this preparatory work till 31.03.2019 is Rs. 19,36.48 lakhs (till 31.03.2018 Rs. 16,06.48 lakhs).

Vide order No.G.O.(Ms)No.24/2015/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.

Till 31.03.2019, 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.

30.10 Edappally 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 and an amount of Rs.8,92.42 lakhs was received during 2018-19. Out of the funds received during the year 2018-19, towards the entrusted work of construction of the Edappally Flyover, an amount of Rs.717.83 lakhs was utilized by the Company for the other construction activities. 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. 33, 08.66 lakhs) out of funds transferred by KMRL.

Till 31st March 2019, KMRL has incurred an amount of Rs. 404.71 lakhs (till previous year Rs. 369.73 lakhs) which includes claim towards administrative charges.

The total expenditure on the Edappally flyover amounts to Rs. 37,13.37 lakhs (till previous year Rs. 36,78.39 lakhs) and balance funds are yet to be released by Kerala Road Fund Board.

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

The Company has received funds as Central Financial Assistance (CFA) from the Ministry of Urban Development (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 2019, MOUD has released an amount of Rs. 1,81.38 lakhs till 31st March 2019. An amount of Rs. 45.35 lakhs are receivable from GOK, being their share of financial assistance.

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30.12 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 July 2023. 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 0.95% 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.353,43.10 lakhs (previous year Rs.371,14 lakhs). The company has paid interest of Rs. 87,07.49lakhs during the year (previous year Rs. 46,02.47 lakhs) and the sum Rs. 196,57.41lakhs (including accrued interest) paid cumulatively is accounted as interest till 31st March 2019 (till previous year Rs. 106,65.68 lakhs).

30.13 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, Government of Kerala has accorded approval for availing a 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 obligation for 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. 104,00lakhs 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.

30.14 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 2019. 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. 1327,11lakhs availed towards loan and Rs.47,73.93lakhs towards interest accrued till 31st March 2019 is shown under this account.

GOI has released an amount of Rs. 58,68 lakhs during the year and cumulatively Rs. 1327,11lakhs till 31st March 2019. The company paid interest of Rs.19,27.25lakhs during the year and the sum of Rs. 48,94.79 lakhs (including accrued interest) cumulatively is recognized as interest till 31st March 2019.

30.15 Disclosure in respect of IND 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 IND AS 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.

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30.16 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 2019.									
Amount(Rs.in lakhs)									
Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)		
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	
Benefit obligations at the beginning of year	165.52	87.66	232.20	124.32	76.80	83.23	64.45	11.07	
Current service cost	94.33	70.90	137.44	89.28	40.13	28.78	23.81	18.81	
Interest Cost	12.55	6.79	16.60	9.22	5.91	6.45	5.00	0.77	
Benefits paid / provision withdrawn	-5.12	0.00	-33.07	-10.64	0.00	0.00	-8.57	-13.32	
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	5.42	2.92	2.02	-5.96	0.65	-1.98	1.26	0.93	
Actuarial (gain) /loss on obligations - Due to Experience Adjustments	32.17	-2.77	52.09	25.98	6.05	-39.68	-21.52	46.19	
Benefit obligations at the end of year	304.87	165.50	407.28	232.20	129.54	76.80	64.43	64.45	

Amount (Rs.in Lakhs)

The amounts for theyear ended March 31, 2019 recognised in the Statement of Profit and Loss under Employee benefit Expense, are as follows:									
Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)		As at 31/03/2018
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	
Current service cost	94.33	70.90	137.44	89.28	40.13	28.78	23.81	18.81	
Interest cost	12.55	6.79	16.60	9.22	5.91	6.45	5.00	0.77	
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Reimbursement Service cost	(3.88)	(6.49)	(7.20)	0.00	(3.88)	0.00	0.00	0.00	
Total	103.00	71.21	146.84	98.50	42.16	35.23	28.81	19.58	
Less: Acturial (Gain)/ Loss transferred to CWIP	20.80	21.69	29.66	49.17	8.52	10.73	5.82	5.70	
Expenses recognized in statement of profit and loss	82.20	49.52	117.18	49.33	33.64	24.50	22.99	13.88	

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Amount (Rs.in Lakhs)

The amounts for the year ended March 31, 2019 recognised in the Statement of Other Comprehensive income , are as follows:

Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		LTC (Unfunded)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
Re measurements of the net defined benefit liability/ (asset)								
Actuarial (gains)/ losses from changes in Financial Assumptions	5.42	2.92	2.02	(5.96)	0.65	(1.98)	1.26	0.93
Actuarial (gains)/ losses Due to Experience Adjustments	32.17	(2.77)	52.09	25.98	6.05	(39.68)	(21.52)	46.19
Total Re measurements in OCI	37.59	0.16	54.11	20.02	6.70	(41.66)	(20.26)	47.12
Less: Actuarial (Gain)/ Loss transferred to CWIP	7.59	0.05	10.93	6.10	1.35	(12.69)	(4.09)	14.32
Expenses recognized in statement of OCI	30.00	0.11	43.18	13.92	5.35	(28.97)	(16.17)	32.80

The principal assumptions used to determine Gratuity, Earned leave encashment, Half Pay leave Encashment and LTC benefit obligations as of March 31, 2019, March 31, 2018 are as follows :

Particulars	As at 31/03/2019	As at 31/03/2018
Discount rate	7.70% (7.25% for LTC)	7.75%
Salary escalation rate - First 5 Years	6.00%	6.00%

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Amount (Rs.in Lakhs)

Net Asset / Liability recognised in the Balance Sheet								
Particulars	Gratuity entitlement (Unfunded)		Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		LTC (Unfunded)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
Present value of the obligation	304.87	165.50	407.28	232.20	129.54	76.80	64.43	64.45
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Difference	304.87	165.50	407.28	232.20	129.54	76.80	64.43	64.45
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	304.87	165.50	407.28	232.20	129.54	76.80	64.43	64.45

30.17 Disclosure in respect of IND AS-12, "Income Taxes"

The Company has a deferred tax asset of Rs.216,37.06 lakhs (previous year Rs. 118,82.65 lakhs) as on 31.03.2019 owing to the existence of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2019 is Rs.132,45.37 lakhs (previous year Rs. 65,74.02 lakhs).

The net deferred tax asset as on 31.03.2019 is Rs. 83,91.69 lakhs (Previous year Rs: 53,08.63 lakhs) and as a matter of prudence, the deferred tax asset is not recognized in the books of accounts.

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30.18 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.1,44.00 lakhs, being the 1st installment of the CFA ,during the financial year 2015-16 and Rs.1,58.47 lakhs during the financial year 2018-19 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. During the year an amount of Rs. 2,13.65 lakhs have been released to M/s Hero Solar Energy Private Limited towards their share of the subsidy amount.

30.19 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.

The particulars of preparatory works as stated in the Government Order No.110/2013 mentioned above are as follows:

Sl. No.	Description of the Preparatory Work	Amount Estimated (Rs.in Crores)
1	Rebuilding of Railway Over Bridge near Ernakulam Town Station	83.37
2	Construction of new Railway Over Bridge near KSRTC Bus Stand and Widening/Improvements to Salim Rajan Road and Mullassery Canal Road	49.00
3	Widening of the station approach road from Jos Junction to Ernakulam South Railway Station	41.37
4	Improvements to the MG Road from Madhava Pharmacy to Thevara	32.36
5	Widening of Banerjee Road from Ernakulam Town ROB to the Madhava Pharmacy	36.37
	TOTAL	242.47

Till 31.03.2019, the GOK has released an amount of Rs.218,67.19 lakhs towards the preparatory and other miscellaneous works (till 31.03.2018Rs. 218,67.19 lakhs). The total expenditure till 31.03.2019 on these preparatory works including funds transferred to DMRC is Rs. 202,41.52 lakhs(till 31.03.2018Rs. 199,84.62 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 2019 , out of the funds transferred towards preparatory works, is Rs. 128,94.30 lakhs (till previous year Rs. 128,94.30 lakhs).

30.20 Pachalam Rail Over Bridge (ROB)

Government of Kerala vide order Nos. G.O(Ms) No. 23/2014/Trans dated 05/03/2014 and G.O(Ms) No.56/2014/Trans dated 24/07/2014 has entrusted the work of construction of Pachalam ROB to KMRL through DMRC, for reducing the traffic block due to civil construction from Aluva to Petta, with an approved cost of Rs. 52,59 lakhs.

Government of Kerala has released the entire funds to KMRL. Out of the funds received, an amount of Rs. 8,81.00 lakhs have been paid to District Collector towards the cost of land acquisition and an amount of Rs. 15,90.45 lakhs to DMRC and others towards project fund till 31st March 2019.

DMRC has spent an amount of Rs. 20,02.48 lakhs including remuneration (up to previous year Rs. 20,02.48 lakhs) towards construction of the rail over bridge till 31st March 2019.

30.21 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 2018-19, Rs.10,00 lakhs was released by GoK and Rs.5,64.49 lakhs by KfW (Previous year GoK -Rs 10,00 lakhs and KfW –Rs.4,68.73 lakhs). Cumulative fund releases up to 31.3.2019 is Rs.30,33.22 lakhs (GokRs 20,00 lakhs and KfW –Rs. 10,33.22 lakhs) .

All the financial and operational risk of the project shall 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.27,24.50 lakhs (till previous year Rs. 8,55.95 lakhs) has been incurred till 31.03.2019 on this account and balance is shown as fund available for the water transport project.

30.22 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 till date an amount of Rs.27,00 lakhs to the Treasury Savings Bank (TSB) Account of KMRL The work is being executed through DMRC.

An amount of Rs.16,75.90 lakhs has been expended (including DMRC remuneration) up to 31.3.2019 (till 31.03.2018 Rs. 2.36 lakhs).

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30.23 Non–Motorized transport (NMT) initiatives in KMRL

GOK vide GO. No. 34/2017/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 pedestrianization project.

During the year, KMRL has incurred an amount of Rs. 12,06.29 lakhs (till 31.03.2018 Rs.14,30.19lakhs) towards station oriented development works.

30.24 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 till date released an amount of Rs.34,00 lakhs for undertaking these works. An amount of Rs.17,00.57 lakhs have been incurred by KMRL up to 31.3.2019 (till previous year Rs. 7,32.52 lakhs) .

30.25 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 during the year vide GO(RT) No.518/2018/Trans dated 23.11.2018.

An amount of Rs.11,20 lakhs and Rs.40,00 lakhs was released by GoKand KMRL respectively to the Special Tahasildar LA towards the cost of land acquisition. Cumulative expenditure till 31.3.2019 is Rs. 51,20.91 lakhs.

On 31.3.2019, an amount of Rs.80.76 lakhs was resumed back by GoK as a part of resumption of funds from ‘Plan Scheme Treasury Savings Bank(PSTSB)’ Accounts.

30.26 Preparatory works of the new metro line from Jawaharlal Nehru Stadium to Kakkanad via Infopark

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 during the year vide GO(RT) No.518/2018/Trans dated 23.11.2018. Cumulative expenditure till 31.3.2019 is Rs 50 lakhs(till previous year NIL) .

30.27 Disclosure in respect of IND AS-23, “Borrowing costs”

During the year, an amount of Rs.5,55.99 lakhs (previous year Rs.64,90.11 Lakhs) has been capitalized and amount of Rs.57,66.13 lakhs (previous year Rs. 31,61.65 Lakhs) has been charged to revenue in line with the accounting policy on “Borrowing cost”.

30.28 Disclosure in respect IND AS- 33, “Earnings per Share”.

Particulars	2018-19	2017-18
Net Profit /(Loss) for the year (Rs. in Lakhs)	(281,23.30)	(167,33.74)
Weighted average number of equity shares outstanding during the year		
- Basic	15,07,46,000	15,07,46,000
- Diluted	15,07,46,000	15,07,46,000
Basic Earnings Per Share (Face value of Rs. 100/-per share) (Rs.)	(18.66)	(11.10)
Anti -Dilutive Earnings Per Share (Facevalue of Rs. 100/-per share) (Rs)	(18.66)	(11.10)

30.29 Disclosure in respect of IND AS-1, “Presentation of financial statements”

Capital Management

Amount (Rs. in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Total Debt	30,00,33.48	2602,26.10
(b) Total Capital	243311.68	2419,87.63
(c) Debt/ Equity ratio (a/b)	1.23	1.08

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

30.30 Disclosure in respect of IND AS-17, “Leases”

30.30.1 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. 62.67 Lakhs (P.Y. Rs. 192.85 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.124.11 Lakhs (P.Y. Rs. 114.72 Lakhs) and the lease rent so paid is included under the head Expenditure-Rent, Rates and taxes.

30.30.2 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.

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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:

Amount (Rs. in lakh)

Operating Lease	As at 31st March 2019	As at 31st March 2018
Not later than one year	6,44.43	4,62.37
Later than one year and up to five years	32,41.50	28,98.21
Beyond five years	6,85.34*	10,54.78

**All the lease agreements pertaining to this amount stands terminated as on the date of signing of the Financial Statements.*

30.31 Disclosure in respect of IND AS-24, “Related Party Disclosures”

30.31.1 Key Management persons:

- 30.31.1.1 Shri. A P M Mohammed Hanish (Managing Director)
- 30.31.1.2 Shri. Kumar K R (Director-Finance)
- 30.31.1.3 Shri. D K Sinha (Director- System)
- 30.31.1.4 Shri. Thiruman Archunan (Director-Projects)
- 30.31.1.5 Shri. Anil Kumar B (Company Secretary) (upto to 1st July 2019)
- 30.31.1.6 Shri Shyam Sunder Agrawal (Company Secretary) (from 29th July 2019)

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

Amount (Rs. in lakh)

Sl.No	Particulars	2018-19	2017-18
1	Salaries & Allowances	1,54.55	99.79
2	Contributions to Provident Fund and others	11.84	7.48
3	Other benefits	20.06	23.16
	Total (included in employee cost)	1 86.45	130.43

- 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 amount 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.

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

Impairment loss on asset is recognized for an amount of Rs. 78,99.11 lakhs (previous year NIL) during the year (also refer note no. 30.39).

30.33 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 01.04.2018	Additions/transfer /utilization during the year	Closing balance as on 01.04.2019
Provisions	2202.75	3,21.79	25,24.54
Contingent liabilities			
• Towards Kochi metro rail project	71216.68	(200,85.32)	511,31.36
• Towards preparatory works under taken by KMRL on behalf of Government of Kerala (GOK)	3176.97	(10,45.45)	21,31.52
• Bank Guarantee	114.59	(28.19)	86.40
• Statutory Authorities	73.84	NIL	73.84
Contingent Asset	NIL	NIL	NIL

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As on 31st March 2019, certain land acquisition cases pertaining to the projects 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. 25,89.48 lakhs. This is included under contingent liabilities.

Further, the land acquisition cases pertaining to the preparatory works 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. 20,14.91 lakhs 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.

With respect to the claims on preparatory works, the settlement shall be done out of the funds received from the GoK for executing such preparatory works.

30.34 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 applicable to KMRL, the company has not spent any amount mandatorily on CSR, owing to the losses incurred during the current year.

30.35 Disclosure in respect of Ind AS – 107 “Financial Instruments: Disclosures”

30.35.1 Financial Instruments by categories

Particulars	As at 31st March 2019			As at 31st March 2018		
	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI
Financial Assets						
Other financial assets (refer note no. 4 & 9)	673,67.10	-	-	594,15.19	-	-
Trade receivables	7,11.19	-	-	39.07	-	-
Total	680,78.29	-	-	594,54.26	-	-
Financial Liabilities						
Borrowings	3000,33.48	-	-	2,60,226.10	-	-
Other financial liabilities	525,99.00	-	-	32,757.25	-	-
Total	3526,32.48			2,92,983.35	-	-

30.35.2 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The company's financial asset 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.

Liquidity Risk

The Company's liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are revenue generated from operations, external commercial long term borrowings, Interest free subordinate debt, Share Capital and Grant.

The Company manages its liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues, current maturities and interest on external borrowings and retention & deposits arising during the normal course of business as of each reporting date. The Company maintains a sufficient balance in cash & cash equivalents and other bank balances to meet its short term liquidity requirements.

The Company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals. The Company's non-current liabilities include repayment of external borrowings, interest free subordinate debt, retentions & deposits and liabilities for employee benefits.

Credit risk management

Trade Receivables

The company has outstanding trade receivables (gross) amounting to Rs.6 51.89 Lakhs and Rs. 39.07 Lakhs as of March 31, 2019 and March 31, 2018, 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

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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 of the reporting date is summarized as follows:

Amount (Rs. in lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Gross	Impairment	Gross	Impairment
Not past due	89.15	-	4.78	-
Past due less than three months	4,06.36	-	34.29	-
Past due more than three months not more than six months	44.20	-	-	-
Past due more than six months	112.18			

Other financial assets measured at amortized cost

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.

30.36 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.

30.37 Disclosure in respect of Capital and other commitments

Amount (Rs. in lakh)

Capital and other commitments	As at 31.03.2019	As at 31.03.2018
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.	431,07.98	755,50.88
Estimated amount of contracts entered into by KMRL contracts (net of advances) remaining to be executed and not provided for		
a. Tangible asset	33,22.14	260,03.00
Total	464,30.12	1015,53.88

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

30.38 Dues to micro enterprises and small enterprises

As at March 31, 2019, an amount of Rs.2,01 lakhs is outstanding as dues to micro and small enterprises. There are no interests due or outstanding on the same.

Amount Payable To Micro, Small and Medium Enterprises

Amount (Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
The Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year		
Principal amount due to Micro and Small Enterprises	201.00	8.81
Interest due on above	NIL	NIL
	201.00	8.81
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	NIL	NIL
Total	NIL	NIL

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The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

30.39 Disclosure with respect to insurance claim on account of floods in Kerala State

During the period under report, some of the assets installed at Aluva Station, Companypady Station and Muttom Yard were partially damaged due to incessant rains and floods in Kerala State including Kochi during the period from 15th August 2018 till 20th August 2018.

The restoration works were in the nature of repairs and replacement to the damaged Plant, Properties and Equipment and most of these works are being undertaken through DMRC. Some of the assets, which are totally damaged, have been written off in the books of accounts having a book value of Rs. 210.17 Lakhs. In respect of partially damaged assets, KMRL has recognised the impairment loss to the extent identifiable, for an amount of Rs. 78,99.11 lakhs.

The company has taken insurance coverage for all assets from “The New India Insurance Company Limited” under the “Operational Large Risk Insurance Policy” to cover the risk of damage to property. The sum insured is for Rs. 3276 crores. The total amount claim to be made with the Insurance Company on account of repairs and replacement of assets to be undertaken, based on the budgetary quote, is estimated to be more than Rs.100 crores and shall be recognized on acceptance of claim by the Insurer as per the accounting policy of the company.

Pending finalization of the claim settlement, KMRL has received an interim payment of Rs. 20 crores from the insurance company during the year. For undertaking the repairs and replacement works, where the budgetary quotes are not available, the expenditure shall be recognized in the year of its incurrence.

KMRL does not expect any material impact on its asset value, retained earnings and to its net income on an ongoing basis. The operations of the metro are not affected due to the restoration works.

30.40 Recent amendments to the Indian Accounting standards (applicable for annual periods beginning on or after 1st April 2018)

Ministry of Corporate Affairs (“MCA”) through Companies (India Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to INDASs which are applicable for the annual periods beginning on or after 1st April 2018.

IND AS 20: Grant

A government grant in the form of non-monetary asset shall be valued at fair value to account for both grant and asset. Alternatively, the asset and grant shall be recognized at nominal amount. KMRL has recognized the non-monetary asset in the form of land at fair value.

Government grant related to assets shall be presented at balance sheet by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. KMRL has opted for recognizing the grant initially as deferred income and subsequent recognition in the statement of profit and loss on a systematic basis over the period of useful life of the asset for which the grant is intended to compensate.

30.41 Recent amendments to the Indian Accounting standards (applicable for annual periods beginning on or after 1st April 2019)

Ministry of Corporate Affairs ("MCA") through Companies (India Accounting Standards) Amendment Rules, 2019 has notified the following new amendments to IND ASs which KMRL has not applied for the annual periods beginning on or after 1st April 2019.

IND AS 116 Leases

IND AS 116 will replace the existing lease standard, IND AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It requires lessee to account for all the leases on the balance sheet by recognizing a financial liability for lease payment obligation with a corresponding asset called Right of Use (RoU) asset. KMRL does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

IND AS 12 Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in the statement of profit or loss, other comprehensive income or equity according to which the entity originally recognised those past transactions or events. KMRL does not expect this amendment to have any material impact on its financial statements.

Ind AS 109 Prepayment Features with Negative Compensation

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

Ind AS 19 Plan Amendment, Curtailment or Settlement

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

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. KMRL does not expect any material impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures ,Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

KMRL does not currently have any long-term interests in associates and joint ventures or has any control / joint control of a business that is a joint operation and hence KMRL does not expect this amendment to have any significant impact on its financial statements.

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30.42 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.

Sd/-

**For K Venkatachalam Aiyer & Co
Chartered Accountants FRN 004610S**

Sd/-

**A Gopalakrishnan
Partner Membership No. 018159**

Place : Bengaluru

Date : 09-08-2019

For and on behalf of the Board of Directors

Sd/-

**A P M Mohammed Hanish
Managing Director**

Sd/-

**Kumar K R
Director (Finance)**

Sd/-

**Shyam Sunder Agrawal
Company Secretary**

Place : Bengaluru

Date : 09-08-2019

