



चेन्नै मेट्रो रेल लिमिटेड CHENNAI METRO RAIL LIMITED



11वीं वार्षिक रिपोर्ट 11th ANNUAL REPORT 2017-2018



Tunnel



Passengers entering Metro Station



Anna Nagar Tower Metro station



Interior of Metro Rail

Contents



CHENNAI METRO RAIL LIMITED

(A Joint Venture of Govt. of India and Govt. of Tamil Nadu)
CMRL Depot, Admin. Building, Poonamallee High Road,
Koyambedu, Chennai - 600 107.

11th ANNUAL REPORT 2017-18

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Vision

Moving People, Sustaining Growth.



Mission

We shall provide a safe, fast, reliable, accessible, convenient, comfortable, efficient and affordable public transport service preferred by all in a sustainable manner.



Core Values

Concern for Customers

We commit to provide safe, clean, reliable, on time, courteous service for all categories of our clients and customers.



Integrity

We commit to be transparent and fair in our transactions with all our clients.



Sustainability

We commit to base our decisions on principles of sustainability (Refuse, Reduce, Reuse, Recycle and Rethink) towards reducing greenhouse emissions.



Responsibility

We commit to honour the trust reposed in us by the public by managing CMRL resources, financial and non-financial, with the highest degree of responsibility.



Creativity & Innovation

We commit to strive together as a team to continuously develop and deploy creativity, innovation & technology and add value to our customers and other stakeholders.

BOARD OF DIRECTORS

Shri Durga Shanker Mishra, IAS	Chairman
Shri Mukund Kumar Sinha	Director
Shri Vijay Kumar Dhir	Director
Shri Sunil Mathur	Director
Shri Dimpy Garg	Director
Shri Pankaj Kumar Bansal, IAS	Managing Director
Shri K Shanmugam, IAS	Director
Shri Rajeev Ranjan, IAS	Director
Shri S Krishnan, IAS	Director
Dr D Karthikeyan, IAS	Director
Smt Usha Sankar	Independent Director
Smt Uma Ratnam Krishnan	Independent Director
Shri L Narasim Prasad	Director (Systems & Operations)
Smt Sujatha Jayaraj	Director (Finance) & Chief Financial Officer
Shri Rajeev Narayan Dwivedi	Director (Projects)

Company Secretary

Smt Andal P

Statutory Auditor

M/s Ganesan and Company,
Chartered Accountants
9, (Old No.36), South Beach Avenue
MRC Nagar Main Road
R.A. Puram, Chennai 600 028.

Internal Auditors

M/s. Varma & Varma
Chartered Accountants
Sreela Terrace, Level 4
Unit D, 105, 1st Main Road
Gandhi Nagar, Adayar
Chennai 600 020

Secretarial Auditor

M/s LB & Co.
Company Secretaries
No. 36/98, 2nd Floor
Halls Road, Kilpauk
Chennai 600004

Bankers

- ❖ State Bank of India, Koyambedu
- ❖ Canara Bank, Teynampet
- ❖ Corporation Bank, Ashok Nagar
- ❖ IDBI Bank Limited, Vadapalani
- ❖ Indian Overseas Bank, Secretariat Branch

REGISTERED OFFICE

CHENNAI METRO RAIL LIMITED

CMRL Depot, Admin. Building, Poonamallee High Road, Koyambedu, Chennai 600 107



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of **CHENNAI METRO RAIL LIMITED** will be held on **WEDNESDAY, THE 26th DAY OF SEPTEMBER 2018** at **11.30 hours** (IST) at the Registered Office of the Company at CMRL Depot, Admin. Building, Poonamallee High Road, Koyambedu, Chennai - 600 107 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the company for the year ended 31st March, 2018, the reports of the Directors and Statutory Auditors together with the Comments of the Comptroller and Auditor General of India under Section 143 (6) of the Companies Act, 2013.
2. To fix remuneration of Auditors for the Financial Year 2018-19 and if though fit, to pass with or without modifications, the following resolution as an ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the remuneration, out of pocket expenses, statutory taxes and other ancillary expenses of Statutory Auditors appointed by the Comptroller and Auditor General of India for the Financial Year 2018-19”.

SPECIAL BUSINESS:

3. To consider and if thought fit to pass following as **ORDINARY RESOLUTION** with or without modifications:

“**RESOLVED THAT** pursuant to Section 61 of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and rules framed thereunder, the Authorized Share Capital of the Company be increased from ₹ 6580,00,00,000/- to ₹ 8000,00,00,000/- by the creation of 1,42,00,000 further Equity Shares of ₹ 1000/- each ranking Pari passu with the existing Equity Shares.

RESOLVED FURTHER THAT pursuant to Section 13 and 61 and other applicable Provisions of the of the Companies Act, 2013 the existing Clause V of the Memorandum of Association of the Company be replaced by the following Clause V:

- V The Authorized Share Capital of the company is ₹ 8000,00,00,000/- (Rupees Eight Thousand Crores Only) divided into 8,00,00,000 (Eight Crore) Equity Shares of ₹ 1000/- (Rupees one thousand only) each.**

4. To consider and if thought fit to pass following as **SPECIAL RESOLUTION** with or without modifications:

"RESOLVED THAT pursuant to Section 61 of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and rules framed thereunder, the Authorized Share Capital of the Company be increased from ₹ 6580,00,00,000/- to ₹ 8000,00,00,000/- by the creation of 1,42,00,000 further Equity Shares of ₹ 1000/- each ranking Pari passu with the existing Equity Shares.

"RESOLVED FURTHER THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 the existing Article 3 of the Articles of Association of the Company be replaced by the following Article 3:

3. **The Authorized Share Capital of the Company is ₹ 8000,00,00,000/- (Rupees Eight Thousand Crores Only) divided into 8,00,00,000 (Eight Crore) Equity Shares of ₹ 1000/- (Rupees one thousand only) each.**

5. Appointment of Smt Uma R Krishnan (DIN: 00370425) as Independent Director of the Company :

To consider and if thought fit to pass the following resolution as an **ORDINARY RESOLUTION** with or without modifications:

"**RESOLVED THAT** pursuant to Section 149, 160 & 161 and all other applicable provisions of the Companies Act, 2013, Smt Uma R Krishnan (DIN: 00370425) who was appointed by the Board as an Additional Director with effect from 31st October, 2016 be and is hereby appointed as Independent Director of the Company to hold office for a period of five years with effect from 31-10-2016 and any action taken thereon by Smt Uma R Krishnan since the previous annual general meeting are valid."

6. Appointment of Smt Usha Sankar (DIN: 06998746) as Independent Director of the Company :

To consider and if thought fit to pass the following resolution as an **ORDINARY RESOLUTION** with or without modifications:

"**RESOLVED THAT** pursuant to Section 149, 160 & 161 and all other applicable provisions of the Companies Act, 2013 Smt Usha Sankar (DIN: 06998746) who was appointed by the Board as an Additional Director with effect from 31st October, 2016 be and is hereby



appointed as Independent Director of the Company to hold office for a period of five years with effect from 31-10-2016 and any action taken thereon by Smt Usha Sankar since the previous annual general meeting are valid."

**By Order of the Board of Directors
For Chennai Metro Rail Limited**

**Place : Chennai
Date : 20-08-2018**

**Andal P
Company Secretary**

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item Nos. 3, 4, 5 and 6 above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
3. The instrument of Proxy, in order to be effective should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 3 and 4

The Authorised Share Capital of the Company presently stands at ₹ 6,580 crore divided into 6580 Lakhs Equity shares of ₹ 1,000/- each. Out of which 5,17,04,600 Equity shares were issued and subscribed as on date. The Paid-up Share Capital of the Company as on date is ₹ 5,170.46 crore. The equity participation of the Joint Venture Partners viz., Government of India and Government of Tamil Nadu for the Chennai Metro Rail Project estimated at Rs.4,380 crore (30% of the project cost of ₹ 14,600 crore). In addition to that, as per the Memorandum of Understanding dated 15th February, 2011 entered between GoI, GoTN and CMRL, the Joint Venture Partners agreed to share any cost escalation due to changes in the statutory levies and duties, exchange rate variation and price escalation within the approved project scope and approved time cycle equally. Further, as per MoU dt. 02-09-2017 entered between Government of India, Government of Tamil Nadu and Chennai Metro Rail Limited (clause 10.1 of the MoU) for

Phase I extension of the project, "GOI and GOTTN would contribute equally over the project period an estimated amount of ₹ 508 crore each to the equity, aggregating to ₹ 1016 crores". As against the equity share contribution of ₹ 2,698 crore (Phase I ₹ 2190 cr. + Phase I Extension ₹ 508 cr.) each by the Joint Venture Partners towards the sanctioned project cost, ₹ 2,585.23 crore is already paid and equity shares are allotted to both GoI and GoTN. The Share Application money pending allotment received from GoTN is ₹ 397.86 crore. For the Phase I project cost we have project the equity contribution of Rs.2,858 crore for the revised project cost by each JV Partners. After considering Phase I extension equity contribution of Rs.508 crore by each JV partners, the total equity contribution would be Rs.6732 crore. It is therefore considered significant to increase the Authorized Share Capital of the Company from ₹ 6,580 crore to ₹ 8,000 crore by creation of 142,00,000 further Equity Shares of ₹1000/- each ranking Pari Passu in all respects with the existing Equity Shares of the Company.

None of the Directors are interested in passing of these resolutions except to the extent of their shareholding in the company as Members.

Item No. 5

Smt Uma R Krishnan has been appointed by the Board, as an Additional Director in the capacity of the Independent Director of the Company on 31-10-2016, and is eligible for appointment as Independent Director to hold office for a term of 5 (Five) years from 31-10-2016 pursuant to Section 161(1) of the Companies Act, 2013. Smt Uma R Krishnan is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Smt Uma R Krishnan will be paid a sitting fee of ₹ 20,000/- for all Board and Board Sub-Committee meetings in addition to the travelling, conveyance, accommodation and out of pocket expenses in accordance with the policy of the Company.

In view of the above, the Board recommends the resolution at Item No. 5 for approval by the Shareholders.

None of the Directors except Smt Uma R Krishnan is interested in the Resolution at No. 5 of the Notice.

Item No. 6

Smt Usha Sankar has been appointed by the Board, as an Additional Director in the capacity of the Independent Director of the Company on 31-10-2016, and is eligible for appointment as Independent Director to hold office for a term of 5 (Five) years from 31-10-2016 pursuant to Section 161(1) of the Companies Act, 2013. Smt Usha Sankar is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Smt Usha Sankar



will be paid a sitting fee of ₹ 20,000/- for all Board and Board Sub-Committee meetings in addition to the travelling, conveyance, accommodation and out of pocket expenses in accordance with the policy of the Company.

In view of the above, the Board recommends the resolution at Item No. 6 for approval by the Shareholders.

None of the Directors except Smt Usha Sankar is interested in the Resolution at No. 6 of the Notice.

**By Order of the Board,
for Chennai Metro Rail Limited**

**Place: Chennai
Date : 20-08-2018**

**Andal P
Company Secretary**

CHAIRMAN's MESSAGE

Dear Shareholders,

On behalf of the Board of Directors of Chennai Metro Rail Limited, I have great pleasure in welcoming you all to the 11th Annual General Meeting of our Company.

The Directors Report and the Audited Annual Accounts for the Financial Year 2017-18, the Statutory Auditors Report along with the comments of the Comptroller and Auditor General of India thereon, have been circulated and these may be taken as read.

The Chennai Metro Rail Project covers a distance of 34.48 Kms as of now and I firmly believe that during the next year, the Company will operate the entire stretch of 45 Kms as per Phase I of the Chennai Metro Rail Project.

Looking back at the Project performance during the past years, I am happy to inform you that the underground section of Stage 2A covering 7 stations from Thirumangalam to Nehru Park (7.36 Kms) was inaugurated by the Hon'ble Chief Minister of Tamil Nadu, Shri Edappadi K Palaniswamy and the then Hon'ble Union Minister of Urban Development, Housing & Urban Poverty Alleviation and Information & Broadcasting, Shri Venkaiah Naidu on 14-05-2017.

The next milestone of the Project, i.e., the underground sections from Nehru Park to Chennai Central and Little Mount to AG-DMS were opened to commercial operations on 25-05-2018 by the Hon'ble Chief Minister, Shri Edappadi K Palaniswamy and Hon'ble Union Minister of Housing & Urban Affairs, Shri Hardeep Singh Puri. There is a significant increase in the ridership as well as the revenue, consequent to the commencement of operations in the new underground sections.

The extension of Chennai Metro Rail Project Phase I from Washermanpet to Wimco Nagar covering a distance of 9.051 Km at a total project cost of ₹ 3770 crore is expected to be completed by March 2020.

As part of the continued quest for clean and renewable source of energy, your Company has already commissioned 1.475 Megawatt Solar Power Plant as its renewable energy generation in the premises of CMRL.



It is my proud privilege to share with you all that your Company has been honoured with the prestigious “Platinum” rating by the Indian Green Building Council (IGBC) for adopting green concepts in the design, construction and operation of metro rail during January 2017 in respect of all the thirteen Elevated Stations and four Underground Stations of the Phase-I. In addition to the accomplishment, two Underground Stations have also been rated “Platinum” by IGBC during May 2018. To add to its accolades, CMRL is awarded with SKOCH Order of Merit Gold recognizing organisations’ vision and governance for creating world-class passenger amenities as part of the Chennai Metro Rail network. As a matter of pride, your Company is also awarded with Gold Rating under LEED 2009 for the New Construction Category for fulfilling the requirements of the LEED Green Building Rating System Certification established by the U.S. Green Building Council and verified by Green Business Certification Inc. in May 2018.

Your Company is always committed to the high standards of Corporate Governance and responsibility. Your Company has a Fraud Prevention Policy and Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

I am glad to mention that the dedicated efforts, commitment and the trust reposed by the employees has driven the Company to achieve the set goals. The Company will strive towards meeting the demand of the commuters of Chennai Metro and emerge as a preferred public transportation.

I would like to sincerely acknowledge the guidance and valuable support of the Board of Directors in taking CMRL to greater heights of accomplishments.

I would also like to express my heartfelt gratitude to the citizens of the city and all the commuters of Chennai Metro without whom the growth momentum would not have been possible.

I sincerely place on record the co-operation, guidance and support of Government of India, Government of Tamil Nadu, Japan International Co-operation Agency (JICA), the Comptroller and Auditor General of India (CAG) and all the public authorities / agencies, contractors, employees for the constant support to the Company. I seek your unstinted support in taking your Company to greater and newer heights in coming years too.

Durga Shanker Mishra, IAS
Chairman

Project Highlights of Phase I

Details of Corridors in Phase I and Phase I Extension				
Details	Phase I-Corridor 1	Phase I-Corridor 2	Phase I Extension	Total
	Washermanpet to Airport	Central to St. Thomas Mount	Washermanpet to Wimco Nagar	
Underground length	14.14 Km	9.95 Km	2.379 Km	26.469 Km
Elevated length	8.82 Km	11.615 Km	6.672 Km	27.107 Km
Total length	22.96 Km	21.565 Km	9.051 Km	53.576 Km
Underground stations	Washermanpet, Mannadi, High Court, Central Metro, Govt. Estate, LIC, Thousand Lights, AG-DMS, Teynampet, Nandanam and Saidapet Metro (11 Stations)	Egmore Metro, Nehru Park, Kilpauk (KMC), Pachaiyappa's College, Shenoy Nagar, Annanagar East, Annanagar Tower and Thirumangalam (8 Stations)	Sir Thyagaraja College, Korukkupet (2 Stations)	21 Stations
Elevated stations	Little Mount, Guindy Metro, Alandur, Nanganallur Road, Meenambakkam Metro, Airport.(6 Stations)	St.Thomas Mt., Ekkattuthangal, Ashok Nagar, Vadapalani, Arumbakkam, CMBT, Koyambedu (7 Stations)	Tondiarpet, Thangal, Toll Gate, Gowri Ashram, Thiruvottiyur, Wimco Nagar (6 Stations)	19 Stations



The Hon'ble Chief Minister of Tamil Nadu, and Hon'ble Union Minister of Urban Development, Housing & Urban Poverty Alleviation and Information & Broadcasting inaugurated the Underground Metro Stretch from Koyambedu to Nehru Park on 14-05-2017.

The inauguration marks the first underground stretch in the Green Line of the Phase I of CMRL Project to be opened for passenger services. A total of 7.4 kms of underground stretch from Koyambedu to Nehru Park has been inaugurated.



The Hon'ble Chief Minister of Tamil Nadu and Hon'ble Union Minister of Urban Development flagged off the first train from Thirumangalam Metro Station on 14-05-2017 and declared open the Metro Stations from Thirumangalam to Nehru Park for Passenger Services.

Commencement of Operations of Phase – I, Stage

The Elevated Section of Stage – 1 from Koyambedu to Alandur (10.219 Km) was commissioned on 29th June, 2015. The elevated stations from Little Mount to Airport (8.82 Km) became operational since 21st September, 2016 and the remaining elevated section of Stage 1A from Alandur to St. Thomas Mount (1.396 Kms) were commissioned on 14-10-2016.

During the year under review, the underground section of Stage 2A covering stations Thirumangalam to Nehru Park (7.36 Kms) were commissioned since 14th May, 2017.

Further, the underground sections, from Nehru Park to Chennai Central and Little Mount to AG-DMS became operational since 25th May, 2018.

The highlights of the operations are as given below:

The average passenger flow per day in the FY 2016-17 is 10,964. It is increased to 23,307 passengers in the FY 2017-18.

Financial Highlights for the year 2017-18 Phase I

(Figures in INR Crore)

Details	Pattern of Funding	Total funds received upto 31-03-2018	Total expenses as on 31-03-2018
Equity			
GOI	2,190.00	2,190.00	2,190.00
Addl Equity GOI			
GoTN	2,190.00	2,583.09	2,190.00
Addl Equity GOTTN			
Subordinate Debt			
GOI	730.00	730.00	667.87
GoTN	844.00	2,334.22	2,065.26
Senior term debt			
GOI PTA	8,646.00	8,646.00	8,646.00
Total	14,600.00	16,483.31	15,759.13

Financial Highlights for the year 2017-18 Phase-I Extension

(Figures in INR Crore)

Details	Pattern of Funding	Total funds received upto 31-03-2018	Total expenses as on 31-03-2018
Equity			
GOI	508.00	245.23	275.10
GoTN	508.00	400.00	275.10
Subordinate Debt			
GOI	205.00	86.00	17.22
GoTN-Land	203.00	203.00	309.85
GoTN-Taxes	205.00	205.00	17.22
Senior term debt			
GOI PTA	2,141.00	185.00	65.31
Total	3,770.00	1,324.23	959.80

Planning & Business Development

As part of non-fare initiatives, contracts are entered with a number of parties for licensing the spare available spaces within the Metro Stations with a view to value capture, enhancing the ambience and create amenities for the commuting passengers. The spaces are presently being used for operating ATMs, CDMs, F&B kiosks, Fast food outlets, Retail etc. Further spaces within the stations and Metro trains have also been licensed for the purpose of commercial advertisements. Licensing of spaces on piers and portals along the elevated sections for the purpose of commercial advertisements are also being done.

The Company continued with the innovative methods of earning through Non-Fare Box. The Non-Fare Box Revenue earned during the year under review is increased to ₹ 41 crore in FY 2017-18 from ₹ 7.44 crore in FY 2016-17.

Pioneering Multi Modal Integration

Being an urban Mass Rapid Transport, CMRL is an emerging service and has taken up the task of Multi Modal Integration (MMI) right from the construction stage. Multi Modal Integration (MMI) ensures better mobility to metro users. The Chennai Metro Rail Project has pioneered multi modal integration with other modes of public transport in the first phase of the project. The success of this Multi Modal Integration strategy has been the result of the implementation of a robust institution and regulatory structure named as CUMTA which has ensured a harmonious Multi Modal Integration with the overall city mobility plan.

SOLAR POWER

CMRL has installed 1 MW rooftop solar PV system in rolling stock shed in Koyambedu Depot and this project has been executed in consultation with Solar Energy Corporation of India (SECI) under Green Energy concept and to fulfill solar energy obligations. 2 MW electricity has been generated so far. CMRL proposes to expand the solar generation target to achieve 7 MW by installing solar panels on rooftops of all the workshop sheds, elevated stations, ancillary buildings in UG stations and administrative building, etc. in near future.

E-Charger for parking areas are there to ensure passenger convenience, E-charger sockets have been introduced in Metro station parking areas in Phase I.

Miyawaki Technique

By adopting Miyawaki technique a manmade forest is created in CMRL Admin. Building Campus. This method of afforestation is unique in the sense that it utilizes only 1/10th of a land area equivalent to forest compared to conventional method. In this technique, 45 varieties of indigenous species are planted. The total area used for creating this forest area will be 432 sq. m. only. The total number of plants accommodated is 1,280. After one-year growth most of the trees reached the height of more than 15 feet by March 2018.

High Water Utilization factor

- Special emphasis has been made to install and use water efficient fixtures at all metro stations. Through these efficient fixtures, water consumption is reduced by 41.5%.
- The Chennai Metro Rail Project has implemented station rain water harvesting scheme to capture and utilize run-off volumes from roof and non-roof areas. By adopting the same, it has been able to harvest more than 75% of rain water run-off from roof & non-roof areas.
- An Effluent Treatment Plant is also used for recycling of water at Train Maintenance Depot.

Last Mile Connectivity

- Feeder services (Small Buses) connecting Metro Stations to several routes have been introduced.
- Several Bicycle schemes have introduced at CMRL Metro Stations for the benefit of the passengers and to promote a healthier and sustainable mode of transport i.e. CMRL Bicycle Scheme, A GPS-enabled PEDL bicycle scheme by Zoom Car and 100 hours of free rides bicycle scheme by Athi's Cycles.



- CMRL entered an agreement with M/s. OLA & UBER–cab aggregators, to install counters at 16 Metro Stations.
- A pilot project with a bike rental service provider M/s. SFA Motorcycle Rentals is commenced at Thirumangalam & Airport Metro Stations from 3rd week of February 2018.
- Buggy services are available at Airport & Vadapalani Metro Stations.
- Travelator connecting Airport Metro Station and Chennai Airport.

Chennai Metro Rail App

Chennai Metro Rail App provides the customers of metro services with plenty of useful information that helps in using the metro services. The different sections in the app and the information available in them are as follows:

- The app provides the full route in between stations by selecting the starting and destination stations, fare, distance, approximate travel time, stations in between with changeover station and the route map with plotting of the route.
- Station info : selecting a station gives various useful information about the station indicating first and last train timings, platforms, gates and directions, contact numbers, tourist spots near that station, parking, feeder services etc.
- Nearest Metro Station – This section will show the nearest metro station from the current location

Cashless Transaction in Metro (CMRL-BHIM-SBI PAY APP)

CMRL in association with SBI officially launched the “**SBI Pay App**” exclusively for the commuters of Chennai Metro. The UPI based SBI Pay App is a user-friendly app that can sync with other banks UPI/e-wallets and it is real-time based. It has hassle-free registration process and commuters can initiate cashless top-up their travel cards, purchase tokens with this app. Besides, commuters can use their own Bank's UPI app (presently 64 banks active) to make transactions, which makes this solution more interoperable.

Educational Trips for students

In an attempt to bring awareness about the Metro Rail to the students of Government Schools and Government Women Colleges across the Metro Rail alignment in the city, CMRL has planned monthly educational trips from Central Metro to Airport and AG-DMS to Airport for the students. The features of the metro train and its stations will be explained to the students.

Safety Screen

In Chennai Metro Rail, the platforms in the underground stations are fitted with Platform Screen Door (PSD) with a height of 2,650mm. PSD covers full height of the platform without any gap between floor levels to ceiling. With the increase in full automation of new and existing lines, PSDs are a must as they ensure the safety of passengers. By controlling the flow of passengers they also ensure that tight headway schedule is maintained. PSDs also offer an additional support for signage, visual and auditory cues, general network information and advertising.

Security

To ensure the safety of all those working for or using metro rail, Intelligence Wing is formed to collect information on security related matters of metro stations in co-ordination with the Intelligence Wing of Greater Chennai Police, Chennai City. Quick Reactive Teams (QRT) are formed to impart special training to handle any kind of emergency situation. CMRL conducts regular mock drill by national security guards and imparts various instrumental courses to sensitize security personnel, both police and private to ensure better performance.

BOARD OF DIRECTORS

As on March 31, 2018, the Company has 14 Directors on the Board of which 4 directors are nominated by Government of India including the Chairman, 5 Directors Nominated by Government of Tamil Nadu including the Managing Director, and 3 Functional Directors. Apart from the Nominee Directors, the Board has appointed two Independent Directors, experts in the fields of Finance and General Management.

AUDIT COMMITTEE

The Audit Committee presently comprises of the following Directors:

- | | |
|----------------------------|-----------------------------|
| 1. Shri K Shanmugam, IAS | - Chairman of the Committee |
| 2. Smt Uma R Krishnan | - Member |
| 3. Smt Usha Sankar | - Member |
| 4. Shri S Krishnan, IAS | - Permanent Invitee |
| 5. Shri Mukund Kumar Sinha | - Permanent Invitee |

NOMINATION AND REMUNERATION COMMITTEE

The NRC Committee presently comprises of the following Directors:

- | | |
|----------------------------------|---------------------|
| 1. Shri S Krishnan, IAS | - Chairman |
| 2. Shri Sunil Mathur | - Member |
| 3. Smt Uma R Krishnan | - Member |
| 4. Smt Usha Sankar | - Member |
| 5. Shri Pankaj Kumar Bansal, IAS | - Permanent Invitee |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As an economic friendly organization, the company has been undertaking initiatives and extending support during disasters / mishap for the people of Chennai. As required under Section 135 of the Companies Act, 2013, Board duly constituted a CSR Committee. The CSR Committee framed a CSR policy pursuant to Section 135 of Act. As on date, the CSR Committee consists of the following members:

1. Shri Pankaj Kumar Bansal , IAS - Chairman of the Committee
2. Shri L Narasim Prasad - Member
3. Smt Sujatha Jayaraj - Member
4. Shri Rajeev Narayan Dwivedi - Member
5. Smt Uma R Krishnan - Member
6. Smt Usha Sankar - Member

The Company is not earning profits since 2016, no amount is spent towards Corporate Social Responsibility.

MEETINGS OF THE BOARD AND ITS COMMITTEES

In accordance with Section 173 of the Companies Act, 2013, during the Financial Year 2017-18, the Board of Directors had 3 Board Meetings and 16 Board Sub-Committee Meetings. The details of these meetings are as follows:

Description	No. of Meetings	Dates of Meetings
Board	3	18-08-2017, 06-01-2018, 09-02-2018
Audit Committee	4	09-05-2017, 24-07-2017, 09-08-2017, 18-01-2018
Nomination & Remuneration Committee	4	21-11-2017, 11-01-2018, 18-01-2018, 12-03-2018
O&M Committee	1	28-03-2018
Project Management Review Committee	5	13-06-2017, 19-10-2017, 30-11-2017, 06-02-2018, 12-03-2018
Property Development Committee	1	28-03-2018
Corporate Social Responsibility Committee Meeting	1	03-05-2017

The following changes among the Directors took place during the year:

Shri Durga Shanker Mishra, IAS was appointed as Chairman with effect from 23-06-2017, in place of Shri Rajiv Gauba, IAS.

Shri Vijay Kumar Dhir, Director (Project & Planning), Bangalore Metro Rail Corporation Limited was appointed as Director with effect from 15-03-2018 vice Shri Sharat Sharma, Director (Operations) Delhi Metro Rail Corporation Limited, who ceased to be a Director upon superannuation.

Shri Sunil Mathur, Director (Systems) Maharashtra Metro Rail Corporation Limited was appointed as Director, consequent to the resignation of Shri Praveen Goyal, the then Director (Systems), Kochi Metro Rail Limited with effect from 15-03-2018.

Shri K K Aggarwal, the then Executive Director/Works Planning/Railway Board, ceased to be a Director with effect from 30-01-2018 due to his re-designation.

Shri Dimpy Garg, Executive Director Mechanical Engineering, Chg, Railway Board is appointed as Director in the Board of CMRL with effect from 21-06-2018.

The Board of Directors welcomes the new Directors on the Board.

HIGH POWER COMMITTEE

The HPC under the Chairmanship of Chief Secretary, Government of Tamil Nadu, has met in periodic intervals and 17 meetings have been held so far. HPC has given decisions expeditiously resulting in smooth and speedy implementation of Chennai Metro Rail Project.

STATUTORY AUDITORS

The Comptroller and Auditor General of India, New Delhi, has appointed M/s Ganesan and Company, Chartered Accountants, Chennai, as Statutory Auditors of the Company for the Financial Year 2017-18 the same has been approved by the Board of Directors in their 53rd Board Meeting held on 9th February, 2018.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. LB & Co, Practicing Company Secretaries, are appointed as the Secretarial Auditor of the Company for the FY 2017-18

INTERNAL AUDITOR

M/s. Varma & Varma, Chartered Accountants, have been appointed as Internal Auditors of the Company for the FY 2017-18 and 2018-19 to conduct internal audit of the Company. The functioning of internal auditors of the Company and their reports are reviewed by the Audit Committee from time to time.

**STATUTORY DISCLOSURES:**

Details regarding technology absorption and conservation of energy required under Section 134 (3) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules 2014.

The Company has chosen to adopt regenerative braking technology for Rolling Stock with focus on energy savings during operation. The Company also chose to adopt Platform Screen Doors in all 19 Underground stations, despite its higher cost, taking into account reduction in energy consumption for Air-conditioning and consequent substantial reduction in Greenhouse emissions. Installation of LED lights in Under Ground Stations at higher cost with reduced consumption has also been initiated.

The Company has installed roof top solar panels at Depot for the generation of solar electrical energy as a Greenhouse Initiative. The company has taken steps to expand the project to all elevated metro stations.

FOREIGN EXCHANGE EARNINGS & OUTGO

₹ in Crores

1. Total Foreign Exchange Earned	Nil	(Prev. Year - Nil)
2. Total Foreign Exchange Used	130.64	(Prev. Year - 158.43)

PUBLIC DEPOSITS

The Company has not invited deposits from Public under Section 73 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors state

- 1) In the preparation of accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) Such accounting policies as mentioned in the Notes to the Financial Statement are selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;

- 4) The Directors have prepared the annual accounts on a going concern basis;
- 5) The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and the systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014, the extract of the annual return as on 31-03-2018 in Form MGT 9 is placed as ANNEXURE.

COMMENTS OF THE BOARD:

STATUTORY AUDITORS' REPORT

Ind AS 21 - The effects of changes in foreign exchange rates: Foreign currency assets and liabilities are to be valued on the balance sheet date as per Ind AS paragraph 23 which has not been carried out by the Company regarding JICA loan.

Ind AS 23 – Borrowing Costs: The exchange differences arising from foreign currency borrowings to be regarded as interest costs under Ind AS paragraph 6(e) has not been determined. The borrowing costs eligible for capitalization on qualifying assets has not been determined accordingly.

The impact of the above on the Ind AS financial statements has not been ascertained.

Ind AS 16 – Property, plant and Equipment, Ind AS 33 – Earning per share and Ind AS 12- Income Taxes: Consequential effect of the above deviations on the carrying cost of Property, Plant and Equipment, depreciation, Deferred taxes and Earning per share has not been ascertained.

Metro companies like CMRL have been funded from Official Development Assistance (ODA) loan to the extent of 60% of the project cost which is Sovereign loan and the tenor of the loan is also for the longer period of 30 years and hence it is decided to account the forex fluctuation at the time of repayment. The policy decision regarding the accounting treatment of forex fluctuation on JICA loan was examined during the year 2015-16 as the company started its first commercial operation and it was decided to account the forex fluctuation only at the time of repayment of the loan which is realised profit / loss. The same has been consistently disclosed in the financial statement since FY 2015-16. As per the accounting standard, the forex fluctuation shall have severe impact on the P&L of the company or on the PPE (Capital Assets) considering the large quantum of forex loan. On accounting forex fluctuation in P&L account, the profitability of the company reflects unrealised loss/profit and on the otherhand if it is capitalised, the Capital assets do not reflect the fair market value. In both the accounting treatment, the books of accounts do not reflect true and fair view. The Metro Companies in commercial operation having similar financial arrangements follow the same accounting practice as followed by CMRL. It is also decided by the company to seek exemption from the applicability of the said accounting standard from the Ministry of Corporate Affairs.

COMMENTS OF THE STATUTORY AUDITORS IN THE ANNEXURE 'B' OF THE REPORT

The design of internal control over the preparation of the financial statements being audited is required to be strengthened to avoid failure of the information and communication component of internal control to provide complete and accurate output because of deficiencies in timeliness, completeness, or accuracy, for timely identification and accounting of liabilities and assets.

CMRL has put in place a robust system of internal financial control over financial reporting with the objective of ensuring that financial statements are prepared and presented in an accurate and timely manner. A well-documented operating procedure in relation to "Month End Closing" has been included under Section C of the Accounts Procedure Manual of CMRL which was duly approved by the Audit Committee and informed to Board of Directors. As per the same, sequential events involved in the process of accounts closure has been defined along with the responsibilities for the said sub-function and also an indicative target date. The actual book closure function was also carried out in line with the laid out procedure in a systematic manner.

The components of internal controls and testing conducted by the management during the year of the implemented internal financial controls to ensure their operational effectiveness are to be adequately documented.

The Company has drawn up the scheduled activities of accounts closure works well in advance whereas roles and responsibilities are well defined. The completion of scheduled activities is closely monitored on a regular basis and the appropriate action is initiated for back log activities. The documentation for the monitoring procedure by the management shall be ensured.

The absence of an internal process to report deficiencies in internal control to management, particularly with respect of capitalization of fixed assets (viz., land, completed projects, capitalization of borrowing costs) on a timely basis.

The Company has proper monitoring system of internal control which is also documented in the accounts procedure manual. Capitalisation of completed phases is a complex process involving a detailed identification of assets that needs to be capitalised and identification of the cost thereof. CMRL has carried out the capitalisation of stage completed during FY 17-18 before the finalisation of annual accounts. As a policy, the company has not capitalised the forex fluctuation and the related borrowing cost. The same procedure is followed by the other Metro Rail companies with similar funding pattern and it has also been disclosed in the financial statements with its financial impact during the year 2015-16 being

the change in the accounting policy. In the subsequent years also the fact of the deviation from the accounting standard is disclosed in the notes on accounts. The company maintains land register and it is reconciled with the books of accounts. The Capitalisation is also reviewed by the Internal Audit and reported in the quarterly report. In view of the same, there have been no material lapses in system of reporting of deficiencies in internal control to the management.

Implementation of controls and procedures to ensure adherence to appropriate selection of policy and their implementation to comply with the mandatory accounting standards / generally accepted accounting principles having a material impact on the financial statements and indicating a likely ineffective oversight of entity's financial reporting and internal control by those charged with governance: (i) Ind AS 21 – The effects of changes in foreign exchange rates: Foreign currency assets and liabilities are to be valued on the balance sheet date as per Ind AS paragraph 23 which has not been carried out by the company regarding JICA loan. (ii) Ind AS 23 – Borrowing Costs – The exchange differences arising from foreign currency borrowings to be regarded as interest costs under Ind AS paragraph 6 (e) has not been determined. The borrowing costs eligible for capitalization on qualifying assets has not been determined accordingly.

The policy decision regarding the accounting treatment of forex fluctuation on JICA loan was taken by Audit Committee after detailed deliberation. Metro companies like CMRL have been funded from Official Development Assistance (ODA) loan to the extent of 60% of the project cost which is Sovereign loan and the tenor of the loan is also for the longer period of 30 years and hence it is decided to account the forex fluctuation at the time of repayment. The deviation from the accounting standard is consistently disclosed in the financial statement since 2015-16. The above practice is also followed by other Metro Companies having similar financial arrangements.

As it is a conscious decision taken by the management as detailed above, the question of ineffective oversight of the Company's financial reporting and internal control by those charged with governance does not arise.

SECRETARIAL AUDITORS' REPORT

As per Section 173 (1) of the Companies Act, 2013, every Company shall have minimum 4 Board meetings each year in such manner, not more than 120 days shall intervene between two consecutive meetings of Board. During the year, the Company has held 3 Board meetings only and further there was a gap of more than 120 days between 50th and 51st Board meeting and between 51st and 52nd Board meeting.

Due to unavoidable circumstances, the 51st and 52nd Board meeting is postponed.



As per Section 161 (1) of the Companies Act, 2013, the articles of a Company may confer on its Board of Directors the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office upto the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Ms Uma R Krishnan and Ms Usha Shankar, were appointed under Independent Director category at the 48th Board Meeting as an Additional Directors w.e.f. 31st October, 2016 and these Director's appointment was not regularized at the 10th Annual General Meeting held on 25th September, 2017. Further, Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management as per Part VII of Schedule IV of the Companies Act, 2013. As per Circular No.1/22/2013-CL-V dated 05th September, 2017, a metro rail Companies are exempted from Appointment of Independent Directors w.e.f. 05th September, 2017.

The appointment of Independent Directors will be regularized in the 11th Annual General Meeting of CMRL.

CORPORATE GOVERNANCE REPORT

Your Company has complied with the requirements of various Corporate Laws. Though the Company is not a listed Company, as a measure of best practice, your Directors are happy to place a "Corporate Governance Report" at ANNEXURE.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company has a Fraud Prevention Policy and Whistle Blower Policy published in the website of the Company.

SAFETY & WELL-BEING OF WOMEN

The Company has set up Internal Complaints Committee [Under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013] comprising of a chairperson, who is a senior women employee, one advocate as a member and two other members. During the year under review, no complaints have been received by the committee.

RELATED PARTY TRANSACTIONS

As the Company has not entered into any contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, the form AOC-2 as required in the Rule 8(2) of the Companies (Accounts) Rules, 2014, is not placed in the Board's Report.

ACKNOWLEDGEMENT

The Board of Directors whole-heartedly thank the Government of Tamil Nadu, Government of India, Ministry of Urban Development, Ministry of Finance, various other agencies of Government of Tamil Nadu and Government of India, JICA, all the consortium members of General Consultants and Contractors for their support and co-operation.

The Board of Directors expresses their thanks to their Bankers, to the Comptroller & Auditor General of India, Auditors and Employees for their continued support and co-operation.

For and on behalf of the Board

Place : New Delhi
Date : 14-09-2018

Durga Shanker Mishra
Chairman

CORPORATE GOVERNANCE REPORT

CMRL is pursuing sustainable business practices and creating value for all its stakeholders. To attain this objective, the Company is inculcating a value system that incorporates integrity, transparency and fairness across all its business activities. It has adopted best practices towards preserving environment and implementing income assurance programme for Project Affected Families as a model to the corporate world. CMRL is voluntarily practicing the sound principles of Corporate Governance as a responsible corporate citizen.

1. BOARD OF DIRECTORS

As per the Articles of Association of the Company, strength of the Board shall not be less than 3 Directors and not more than 16 Directors and they may be either Nominee Directors, or Whole-time Functional Directors or Part-time Directors.

Constitution of the Board

CMRL is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. Presently, 50% of the total issued share capital is held by Government of India and the other 50% by Government of Tamil Nadu. Both the Governments have the right to nominate five Directors each on the Board. The Directors so appointed are either ex-officio in nature or by name.

Besides this, the Government of India has the right to appoint the Chairman amongst their nominees. Accordingly, the Secretary (Urban Development), Government of India is the ex-officio Chairman of the company. The Government of Tamil Nadu has the right to nominate the Managing Director amongst their nominees who is appointed by the Board of Directors with prior concurrence of Government of India.

Composition of the Board

As on March 31, 2018, the Company has 14 Directors on the Board of which 4 Directors are nominated by Government of India including the Chairman, 5 Directors nominated by Government of Tamil Nadu including the Managing Director, and 3 Functional Directors. The said nominee directors are Senior Officials of the Government of India and Government of Tamil Nadu having considerable experience and expertise across a range of disciplines, including general management, construction, project management, design, business strategy, finance etc. Apart

from the Nominee Directors, the Board has appointed two Independent Directors, experts in the fields of Finance and General Management.

1.1 Responsibilities

The Company's Board of Directors are responsible for and are committed to setting standards of conduct at all levels. They are also committed to update these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of the stakeholders with social objectives as also to reflect corporate, legal and regulatory developments. The Board ensures that the Company has clear goals and policies for achieving these goals. The Board approved a set of guiding principles for the company in the form of Vision, Mission and Core Values. The Board oversees the Company's strategic directions, reviews corporate performance, authorizes and monitors strategic decisions, ensures regulatory compliance, safeguards interests of shareholders and social commitments.

1.2 Board/ Committee Meetings and Procedures

a) Institutionalized decision making process:

With a view to institutionalising all corporate governance and setting up systems and procedures for advance planning for matters requiring discussion and decision by the Board in an informed and efficient manner, the Company has well defined procedures for meetings of the Board of Directors and Committees thereof.

b) Scheduling and selection of Agenda items for Board / Committee Meetings:

- i) The Board meets at regular intervals to discuss, review and decide on the progress of the project / strategy of the Company apart from other Board business. The Board / Committee meetings are convened by giving appropriate notice after obtaining approval of the Chairman of the Board. Detailed agenda, management information reports and other explanatory statements are circulated in advance amongst the members on important matters to ensure and facilitate meaningful participation in the meetings. However, in case of special and urgent business needs, the Boards approval is taken by passing resolutions by circulation, as permitted by law, which will be confirmed in the next meeting. To address specific urgent needs, meetings at times, are also being called at shorter notice.



- ii) The agenda for Board / Committee Meetings is circulated by the Company Secretary in consultation with the Chairman and the Managing Director of the Company. The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the meeting are prepared by Head of the Departments and submitted to concerned Functional Directors for obtaining their approval before being cleared by Managing Director. Agenda notes normally classified as follows :
 - a. Regular agenda items
 - i. Grant of Leave of Absence
 - ii. Confirmation of the Minutes of the previous Board meeting
 - iii. Action taken report on the Minutes of the previous/earlier meetings
 - iv. Progress Report of the Project
 - b. Agenda Items for approval of the Board
 - c. Agenda items for information of the Board
- iii) Duly approved Agenda notes are circulated in advance to enable Directors to take an informed decision.
- iv) Where it is not desirable to attach any document or if the agenda is of a sensitive nature, the same is placed on the table at the meeting with the approval of the Managing Director. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are taken up for discussion with permission of the Chair of the Board.
- v) The meetings are usually held either at the Company's Registered Office or at the Conference Hall at Secretariat, Fort St. George, Chennai - 600 009 or at The Office of the Chairman and Secretary (UD), Ministry of Urban Development, New Delhi. During the financial year ended 31st March 2018, 3 Board meetings and 16 Committee Meetings were held.

vi) At the request of the directors, meeting are also conducted through video conferencing mode, wherever permitted by the Companies Act, 2013.

vii) The Members of the Board have complete access to all information of the Company.

c) Briefing by the Managing Director / Director

At every meeting of the Board, the progress report of the project, key developments including status of the project and other important achievements / developments relating to the Company in various areas will be placed as one of the regular Agenda and the same be briefed and presentation made by the Managing Director / Directors to the Board Members. Members of Top Management, General Consultants and Experts are also called in to brief the Board and make presentation wherever required.

d) Recording of minutes of proceedings at the Board Meeting

Minutes of the proceedings of each Board Meeting are recorded. The minutes of the proceedings are entered in the Minutes Book. The minutes of each Board Meeting are submitted for confirmation at its next meeting after these are approved by the Chairman. The minutes of committees of the Board are also placed before the Board of Directors for information.

e) Post Meeting follow-up mechanism

The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and committees thereof. Action taken report on the decision / minutes of the previous meeting (s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

f) Compliance

Every Functional Director/Head of the Department while preparing agenda notes ensures adherence to all the applicable provisions of law, rules, guidelines, etc. The Company Secretary ensures compliance of all applicable provisions of the Companies Act, 2013, and other statutory requirements.

During the financial year 2017-18, Three Board Meetings were held on 18-08-2017, 06-01-2018 and 09-02-2018.

Details of designation, number of Board meetings attended, attendance at last AGM are given here under.

Sl. No.	Directors	Director Identification Number (DIN)	Board Meetings held during respective tenures of Directors	No .of Board Meeting attended	Attendance at the last AGM held on 25-09-2017
1.	Shri Durga Shanker Mishra, IAS	02944212	3	3	
2.	Shri Pankaj Kumar Bansal, IAS	05197128	3	3	AGM-Present
3.	Shri Sharat Sharma	06530745	1	0	
4.	Shri Mukund Kumar Sinha	06774923	3	3	
5.	Shri Praveen Goyal	06921435	1	1	
6.	Shri K K Aggarwal	06589635	2	2	
7.	Shri K Shanmugam, IAS	00794171	3	1	
8.	Shri Rajeev Ranjan, IAS	01806973	3	2	
9.	Shri S Krishnan, IAS	03439632	3	0	
10.	Dr D Karthikeyan, IAS	02259481	3	1	
11.	Shri L Narasim Prasad	06512603	3	2	AGM-Present
12.	Shri Rajeev Narayan Dwivedi	07554468	3	3	AGM-Present
13.	Smt Sujatha Jayaraj	07531722	3	3	AGM-Present
14.	Smt. Uma R Krishnan	00370425	3	2	
15.	Smt. Usha Sankar	06998746	3	3	

1.3 Information placed before the Board of Directors:

The Board of Directors delegated the powers to the Managing Director on all routine matters to manage the day-to-day affairs of the company and certain financial powers with a ceiling. In order to enable speedy decision making, the day to day operation of the company and also to delegate the responsibility to the senior management team, Schedule of Powers (SOP) has been prepared and the same has been approved and circulated. Matters, which are beyond the delegated powers, are being brought before the Board and the same inter alia includes the following:

- Annual budget/s and cash flow statement/s
- Annual accounts, Directors Report etc.
- Minutes of meetings of all Committees of the Board
- All proposals which involve change in technology / technology parameters other than contemplated in DPR
- Progress report on Project Implementation
- Award of large contracts
- Status of pending legal cases
- Status of Arbitration and Adjudication cases
- Compliance Certificate of Statutory provisions
- Other materially important information

2. COMMITTEES OF BOARD OF DIRECTORS

The Board has established the following Committees :

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Operations & Maintenance Committee
- iv) Project Management Review Committee
- v) Property Development Committee
- vi) Corporate Social Responsibility Committee

The terms of reference (TOR) of the above Committees are as follows:

a) Audit Committee

- 1) To review the quarterly and annual financial statements before submission to the Board
- 2) To ensure compliance of Internal Control Systems
- 3) To have periodical discussions with auditors about internal control systems, the scope of audit including the observations of the auditors
- 4) Recommendation to the Board the fixation of audit fees
- 5) Reviewing performance of internal auditors
- 6) Reviewing adequacy of the internal control systems
- 7) Discussion with internal auditors and/or auditors any significant findings, management response on findings and follow up.
- 8) To review the follow up action on the audit observations of the C&AG audit
- 9) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- 10) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 11) Any other matter as may be referred by the Board or any other function as mandated under Company Law.

b) Nomination and Remuneration Committee

- 1) To review the manpower requirement for the company
- 2) To review and recommend the Remuneration policy for the company
- 3) To review the HR Policy and proposing any amendments
- 4) Training & Development Policy
- 5) Disciplinary matters as per the HR Manual
- 6) Any other matter as may be referred by the Board.

c) Operations & Maintenance Committee

- 1) Review preparatory study for O&M
- 2) Review clearances from CMRS and other Statutory Bodies
- 3) Review documentation to be submitted to CMRS

- 4) Review of manpower requirement for O&M activities
- 5) Review income & expenditure due to revenue operations and recommend ways to improve profitability
- 6) Any other matter as may be referred by the Board.

d) Project Management Review Committee

- 1) Review the Project Cost periodically and determine the cost escalation and make suitable recommendations to Board
- 2) Review Risk Management strategy for the Company
- 3) Review any procurement cases referred to it by the Board
- 4) Review Extension of Time for contract Packages, if referred by the Board, and recommendations to the Board for approval
- 5) Review/referring of issues to Arbitration
- 6) Any other matter as may be referred by the Board.

e) Property Development Committee

- 1) To identify the property development (PD) projects
- 2) To identify the impediments responsible for delaying the PD projects
- 3) To suggest measure for increasing revenue from PD projects
- 4) Any other matter as may be referred by the Board.

f) Corporate Social Responsibility Committee

- 1) The committee shall formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in schedule VII
- 2) The committee shall recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy of the company
- 3) The committee shall monitor the CSR policy of the company from time to time.

2.1 AUDIT COMMITTEE

The constitution, quorum, scope etc. of the Audit Committee is in line with the provisions of Companies Act, 2013. All the members of Audit Committee are qualified who have insight to interpret and understand financial statements.

2.2 Constitution

The Board, in its 3rd meeting held on 30th June 2008, constituted an Audit Committee in compliance with provisions of the Companies Act, 1956 which was re constituted on 28th January 2014 in the 28th Board Meeting.

As per section 177(2) of the Companies Act, 2013, the Audit Committee shall consist of minimum of three directors with Independent Directors forming majority. It is also specified in the third proviso to this section, that every audit committee of a company existing immediately before the commencement of the act, shall within one year of such commencement, shall be reconstituted in accordance with sub-section (2). The Audit Committee in accordance with the above provisions of Companies Act 2013, was reconstituted in the 48th Board Meeting held on 31-10-2016.

As on date of Directors Report, the Audit Committee consists of the following members:

- 1) Shri K Shanmugam - Chairman of the Committee
- 2) Smt Uma R Krishnan - Member
- 3) Smt Usha Sankar - Member

Shri S Krishnan, Principal Secretary, Housing & Urban Development Dept, GoTN and Shri Mukund Kumar Sinha, Officer on Special Duty and Joint Secretary, MoUD are permanent invitees. Managing Director, Director (Finance), Statutory Auditors and the Internal Auditors are also invited to the Audit Committee Meetings, but they have no right to vote.

Quorum for the Audit Committee is 1/3rd of the total members (three members) or 2 whichever is higher. The Company Secretary is the Secretary to the Audit Committee.

2.3 Scope of Audit Committee

The Audit Committee to have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review of half yearly and annual financial statements before submission to the Board and also to ensure compliance of internal control systems.

The Audit Committee shall have authority to investigate into any matter in relation to the items specified under the Companies Act or as may be referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.

The Chairperson of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to audit.

2.4 Meetings and attendance

4 Meeting of the Audit Committee meeting was held during the Financial Year.

Sl. No.	Directors	Audit Committee Meetings held during respective tenures of Directors	No. of Audit Committee Meetings attended
1	Shri K Shanmugam	4	4
2	Smt Uma R Krishnan	4	3
3	Smt Usha Sankar	4	3

ANNUAL GENERAL MEETING

Date, time and location where the 10th Annual General Meeting was held, is as under:

Date and time	25 th September 2017 at 11:30 hours
Venue	Registered Office of the Company at Koyambedu, Chennai
Specified Resolution (s) passed	Ordinary Resolution : <ul style="list-style-type: none"> ✓ Approval of Accounts, Directors' Report and Auditors' Report ✓ Fixing the remuneration of the Auditors of the Company for the financial year 2017-18

COMPANY'S WEBSITE

The Company's website is www.chennaietrorail.org All major information pertaining to Company including project, contracts, job, recruitment process and results etc. are given on the website. The Company has also created a Facebook page www.facebook.com/chennaietrorail to update public on a daily basis on progress achieved.

Registered Office :

Chennai Metro Rail Limited
CMRL Depot, Admin. Building,
Poonamallee High Road,
Koyambedu, Chennai - 600 107.



ANNUAL REPORT ON CSR ACTIVITIES

S.No.	Particulars				Remarks		
1.	A brief Outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the website link to the CSR Policy and Projects or Programs.				The CSR Policy of the company was formulated on May 2017.		
2.	The Composition of the CSR Committee:				Shri Pankaj Kumar Bansal - Chairman Members: Shri L Narasim Prasad - Dir (S&O) Smt Sujatha Jayaraj - Dir (Fin) Shri Rajeev Narayan Dwivedi - Dir (P) Smt. Uma R Krishnan-Independent Dir Smt. Usha Sankar- Independent Dir		
3.	Average net profit of the company for the last three financial Years- Operational profits				-		
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)				-		
5.	Details of the CSR spent during the Financial Year: a) Total amount to be spent for the financial Year b) Amount unspent (if any) c) Manner in which amount spent during the financial year is detailed below:				NIL		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activities identified	Sector in which the project is covered	Projects or Programs	Amount Outlay (budget) program or project-wise	Amount spent on the projects or programs sub-heads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency*
1.							
2.	NIL						
3.							
	Total			-			
*Give details of the implementing Agency.							

CHAIRMAN OF THE CSR COMMITTEE

FORM No. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31-03-2018

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U60100TN2007SGC065596
2.	Registration Date	03-12-2007
3.	Name of the Company	Chennai Metro Rail Limited
4.	Category/Sub-category of the Company	Government Company
5.	Address of the Registered Office & contact details	CHENNAI METRO RAIL LIMITED, Administration Building, Chennai Metro Rail Depot, Poonamalle High Road, Chennai- 600 107 Telephone No. : 044 2379 2000 E-mail id: chennaimetrorail@cmrl.in Website: www.chennaimetrorail.org
6.	Whether listed Company	Unlisted Company
7.	Name, Address & contact details of the Registrar & 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.

S. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

S. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	NOT APPLICABLE		

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 March 2017)				No. of Shares held at the end of the year (As on 31 March 2018)				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual / HUF									
b) Central Govt.	-	19505345	19505345	50%	-	24352300	24352300	50%	12.42
c) State Govt.(s)	-	19505345	19505345	50%		24352300	24352300	50%	12.42
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	-	39010690	39010690	100%		48704600	48704600	100%	24.84

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 March 2017)				No. of Shares held at the end of the year (As on 31 March 2018)				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
B. Public Shareholding			NIL				NIL		
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions			NIL				NIL		
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Non-Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - DR									
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)	-	39010690	39010690	100%	-	48704600	48704600	100%	24.84 %


(B) Shareholding of Promoters

Sl. No.	Shareholder's 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	Govt. of India & Nominees	19505345	50%	-	24352300	50%	-	12.42
2	Govt. of Tamil Nadu & Nominees	19505345	50%	-	24352300	50%	-	12.42

(C) Change in Promoters' Shareholding (Please specify, if there is no change)

Particulars		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
At the beginning of the year		39010690	80.1 %	39010690	100 %
Date wise Increase / Decrease in Promoters Shareholding during the year; Reasons for increase : Due to allotment	18-08-2017	1863000	4.77 %	40873690	83.92 %
	09-02-2018	7830910	19.16 %	48704600	100 %
At the end of the year		48704600	100%	48704600	100 %

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

Sl. No.	For each of the Top 10 Shareholders	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
	At the beginning of the year	-NA-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-NA-	-	-	-
	At the end of the year	-NA-	-	-	-

(E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	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
	At the beginning of the year	330	0.00067%	330	0.00067%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year	330	0.00067%	330	0.00067%

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-		-	
i) Principal Amount		1088743.52		1088743.52
ii) Interest due but not paid		34294.10		34294.10
iii) Interest accrued but not due		-		-
Total (i+ii+iii)		1123037.63		1123037.63
Change in Indebtedness during the financial year				
* Addition		85087.29		85087.29
* Reductions		-		-
Net Change		85087.29		85087.29
Indebtedness at the end of the financial year				
i) Principal Amount		1177229.57		1177229.57
ii) Interest due but not paid		32185.38		32185.38
iii) Interest accrued but not due		1059.88		1059.88
Total (i+ii+iii)	-	1210474.83	-	1210474.83



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Pankaj Kumar Bansal, MD	Smt. Sujatha Jayaraj, Director (Finance)	Shri. Rajeev Narayan Dwivedi, Director (Projects)	Shri L.Narasim Prasad Director(S&O)	
1.	Gross salary (in Lakhs)					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31.80	34.36	37.11	40.61	143.88
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify...					
5.	Others, please specify	-	-	-	-	-
	Total (A) (in Lakhs)	31.80	34.36	37.11	40.61	143.88
	Ceiling as per the Act					

B. Remuneration to other Directors (to Non-Executive Directors) - NIL

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Smt Uma R Krishnan	Smt Usha Sankar			
1	Independent Directors					
	Fee for attending board committee meetings - in Rupees.	1,60,000	2,00,000			3,60,000
	Commission					
	Others, please specify					
	Total (1)	1,60,000	2,00,000			3,60,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)	1,60,000	2,00,000			3,60,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary (in lakhs)		11.36	34.36	45.72
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		-		
2	Stock Option		-		
3	Sweat Equity		-		
4	Commission		-		
	- as % of profit		-		
	Others specify...		-		
5	Others, please specify- EPF				
	Total		11.36	34.36	45.72

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			-NA-		
Punishment			-NA-		
Compounding			-NA-		
B. DIRECTORS					
Penalty			-NA-		
Punishment			-NA-		
Compounding			-NA-		
C. OTHER OFFICERS IN DEFAULT					
Penalty			-NA-		
Punishment			-NA-		
Compounding			-NA-		



LB & Co

Company Secretaries

Head Off: 2nd Floor, No.36/98, Halls Road, Kilpauk, Chennai - 600 010.
Landline: +91 044-45510091; Mobile : +91-99625 1540;
E-mail : lalitha.companysecretary@gmail.com
Branch off: No.13, 14th Street, Nanganallur, Chennai - 600 061.

Form MR-3

Secretarial Audit Report

(For the financial year ended 31st March, 2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
M/s Chennai Metro Rail Limited,
Admin Building, CMRL Depot,
Poonamallee High Road,
Opposite to Daniel Thomas School,
Koyambedu, Chennai- 600107.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Chennai Metro Rail Limited (hereinafter called "**the Company**") (CIN:U60100TN2007SGC065596), Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **M/s Chennai Metro Rail Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, "the Company" has during the audit period ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that "the Company" has proper Board-processes and compliance-mechanism in place to an extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Chennai Metro Rail Limited ("the Company") for the period ended on 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 ("**the Act**") and the rules made thereunder;

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'

LB & Co

Company Secretaries

Head Off: 2nd Floor, No.36/98, Halls Road, Kilpauk, Chennai - 600 010.
Landline: +91 044-45510091; Mobile : +91-99625 1540;
E-mail : lalitha.companysecretary@gmail.com
Branch off: No.13, 14th Street, Nanganallur, Chennai - 600 061.

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:

- I) As per Section 173 (1) of the Companies Act, 2013, every Company shall have minimum 4 Board meetings each year in such manner, not more than 120 days shall intervene between two consecutive meetings of Board. During the year, the Company has held 3 Board meetings only and further there was a gap of more than 120 days between 50th and 51st Board meeting and between 51st and 52nd Board meeting.
- II) As per Section 161 (1) of the Companies Act, 2013, the articles of a Company may confer on its Board of Directors the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office upto the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Ms Uma R Krishnan and Ms Usha Shankar, were appointed under Independent Director category at the 48th Board Meeting as an Additional Directors w.e.f 31st October, 2016 and these Director's appointment was not regularized at the 10th Annual General Meeting held on 25th September, 2017. Further, Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management as per Part VII of Schedule IV of the Companies Act, 2013. As per circular No.1/22/2013-CL-V dated 5th September, 2017, a metro rail Companies are exempted from Appointment of Independent Directors w.e.f. 5th September, 2017.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, "the Company" has complied with the following laws applicable specifically to "the Company":

- a) Contract Labour (Regulations and Abolition) Act, 1970 and Rules and regulations prescribed thereunder.
- b) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- c) The Building and other Construction Workers (Registration of Employment and Conditions of Service) Act, 1996.
- d) The Maternity Benefits Act, 1961.
- e) The Payment of Gratuity Act, 1972.



LB & Co

Company Secretaries

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E-mail : lalitha.companysecretary@gmail.com
Branch off: No.13, 14th Street, Nanganallur, Chennai - 600 061.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- The system provides for a majority view being carried after recording the views of dissenting members. However, there was no such instance during the period under review.

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

This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this Report.

**For LB & Co.,
Company Secretaries
Firm Regn. No: 5363**

Place : Chennai
Date : 20th August, 2018

**CS Lalitha S
Partner
CP No.2666**

LB & Co

Company Secretaries

Head Off: 2nd Floor, No.36/98, Halls Road, Kilpauk, Chennai - 600 010.
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Annexure-A

To
 The Members,
 M/s Chennai Metro Rail Limited,
 Admin Building, CMRL Depot,
 Poonamallee High Road,
 Opposite to Daniel Thomas School,
 Koyambedu, Chennai- 600107.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our examination was limited to the verification of procedures on test basis.
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.

**For LB & Co.,
 Company Secretaries
 Firm Regn. No: 5363**

**CS Lalitha S
 Partner
 CP No.2666**

Place : Chennai
 Date : 20th August, 2018



CHENNAI METRO RAIL LIMITED
BALANCE SHEET AS AT 31st March 2018

(₹ in Lakhs)

Particulars	Note	As at 31-03-2018	As at 31-03-2017
ASSETS			
(1) Non-current assets			
Property, Plant and Equipment	2	10,27,837.34	6,53,959.00
Capital work-in-progress	3	7,43,429.07	9,13,325.24
Intangible assets	4	42,728.15	43,387.07
Financial Assets			
(i) Other Financial Assets	5	470.45	433.17
Other Non Current assets	6	31,074.92	48,165.70
(2) Current assets			
Inventories	7	397.88	825.57
Financial Assets			
(i) Trade Receivables	8	1,159.96	382.30
(ii) Cash and cash equivalents	9	1,97,611.48	1,30,205.93
(iii) Other Bank balances	10	1.00	532.00
(iv) Other Financial Assets	11	19,617.47	17,750.22
Current Tax Assets (net)	12	826.26	1,131.10
Other current assets	13	3,095.41	2,302.63
Total Assets		2,068,249.39	1,812,399.94
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	14	4,87,046.00	3,90,106.90
Other equity	15	23,981.52	56,086.37
LIABILITIES			
(1) Non-current liabilities			
Financial Liabilities			
(i) Borrowings	16	11,77,229.57	10,88,743.52
(ii) Other financial liabilities	17	1,014.75	691.11
Provisions	18	568.34	412.06
Deferred tax liabilities (Net)	19	29,340.00	17,956.15
Other Non-Current Liabilities	20	2,10,199.78	1,09,418.24
(2) Current liabilities			
Financial Liabilities			
(i) Trade payables	21	5,625.47	3,583.60
(ii) Other financial liabilities	22	1,31,670.33	1,44,153.02
Other current liabilities	23	1,550.83	1,139.32
Provisions	24	22.80	109.65
Total Equity and Liabilities		20,68,249.39	18,12,399.94
Significant Accounting Policies & Estimates	1		
Other Notes to the Financial Statements	2 to 43		

As per our report of even date attached
M/s Ganesan and Company
Chartered Accountants

For and on behalf of the Board of Directors

N. Venkatramani
Partner
M. No: 215145
FRN: 0008595

Pankaj Kumar Bansal, IAS
Managing Director
(DIN: 05197128)

Rajeev Narayan Dwivedi
Director
(DIN: 07554468)

Sujatha Jayaraj
Director-Finance & Chief Financial Officer
(DIN: 07531722)

P Andal
Company Secretary
(M.No.: A28465)

Place : Chennai
Date : 14.09.2018

Place : Chennai
Date : 14.09.2018

CHENNAI METRO RAIL LIMITED
Statement of Profit and loss for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Revenue from operations	25	7,074.05	2,125.74
Other income	26	8,429.18	11,269.22
I. Total Income		15,503.23	13,394.96
Expenses:			
Operating expenses	27	5,359.83	3,242.72
Employee benefits expense	28	4,105.42	3,096.39
Finance costs	29	4,376.36	2,261.27
Depreciation and amortization expense	2, 4 & 31	20,867.53	10,892.65
Other expenses	30	3,758.30	3,296.07
II. Total Expenses		38,467.44	22,789.09
III. (Loss) before tax (I - II)		(22,964.21)	(9,394.13)
IV. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	32	11,383.85	10,946.96
V. (Loss) for the Year (III - IV)		(34,348.06)	(20,341.09)
VI. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement gain/(loss) of defined benefit obligations - Gratuity		27.76	(3.99)
		27.76	(3.99)
Total Comprehensive Income for the period (V+ VI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(34,320.30)	(20,345.08)
Earnings per equity share:	33		
- Basic and Diluted (Amount in Rs.) (Face Value Rs. 1000/ Share)		(73.11)	(46.70)
Significant Accounting Policies & Estimates	1		
Other Notes to the Financial Statements	2 to 43		

As per our report of even date attached
M/s Ganesan and Company
Chartered Accountants

For and on behalf of the Board of Directors

N. Venkatramani
Partner
M. No: 215145
FRN: 000859S

Pankaj Kumar Bansal, IAS
Managing Director
(DIN: 05197128)

Rajeev Narayan Dwivedi
Director
(DIN: 07554468)

Sujatha Jayaraj
Director-Finance & Chief Financial Officer
(DIN: 07531722)

P Andal
Company Secretary
(M.No.: A28465)

Place : Chennai
Date : 14.09.2018

Place : Chennai
Date : 14.09.2018



CHENNAI METRO RAIL LIMITED
Cash Flow Statement for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(22,964.21)	(9,394.13)
Adjustment for:-		
Depreciation	20,867.53	10,892.65
Interest Expense	4,772.48	2,259.05
Interest Income	(6,580.32)	(10,841.16)
Profit on Sale of Property, Plant & Equipment	-	(3.05)
Deferred Government Grant recognised in P&L	(1,973.03)	(373.94)
Operating Profit before working Capital Changes	(5,877.54)	(7,460.58)
Adjustment for:-		
(Increase)/ Decrease in Inventory	427.69	(761.17)
(Increase)/ Decrease in Trade Receivables	(777.66)	(305.05)
(Increase)/ Decrease in Other Financial Assets	(3,368.04)	2,047.17
(Increase)/ Decrease in Other Assets	16,325.75	(28,922.28)
Increase/ (Decrease) in Provisions	728.81	145.64
Increase/ (Decrease) in Trade Payables	2,041.87	(502.17)
Increase/ (Decrease) in Other Financial Liabilities	(7,983.70)	17,818.75
Increase/ (Decrease) in Other Liabilities	(238.52)	590.29
Net Cash from Operating Activities before tax	1,278.67	(17,349.40)
Adjustment for Income Tax (net)	450.35	(1,143.43)
Net Cash from Operating Activities after tax	1,729.02	(18,492.83)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of Property, Plant & Equipment	(3,94,737.49)	(1,81,805.24)
Sale/ (Purchase) of Intangible Assets	(18.87)	(325.37)
(Increase)/ decrease in Capital Work in Progress	1,69,896.17	(25,692.86)
Reimbursement of Taxes & Duties towards PPE	5,776.35	6,245.37
Margin money deposit - PD	(145.50)	-
Interest Received	7,570.99	11,148.74
Net Cash From Investing Activities	(2,11,658.34)	(1,90,429.36)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Share Application Money	99,154.55	9,315.00
Loans received during the year	92,265.36	1,04,660.21
Govt Grant - Subordinate Debt	97,421.47	61,517.94
Interest paid on JICA loans	(12,037.51)	-
Net Cash From Financing Activities	2,76,803.87	175,493.15
D. Net changes in cash & cash equivalents (A+B+C)	66,874.55	(33,429.04)
E. Cash & Cash equivalents (Opening Balance)	1,30,737.93	1,64,166.97
F. Cash & Cash Equivalents (Closing Balance)	1,97,612.48	1,30,737.93
G. Cash & Cash Equivalents consists of:		
Cash on Hand	35.90	30.29
Balance With banks - Current Account	1,46,075.58	37,774.33
Balance With banks - Deposit Account (Refer Note 1 Below)	51,501.00	92,933.31
Total	1,97,612.48	1,30,737.93
1. Includes earmarked short term deposits of Rs.1.00 Lakhs (PY Rs. 532 Lakhs) that are held under lien against letters of credit and bank guarantees issued for the Company.		

As per our report of even date attached
M/s Ganesan and Company
Chartered Accountants

N. Venkatramani
Partner
M. No: 215145
FRN: 000859S

Pankaj Kumar Bansal, IAS
Managing Director
(DIN: 05197128)

For and on behalf of the Board of Directors

Rajeev Narayan Dwivedi
Director
(DIN: 07554468)

Sujatha Jayaraj
Director-Finance & Chief Financial Officer
(DIN: 07531722)

P Andal
Company Secretary
(M.No.: A28465)

Place : Chennai
Date : 14.09.2018

Place : Chennai
Date : 14.09.2018

CHENNAI METRO RAIL LIMITED
Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Equity Share Capital as at the beginning of the Year		3,90,106.90	3,90,106.90
Add: Share Capital issued during the year	15	96,939.10	-
Equity Share Capital as at the Year End		4,87,046.00	3,90,106.90

B. Other Equity

(₹ in Lakhs)

Particulars	Note No.	Reserves and Surplus		Share Application Money	Total
		Capital Reserve	Retained Earnings		
Balance as of 01 April 2016		478.62	23,212.20	43,255.82	66,946.64
Additions during the year		169.81	-		169.81
Share Application Money Received During the Year				9,315.00	9,315.00
Profit/(Loss) for the Year			(20,341.09)		(20,341.09)
Items of Other Comprehensive Income					-
Remeasurement Gain/(Loss) of Defined Benefit Plan			(3.99)		(3.99)
Total Comprehensive Income for the Year		169.81	(20,345.08)	-	(20,175.27)
Balance as of March 31, 2017		648.43	2,867.12	52,570.82	56,086.37
Additions during the year	16				
Share Application Money Received During the Year				99,154.55	99,154.55
Shares allotted during the year				(96,939.10)	(96,939.10)
Profit/(Loss) for the Year			(34,348.06)		(34,348.06)
Items of Other Comprehensive Income					-
Remeasurement Gain/(Loss) of Defined Benefit Plan			27.76		27.76
Total Comprehensive Income for the Year			(34,320.30)		(34,320.30)
Balance as of March 31, 2018		648.43	(31,453.18)	54,786.27	23,981.52

As per our report of even date attached
M/s Ganesan and Company
Chartered Accountants

For and on behalf of the Board of Directors

N. Venkatramani
Partner
M. No: 215145
FRN: 000859S

Pankaj Kumar Bansal, IAS
Managing Director
(DIN: 05197128)

Rajeev Narayan Dwivedi
Director
(DIN: 07554468)

Sujatha Jayaraj
Director-Finance & Chief Financial Officer
(DIN: 07531722)

P Andal
Company Secretary
(M.No.: A28465)

Place : Chennai
Date : 14.09.2018

Place : Chennai
Date : 14.09.2018



Chennai Metro Rail Limited

Notes to the Financial Statements for the year ended

31st March 2018

Company Information

Chennai Metro Rail Limited (CMRL), registered CIN U60100TN2007SGC065596, was incorporated under the Companies Act, 1956 on 3rd December 2007 and is a Government Company within the meaning of Section 2(45) of the Companies Act 2013 (Section 617 of the Companies Act, 1956). It is a Special Purpose Vehicle (SPV) and Joint Venture between Government of India (GOI) and Government of Tamil Nadu (GOTN) for the implementation of Chennai Metro Rail Project in Chennai, Tamil Nadu.

NOTE : 1 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS & SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

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.

1.2. Key Accounting Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes

aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as given below:

a) Tenure of Interest Free Subordinate Debt from Government

As per the MoU among CMRL, GoTN and GoI, subordinate debt is to be repaid after repayment of Senior Term Debt (JICA Loan) availed for the metro project. For the purpose of determining the fair value of subordinate debt from GoI and GoTN, it has been assumed that the loans would be repaid in full in the year in which the last repayment instalment date of the latest JICA Loan tranche falls due, in the absence of information regarding any specific loan repayment schedule at present.

b) Fair Value of Interest-Free Loans/ Deposits

For the purpose of determination of fair value of interest free subordinate debt and other interest-free long-term deposits, interest rate has been considered based on Lending Rate of State Bank of India available for the comparable tenor.

c) Useful lives of Property, Plant & Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

d) Defined Benefit Plans and Compensated Absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

1.3. Significant Accounting policies

a) Property, Plant & Equipment

1. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Borrowing costs relating to qualifying assets are also included to the extent they relate to the period till such assets are ready to be put to use.

2. Expenditure incurred on enabling assets viz. utility diversion, environmental protection, road diversion / restoration / signage, renovation work of drainage system and rehabilitation and resettlement which is compulsorily required to be incurred and directly attributable to the construction of MRTS (Metro Rapid Transport System) is capitalized with the respective identifiable assets.
3. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
4. Assets & systems common to more than one section of the project are capitalized on the basis of technical estimates/ assessments.
5. Items such as spare parts, stand-by equipment and servicing equipment are recognized in accordance with IND AS 16 when they meet the definition of Property, Plant & Equipment. Otherwise, such items are classified as inventory.
6. Capitalization of assets for a new section to be opened for public carriage of passengers is done after ensuring its completeness in all respects after administrative formalities and compliance of the requirements stipulated by Commissioner of Metro Rail Safety which is imperative for the opening of the Section.
7. Freehold Land from Government and Government Departments
 - a. Freehold lands received from Government of Tamil Nadu (GoTN) by means of interest free subordinate debt are capitalized at the relevant Guideline value.
 - b. Lands acquired from public bodies, under an arrangement of swap with GoTN, are capitalized at the values stipulated by the appropriate authorities.
 - c. Lands acquired by the company from various Government agencies for consideration are capitalized.

8. Freehold land - Acquired from Private Land Owners

Amount paid for acquisition of private land is capitalized upon receiving original title deed after registration or upon issuance of award by the competent authority as the case may be. Any enhanced compensation demanded by the land owners shall only be accounted based on actual decision of the courts or the decision of the private negotiation committee accepted by the management.

9. Subsequent expenditures 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. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.
10. 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. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.
11. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
12. Gift land received from Government / Government agencies shall be treated as government grant as per Ind-AS on the guideline value at that time of possession of land.
13. Land received as gift from private land owners shall be accounted on the guideline value at that time of execution of gift deed by treating it as a capital reserve.

b) Capital Work in Progress

- a) Assets under installation or construction as on the balance sheet date are shown as Capital Work in Progress. In case of lump-sum contracts, expenditure is booked as Capital Work in Progress based on certification by General Consultants/ Certified Engineers for the project which is done on a contractual milestone basis. Administrative and general overheads (net of income) directly attributable to project are classified as expenses pending capitalization and grouped under capital work in progress.
- b) Claims including Price variation are accounted for on acceptance.
- c) Liquidated damages and penalties are accounted for on settlement of final bills or on award of arbitration proceedings with arbitration tribunal or with judicial

authorities. Liquidated damages levied to mitigate the extra cost of construction are adjusted against the cost of related property, plant & equipment. Other LDs are recognized in the statement of profit and loss.

c) Depreciation and Amortization

Depreciation is charged on straight line basis over the estimated useful life of property, plant and equipment as prescribed under Schedule II of the Companies Act, 2013. However, in case of the following assets, depreciation is based on the useful life as determined by the management based on technical evaluation, which is different from the useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Group	Asset Type	Useful life
Rolling Stock	Rolling Stock	30 years
Track works	Track Works	30 years
Escalators & Elevators	Escalators & Elevators	30 years
Office Equipment	Mobile Phones, Tablets etc	3 Years
Plant & Machinery	Dewatering Pump and Accessories	5 years
Plant & Machinery	Oscillation Monitoring System	5 Years
Assets costing Rs. 5,000 or less	All asset types	Year of purchase

Depreciation method, useful lives and residual values are reviewed at the end of each financial year.

d) Intangible Assets

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

Amortization method and useful lives are reviewed at the end of each financial year.

e) Government Grants

- a) 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.

- b) Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- c) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a systematic basis over the expected life of the related depreciable assets and presented within other income.
- d) When the company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.
- e) When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f) Foreign Currency Transaction

1. Functional Currency

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to Lakhs).

2. Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date except long term loan from JICA due to the fact stated in Note no 16.1. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value/historical cost are translated at the exchange rate prevalent at the date when the fair value was determined/at the date of transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

g) Inventories

Inventory is valued at cost or net realizable value whichever is lower. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

h) Cash and cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash, cheques in hand, bank balances, demand deposits with banks that are repayable on demand, which forms an integral part of the entity's cash management, hence are included in cash equivalents.

i) Employee benefits

1. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled

2. Other long-term employee benefit obligations

The liability for encashable leave/leave travel concession that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, determined based on actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period on Government Bonds that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3. Post-employment obligations

a) Defined Benefit Plan - Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation

at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually using the projected unit credit method based on actuarial valuation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

b) Defined contribution Plan - Provident fund: The company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

4. Employment Benefits to Deputationists

Employee benefits due to employees on deputation from other GoI/GoTN departments/PSUs are paid to their respective parent organizations / employer based on their direction. Necessary provision for such benefits payable at the close of the Financial Year are estimated and provided for.

j) Prepaid Items

Individual Items of Prepaid Expenses over ₹ 1,00,000/- each are recognized.

k) Revenue Recognition

Revenue 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, and it is probable that future economic benefits will flow to the entity.

**1. Fare Revenue**

Income from fare collection is recognized on the basis of use of tokens, money value of the actual usage in case of Smart Cards and other direct fare collection. Single tickets are recognized as revenue on the day of purchase.

2. Income from Property Development

Rental income arising from operating leases of property is recognized in accordance with the terms and conditions of the contract with the licensee/lessee and is accounted for on a straight-line basis over the lease terms. Such rental income is included in revenue in the statement of profit or loss. Income from non-cancelable contract on lump-sum consideration are recognized in the initial year.

3. Interest Income

- a) Interest on short term deposits with banks is recognized as income in the statement of profit and loss, using the effective interest method.
- b) Interest on mobilization & other advances to vendors on Capital Works is adjusted against the Expenses Pending Capitalization.

4. Other Incidental Income

Income from sale of tender documents for the construction works and Rental Income receivable from the contractors in connection with the construction works are reduced from the expenses pending capitalization.

l) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

m) Taxation

The income tax expense or credit for the period consist of the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction

and the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

n) Provision, Contingent Liabilities & Contingent Assets

Provision for legal and other claims are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent asset is disclosed when the inflow of economic resource is probable.

o) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

p) Financial Instruments

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities

are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through profit or loss

A financial asset which is not classified in the above category is subsequently fair valued through profit or loss.

iii) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, for trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes, etc. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

q) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the Principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liability for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs)

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than the quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability

For assets or liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

r) Leases

Company as Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date 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.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. In case of non-cancelable lease, the lease / rental value received / receivable in lump sum is recognized as income on the invoice value.

s) Impairment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset in

increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

t) Earnings Per Share

a) Basic earnings per share

Basic earnings per share is calculated by dividing

- i) The net profit attributable to the equity holders of the company
- ii) By the weighted average number of equity shares outstanding during the period

b) Diluted earnings per share

Diluted earnings per share is calculated by dividing

The net profit attributable to the equity holders of the company

- i) by the weighted average number of equity shares considered for deriving basic earnings per equity share and
- ii) also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year 2017-18

Note 2 - Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Opening Gross Carrying Amount	Additions	Adjustments / Reversals	Closing Gross carrying amount	Opening Accumulated Depreciation	Depreciation charged during the year	Adjustments / Reversals	Closing Accumulated Depreciation	Net Block as at 31.03.2018	Net Block as at 31.03.2017
A. Land										
Freehold Land	2,64,794.87	37,313.05	(2.03)	3,02,105.90				-	3,02,105.90	2,64,794.87
B. Buildings										
Building	93,713.95	2,998.42	(4,523.18)	92,189.19	1,831.61	1,530.20	(71.57)	3,290.24	88,898.95	91,882.34
Buildings UG	-	1,55,630.25	-	1,55,630.25	-	2,172.36	-	2,172.36	1,53,457.89	-
Tunnel CCT	7,683.75	53.19	(15.00)	7,721.94	63.95	122.42	(0.24)	186.13	7,535.80	7,619.80
UG Tunnel	-	71,928.76	-	71,928.76	-	1,004.02	-	1,004.02	70,924.75	-
Viaduct	1,15,956.00	2,857.44	(15.00)	1,18,798.44	4,301.11	3,759.99	(0.47)	8,060.63	1,10,737.81	1,11,654.89
C. Plant & Equipment										
Air-conditioning Systems	-	7,839.80	-	7,839.80	-	437.71	-	437.71	7,402.09	-
Automatic Fare Collection	4,256.15	2,003.05	-	6,259.20	396.25	412.83	-	809.08	5,450.12	3,859.89
Escalators & Elevators	5,374.29	3,386.79	-	8,761.08	224.07	264.63	-	488.69	8,272.39	5,150.23
Rolling Stock	80,079.50	73,905.45	-	1,53,984.94	3,000.37	3,976.84	-	6,977.21	1,47,007.73	77,079.13
Signalling & Telecom Equipments	33,670.46	15,443.38	-	49,113.84	2,740.65	3,026.91	-	5,767.55	43,346.28	30,929.81
Track Work (Permanent Way)	35,037.27	7,575.35	-	42,612.62	1,445.45	1,320.28	-	2,765.73	39,846.89	33,591.82
Traction Equipment	22,624.96	7,134.65	-	29,759.61	2,009.48	1,830.42	-	3,839.90	25,919.70	20,615.48
Tunnel Ventilation System	-	10,723.31	-	10,723.31	-	461.00	-	461.00	10,262.31	-
Other Plant & Equipment	6,869.85	314.27	-	7,184.12	748.06	446.27	-	1,194.33	5,989.79	6,121.79
D. Furniture & Fixtures										
Furniture, Fittings and Equipment	601.79	83.19	-	684.98	123.17	62.39	-	185.56	499.42	478.61
E. Vehicles										
Vehicles	57.95	-	-	57.95	27.07	6.62	-	33.69	24.25	30.88
Bicycle	0.81	1.82	-	2.64	0.67	0.09	-	0.76	1.88	0.14
F. Office Equipments										
Computers	206.92	37.03	-	243.95	158.91	19.68	-	178.59	65.35	48.01
Office Equipments	211.47	63.51	-	274.98	110.14	76.79	-	186.93	88.04	101.33
Grand Total	6,71,139.98	3,99,292.70	(4,555.21)	10,65,877.47	17,180.97	20,931.43	(72.28)	38,040.13	10,27,837.34	6,53,959.00

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year 2016-17

Note 2 - Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Opening Gross Carrying Amount	Additions	Adjustments / Reversals	Closing Gross carrying amount	Opening Accumulated Depreciation	Depreciation charged during the year	Adjustments / Reversals	Closing Accumulated Depreciation	Net Block as at 31.03.2017	Net Block as at 31.03.2016
A. Land										
Freehold Land	2,58,408.62	6,423.55	(37.29)	264,794.87	-	-	-	-	2,64,794.87	2,58,408.62
B. Buildings										
Building	54,015.20	39,698.75	-	93,713.95	646.70	1,184.91	-	1,831.61	91,882.34	53,368.50
Tunnel CCT	-	7,683.75	-	7,683.75	-	63.95	-	63.95	7,619.80	-
Viaduct	60,876.83	55,079.52	(0.35)	115,956.00	1,457.70	2,843.41	-	4,301.11	111,654.89	59,418.81
C. Plant & Equipment										
Automatic Fare Collection	3,078.82	1,177.69	(0.36)	4,256.15	153.65	242.60	-	396.25	3,859.89	2,925.16
Escalators & Elevators	3,456.14	1,918.50	(0.34)	5,374.30	82.76	141.31	-	224.07	5,150.23	3,373.38
Rolling Stock	42,812.37	37,267.12	-	80,079.50	1,025.15	1,975.22	-	3,000.37	77,079.13	41,787.22
Signalling & Telecom Equipments	20,064.52	13,605.94	-	33,670.46	1,001.36	1,739.29	-	2,740.65	30,929.81	19,063.17
Track Work (Permanent Way)	22,139.00	12,898.27	-	35,037.27	530.12	915.33	-	1,445.45	33,591.82	21,608.88
Traction Equipment	16,126.50	6,499.83	(1.37)	22,624.96	772.30	1,237.18	-	2,009.48	20,615.48	15,354.20
Other Plant & Equipment	6,612.24	257.74	(0.13)	6,869.85	319.61	428.45	-	748.06	6,121.79	6,292.59
D. Furniture & Fixtures										
Furniture, Fittings and Equipment	514.65	87.14	-	601.79	69.69	53.48	-	123.17	478.61	444.88
E. Vehicles										
Vehicles	72.90	-	(14.96)	57.95	33.47	7.66	(14.06)	27.07	30.88	39.76
Bicycle	0.13	0.68	-	0.81	0.02	0.64	0.01	0.67	0.14	0.10
F. Office Equipments										
Computers	155.40	51.53	-	206.92	137.63	21.29	-	158.91	48.01	20.33
Office Equipments	173.19	38.28	-	211.47	76.88	33.26	-	110.14	101.33	96.40
Grand Total	4,88,506.51	1,82,688.28	(54.80)	6,71,139.98	6,307.05	10,887.96	(14.05)	17,180.97	6,53,959.00	4,82,202.00

2.1 Details of land capitalised as at 31.03.2018 are as follows:

Category	(₹ in Lakhs)
GOTN Land at free of cost including TDR	1,33,866.00
Purchased Land - Gol Agencies	2,542.26
Purchased Land - GoTN Agencies	67,837.00
Land to Land Value	3,928.00
Private land including Gift value	93,932.64
Total	3,02,105.90

2.2 Land to an extent of 15116.89 sq mt. valued at ₹ 8794.22 Lakhs have been capitalised in excess of the land extent specified in the Government Gazette Order. The alienation of the lands is being finalised with the Government of Tamilnadu.

2.3 Adjustments to cost of land amounting to ₹ 2.03 Lakhs pertains to Lease rent which was grouped earlier in Fixed Assets has been corrected now and transferred to Rehabilitation & Resettlement (R&R).

2.4 The company has acquired the land to the extent of 7,59,927.05 sq mtrs out of which title to the extent of 5,59,878.35 sq mtrs have been obtained and title for the balance land to the extent of 2,00,048.70 sq mtrs are yet to be received and follow up action is being taken.



CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements

Note 3 - Capital Work in Progress

(₹ in Lakhs)

Particulars	As on 01-04-2017	Additions during the year	Total	Capitalised during the Year	As on 31.3.2018
Resettlement & Rehabilitation expenditure	12,194.65	717.19	12,911.84	1,173.08	11,738.76
Shifting of Utilities	3,701.30	334.01	4,035.30	1,609.98	2,425.32
Station Building	917.79	462.09	1,379.87	1,161.44	218.43
Procurement - Civil	1,078.76	9,325.61	10,404.37	1,078.69	9,325.68
Depot and Stabling	2,711.29	3,159.94	5,871.23	716.62	5,154.61
Underground - Tunnelling & Stations	6,42,573.01	1,21,334.70	7,63,907.72	2,09,332.19	5,54,575.53
Permanent Way	15,926.89	7,257.39	23,184.28	7,009.15	16,175.13
Other WIP - civil works	-	148.73	148.73	-	148.73
Procurement - Systems					
Rolling Stock	76,983.08	10,520.63	87,503.71	69,282.10	18,221.61
Lifts & Escalator	5,402.10	1,023.26	6,425.36	3,133.65	3,291.71
Automatic Fare Collection	2,600.95	476.12	3,077.07	1,797.98	1,279.09
Power Supply & OHE	5,383.69	3,688.04	9,071.74	6,601.39	2,470.35
Signalling & Telecommunication	28,267.13	6,343.15	34,610.28	14,205.03	20,405.25
Tunnel Ventilation System	11,260.40	4,063.84	15,324.24	9,921.83	5,402.41
UG - Station Air Conditioning	8,358.77	5,168.00	13,526.77	7,253.83	6,272.93
Systems - Total	1,38,256.13	31,283.03	1,69,539.16	1,12,195.81	57,343.35
Consultancy Charges					
Other Cost - General Consultancy Charges	45,983.24	991.85	46,975.09	12,922.99	34,052.10
Prime Consultancy Charges	2,387.85	-	2,387.85	-	2,387.85
Other Consultancy Charges	2,033.32	856.98	2,890.30	-	2,890.30
Survey Expenses	174.66	-	174.66	-	174.66
Consultancy Charges - Total	50,579.07	1,848.83	52,427.90	12,922.99	39,504.91
Metro Headquarters	4,575.15	5,201.12	9,776.28	-	9,776.28
Expenses pending Capitalization	40,811.19	1,069.40	41,880.59	4,838.26	37,042.33
Grand Total	9,13,325.24	1,82,142.03	10,95,467.28	3,52,038.21	7,43,429.07

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements

Note 3 - Capital Work in Progress

(₹ in Lakhs)

Particulars	As on 01-04-2015 IndAS	Additions / Adjustment for the year	Total	Capitalised during the year	As on 31-03-2016 IndAS	Additions / Adjustment for FY 2016-17	Total	Capitalised during FY 2016-17	As on 31-03-2017 IndAS	As on 31-03-2017
Resettlement & Rehabilitation expenditure	13,119.65	306.14	13,425.79	(1,157.74)	12,268.05	1,109.44	13,377.50	(1,182.85)	12,194.65	12,194.65
Shifting of Utilities	14,667.92	182.44	14,850.36	(6,287.94)	8,562.42	7,869.93	16,432.35	(12,731.05)	3,701.30	3,701.30
Survey Expenses	174.66	-	174.66	-	174.66	-	174.66	-	174.66	174.66
Station Building	54,498.10	21,984.67	76,482.77	(31,059.00)	45,423.77	8,701.06	54,124.83	(53,207.04)	917.79	917.79
Procurement - Civil	75,278.61	5,060.04	80,338.65	(46,907.59)	33,431.06	(1,367.20)	32,063.86	(30,985.10)	1,078.76	1,078.76
Depot and Stabling	23,117.18	5,180.42	28,297.60	(27,064.23)	1,233.36	2,378.25	3,611.61	(900.32)	2,711.29	2,711.29
Underground - Tunnelling & Stations	4,52,577.08	65,979.14	5,18,556.22	-	5,18,556.22	1,24,016.80	6,42,573.01	-	6,42,573.01	6,42,573.01
Permanent Way	32,407.73	10,959.33	43,367.05	(19,826.37)	23,540.68	3,896.59	27,437.27	(11,510.38)	15,926.89	15,926.89
General WIP assets - (Material Supply)	21.45	106.58	128.03	-	128.03	(128.02)	0.00	-	0.00	0.00
Procurement - Systems										
Rolling Stock	1,00,412.09	25,946.38	1,26,358.47	(37,833.11)	88,525.36	22,225.33	1,10,750.69	(33,767.61)	76,983.08	76,983.08
Lifts & Escalator	5,683.01	3,293.01	8,976.02	(3,042.32)	5,933.70	1,180.16	7,113.86	(1,711.77)	5,402.10	5,402.10
Automatic Fare Collection	4,065.22	963.43	5,028.64	(2,782.92)	2,245.72	1,425.01	3,670.73	(1,069.78)	2,600.95	2,600.95
Power Supply & OHE	13,662.33	5,845.73	19,508.07	(13,383.18)	6,124.89	3,948.49	10,073.38	(4,689.69)	5,383.69	5,383.69
Signalling & Telecommunication	38,586.09	9,266.12	47,852.21	(7,848.96)	30,003.25	10,405.35	40,408.60	(12,141.47)	28,267.13	28,267.13
Tunnel Ventilation System	3,636.11	5,422.58	9,058.69	-	9,058.69	2,201.71	11,260.40	-	11,260.40	11,260.40
UG - Station Air Conditioning	2,867.17	2,183.19	5,050.36	-	5,050.36	3,308.41	8,358.77	-	8,358.77	8,358.77
	1,68,912.03	52,970.44	2,21,882.46	(74,890.49)	1,46,941.98	44,694.46	1,91,636.44	(53,380.31)	1,38,256.13	1,38,256.13
Other Cost										
General Consultancy Charges	66,477.70	4,360.08	70,837.78	(16,448.56)	54,389.22	2,045.44	56,434.65	(10,451.41)	45,983.24	45,983.24
Prime Consultancy Charges	4,306.79	0.36	4,307.15	(1,201.95)	3,105.20		3,105.20	(717.35)	2,387.85	2,387.85
Other Consultancy Charges	4,98.97	324.75	823.72		823.72	1,209.60	2,033.32	-	2,033.32	2,033.32
Other Project Consultancy Charges	4,980.42	325.12	5,305.54	(1,201.96)	4,103.58	1,209.61	5,313.18	(717.35)	4,595.83	4,595.83
	71,458.12	4,685.20	76,143.32	(17,650.52)	58,492.80	3,255.04	61,747.83	(11,168.76)	50,579.07	50,579.07
Metro Headquarters	1,711.56	923.23	2,634.79	-	2,634.79	1,940.36	4,575.15	-	4,575.15	4,575.15
Expenses pending Capitalization	(37,934.04)	80,011.31	42,077.27	(5,658.05)	36,419.22	6,683.78	43,103.00	(2,291.81)	40,811.19	40,811.19
Grand Total	8,69,835.38	2,48,298.94	11,18,134.31	(2,30,501.93)	8,87,632.39	2,03,050.48	10,90,682.85	(1,77,357.61)	9,13,325.25	9,13,325.24

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements

Note 4 - Intangible Assets For the Year 2017-18

(₹ in Lakhs)

Particulars	Opening Gross Carrying Amount	Additions	Adjustments / Reversals	Closing Gross carrying amount	Opening Accumulated Amortisation	Amortisation charge during the year	Adjustments / Reversals	Closing Accumulated Amortisation	Net Block as at 31.03.2018	Net Block as at 31.03.2017
Leasehold Land	47,184.36		-	47,184.36	3,807.23	669.41	-	4,476.64	42,707.72	43,377.14
Software	40.95	18.87	-	59.81	31.01	8.38	-	39.39	20.42	9.94
Total	47,225.31	18.87	-	47,244.18	3,838.24	677.79	-	4,516.03	42,728.15	43,387.07

For the Year 2016-17

(₹ in Lakhs)

Particulars	Opening Gross Carrying Amount	Additions	Adjustments / Reversals	Closing Gross carrying amount	Opening Accumulated Amortisation	Amortisation charge during the year	Adjustments / Reversals	Closing Accumulated Amortisation	Net Block as at 31.03.2017	Net Block as at 31.03.2016
Leasehold Land	46,858.99	325.37	-	47,184.36	3,137.82	669.41	-	3,807.23	43,377.14	43,721.18
Software	40.95	-	-	40.95	26.30	4.71	-	31.01	9.94	12.09
Total	46,899.94	325.37	-	47,225.31	3,164.12	674.12	-	3,838.24	43,387.07	43,733.27

Note 4.1

The Railway land have been taken on long term lease for a period of 35 years and it will be renewed for further period of 35 years.

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 5 - Other Financial Assets	As at 31-Mar-18	As at 31-Mar-17
Unsecured, Considered Good Deposits (Refer Note No. 5.1)	470.45	433.17
Total	470.45	433.17

5.1 Represents refundable deposits with Electricity, water and other departments. Since the exact term of the same is not ascertainable in view of the expected perpetual usage of related services, these deposits are carried at its initial transaction value.

(₹ in Lakhs)

Note 6 - Other Non-Current Assets	As at 31-Mar-18	As at 31-Mar-17
Income Tax - Advance Tax & TDS (net)	3,948.76	2,802.96
Wealth Tax (net)	0.13	0.13
Unsecured, Considered good		
Capital Advances		
Land Advance	7,067.94	24,453.03
Advances to Contractors		
i) Mobilization and other Advances (Refer Note No. 6.1)	19,708.10	20,559.58
ii) Material Advances		
Advance to Airports Authority of India (AAI)	350.00	350.00
Total	31,074.93	48,165.70

Note 6.1 Mobilization and other advances to contractors are covered by the Bank Guarantees and hypothecation of Plant & Machineries.

(₹ in Lakhs)

Note 7 - Inventories	As at 31-Mar-18	As at 31-Mar-17
a) Stores & Spare Parts	377.61	807.77
b) Loose Tools	20.27	17.80
Total	397.88	825.57



CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 8 - Trade Receivables	As at 31-Mar-18	As at 31-Mar-17
Secured, Considered Good		
Trade Receivables - Property Development (See Note 8.1)	1,159.96	382.30
Total	1,159.96	382.30

Note 8.1 - Trade receivables consists of license fees receivable from customers towards letting out of space in stations. They are secured by way of collection of security deposit/Bank Guarantees consisting of 12 months license fees.

(₹ in Lakhs)

Note 9 - Cash and Cash Equivalents	As at 31-Mar-18	As at 31-Mar-17
Cash on Hand	35.90	30.29
Balances with Bank		
In Current Accounts (See Note 9.1)	1,46,075.59	37,774.33
In Deposit Accounts (with Maturities less than 3 months)	51,500.00	3,201.31
In Deposit Accounts (with Maturities more than 3 months but less than 12 months)	-	89,200.00
Total	1,97,611.48	1,30,205.93

Note 9.1 - Current account balance includes balance in State Bank of India Public Deposit A/c of ₹ 1,45,764.77 lakhs (PY: ₹ 34,058.77 lakhs).

(₹ in Lakhs)

Note 10 - Other Bank Balances	As at 31-Mar-18	As at 31-Mar-17
Balance with Banks in Deposits Accounts		
Earmarked Short Term Deposits (with Maturities more than 3 months)(Refer Note No. 10.1)	1.00	532.00
Total	1.00	532.00

Note 10.1 - Earmarked short term deposits of ₹ 1.00 Lakh BG given to DoT (PY ₹ 532.00 Lakhs) are held under lien against letters of credit and bank guarantees issued for the Company.

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 11 - Other Financial Assets	As at 31-Mar-18	As at 31-Mar-17
Unsecured, Considered Good		
VAT Recoverable from GoTN (Refer Note No. 11.1)	6,203.13	10,846.22
Stamp Duty Recoverable from GoTN	631.54	494.99
SGST Receivable from GoTN	4,080.98	
Interest Accrued on Deposits with Bank	1,387.91	2,425.86
Advance to Employees	22.00	18.41
Rental & other deposits	181.24	24.74
Other Receivables/ Recoverables	7,110.67	3,940.01
Total	19,617.47	17,750.22

Note 11.1 - VAT payments amounting to ₹ 6,203.13 Lakhs, stamp duty ₹ 631.54 lakhs & SGST ₹ 4080.98 lakhs totalling ₹ 10,915.65 lakhs (Previous Year ₹ 11,341.21 Lakhs) are reimbursable from Government of Tamil Nadu in accordance with clause 10.4 of the Memorandum of Understanding between the Government of India, Government of Tamil Nadu and the Company.

(₹ in Lakhs)

Note 12 - Current Tax Assets	As at 31-Mar-18	As at 31-Mar-17
Income Tax - Advance Tax & TDS (net)	826.26	1,131.10
Total	826.26	1,131.10

(₹ in Lakhs)

Note 13 - Other Current Assets	As at 31-Mar-18	As at 31-Mar-17
Prepaid Expenses	129.19	94.73
Service tax Input Credit	2,149.69	2,120.38
GST Input Credit	120.21	-
Other Advances	696.32	82.24
Gratuity Fund with LIC (net) (Refer Note No. 39 (b))	-	5.28
Total	3,095.41	2,302.63



CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 14 - Share Capital	As at 31-Mar-18	As at 31-Mar-17
Authorized		
658,00,000 Equity Shares of ₹ 1000/- each (Previous Year - 658,00,000 Equity Shares of ₹1000/- each)	6,58,000.00	6,58,000.00
Issued, Subscribed and Paid up		
Equity Shares (Number of shares of ₹1000 each)	4,87,04,600	3,90,10,690
Equity Shares of ₹1000/- each fully paid	4,87,046.00	3,90,106.90
Total	4,87,046.00	3,90,106.90

14.1 Reconciliation of Equity shares and amounts outstanding

(No. of shares)

Particulars	As at 31-Mar-18	As at 31-Mar-17
At the beginning of the year	3,90,10,690	3,90,10,690
Issued during the year	96,93,910	-
At the end of the year	4,87,04,600	3,90,10,690

14.2 Rights, preferences and restrictions attached to Shares

Equity Shares

The Company has one class of equity shares, having a par value of ₹1000/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

(No. of shares)

Name of Shareholder	As at 31-Mar-18	As at 31-Mar-17
The President & Nominees, Government of India	2,43,52,300	1,95,05,345
The Governor & Nominees, Government of Tamilnadu	2,43,52,300	1,95,05,345
Total	4,87,04,600	3,90,10,690

(₹ in Lakhs)

Note 15 - Other Equity	As at 31-Mar-18	As at 31-Mar-17
Reserves & Surplus		
Capital Reserve (Refer Note No. 15.1.1)	648.43	648.43
Retained Earnings - Surplus / (Deficit)	(31,453.18)	2,867.12
Share Application Money Pending Allotment	54,786.27	52,570.82
Total	23,981.52	56,086.37

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

15.1 Movement in Other Equity	As at 31-Mar-18	As at 31-Mar-17
Capital Reserve (Refer Note No. 15.1.1)		
Opening Balance	648.43	478.62
Add: Additions during the year	-	169.81
Closing balance	648.43	648.43
Retained Earnings - Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	2,867.11	23,212.20
Add: Total Comprehensive Income/ (Loss) for the Year	(34,320.30)	(20,345.08)
Closing balance	(31,453.18)	2,867.12
Share Application Money Pending allotment		
Opening Balance	52,570.82	43,255.82
Add: Received during the Year	99,154.55	9,315.00
Less : Share Capital issued	(96,939.10)	-
Closing balance (Refer Note No. 15.1.2)	54,786.27	52,570.82
Total	23,981.52	56,086.37

Note 15.1.1 Capital Reserve represent the value of lands that have been acquired from parties other than government without any consideration and which have been valued at guideline value.

(₹ in Lakhs)

15.1.2 Details of Advance Share Application Money	As at 31-Mar-18	As at 31-Mar-17
- From Government of India	40,000.00	9,315.00
- From Government of Tamil Nadu	14,786.27	43,255.82
Total	54,786.27	52,570.82

A) Chennai Metro Rail Limited is a Special Purpose Vehicle formed as Joint Venture between the Government of India and Government of Tamil Nadu and both Governments hold 50% each shares in the equity capital. The equity contribution is being released in phases and in order to maintain equal shareholding, the excess release are held as Share Application Money. Equity Shares of ₹1000 each at par shall be issued to the shareholders having all rights similar to the existing shares, issued in such a manner that the proportion of equity holding of the shareholders are equal. The company has sufficient authorized share capital to cover the share capital amount resulting from allotment of shares against share application money.

B) No. of Shares to be Issued - 54,78,627 (P.Y. 52,57,082) of ₹1000/- each.



CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

16 - Long Term Borrowings	As at 31-Mar-18	As at 31-Mar-17
Unsecured		
Term Loans from Other Parties		
From Government of India against Japan International Co-operation Agency (JICA)(Refer Note No. 16.1)	8,64,266.90	7,87,052.27
Subordinate Debt from Government of India	34,044.06	31,125.92
Subordinate Debt from Government of Tamil Nadu (Refer Note No. 16.2)	2,78,918.61	2,70,565.33
Total	11,77,229.57	10,88,743.52

Note 16.1

(A) To meet the Project cost for Phase 1, the Govt of India has provided Pass Through Assistance against Japan International Cooperation Agency (JICA) loan. JICA sanctioned four tranches, the first tranche sanctioned on 21-11-2008 is for 21,751 million of JPY at interest rate of 1.2% p.a (except for consultancy services for which the rate is 0.01%) and the second, third and fourth tranches sanctioned on 31-3-2010, 28-3-2013 and 04-3-2016 are for 59,851 million JPY, 48,691 million JPY and 19,981 million JPY respectively at interest rate of 1.4% p.a (except for consultancy service for which the rate is 0.01%), and the commitment charges of 0.1% p.a. for the first, second and third Tranches and 0.2% p.a for fourth tranche. These loans will be repayable in half yearly instalments over 30 years (10 Years Moratorium from date of agreement & after that 20 Years repayment).

To meet the Project cost for Phase 1 Extension, the Govt of India has provided Pass Through Assistance against Japan International Cooperation Agency (JICA) loan. JICA sanctioned tranche V on 31-03-2017 is for 33,321 million of JPY at interest rate of 1.4% p.a (except for consultancy services for which the rate is 0.01%) & the commitment charges of 0.20% p.a.

- (B) The Sanction Order No.K-14011/42/2005 dated 18-02-2009 of Government of India states that, in case the SPV is not able to repay the loan, as and when it becomes due, on account of cash loss, the responsibility of the same shall be borne by the Government of Tamil Nadu. Clause 14.16 of the MOU between Government of India, Government of Tamil Nadu and CMRL states that the Debt Servicing Liability of the Company with regard to the JICA loan portion shall be reckoned based on JICA's repayment schedule received from JICA in rupee terms along with exchange rate fluctuation of loan currency.
- (C) The JICA loan is a sovereign loan between Government of India and Government of Japan under the Official Development Assistance (ODA) scheme. The tenure of the loan is 30 years and the interest rate ranges from 1.2% to 1.4%. Considering the fact that this is a sovereign loan with a longer tenure, some of the Metro Companies are following the same principle as that of CMRL. The Company has taken the stand that the impact of the foreign exchange fluctuation shall be recognized at the time repayment of the loan. In View the same, the foreign exchange fluctuation on JICA loan is not recognized by the Company as on the reporting date.

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(D) The company submitted their claim with Japan International Co-operation Agency (JICA) through CAAA to an extent of ₹ 8,64,600 Lakhs for Phase I, during 2009-10 to 2017-18. Claims amounting to ₹ 8,64,600 Lakhs have been remitted by Ministry of Housing & Urban Affairs, MRTS Cell, Government of India as Pass Through Assistance against JICA Loan during that same period.

And for Phase 1 Extension the company submitted their claim with Japan International Co-operation Agency (JICA) through CAAA to an extent of ₹ 2931.96 Lakhs during the year. Balance PTA available as on 31.03.2018 is ₹ 15,568.04 Lakhs is included in "other current liabilities".

Note 16.2

Phase-I Government of India (GOI) and Government of Tamilnadu (GOTN) being JV partners contributes interest free subordinate debt to the extent of ₹ 73,000 Lakhs and ₹ 84,400 Lakhs respectively for the Phase I Project. Subordinate Debt from the GOTN for Phase I Project is provided to meet the cost of Resettlement and Rehabilitation expenditure (R&R) and land cost partially. As per the MOU between GOI, GOTN and CMRL, the Subordinate Debt from the GOTN is to be suitably enhanced when the Land cost finally works out to be more than ₹ 93,500 Lakhs. As on the Balance sheet date, the company has incurred an amount of ₹ 2,09,361 Lakhs (Previous Year ₹ 1,94,222 Lakhs) towards the cost of R&R and Land/Land Advance in respect of which funds have been received from GOTN amounting to ₹ 2,33,422 Lakhs

During the year, the company has received subordinate debt of ₹ 39,200 Lakhs & ₹ 19,278 Lakhs (Previous Year ₹ 50,000 Lakhs and ₹ 18,000 Lakhs) respectively from GoTN and Gol. These amounts have been recognised at their fair value of ₹ 3830.43 Lakhs (PY ₹ 4,766.22 Lakhs) and ₹ 1883.76 Lakhs (PY ₹ 1,715.84 Lakhs) respectively using prevailing market interest rates. The difference between the gross proceeds and fair value of the loan as above amounting to ₹ 97,336.70 Lakhs (PY ₹ 61,517.94 Lakhs) has been recognised as deferred income under Government Grants. Further, out of the government grant recognised as deferred income in the previous year, an amount of ₹ 1,973.03 Lakhs (PY: ₹ 373.94 Lakhs) has been credited to the Statement of Profit and Loss during the year. Further, interest of ₹ 308.98 Lakhs (PY: ₹ NIL Lakhs) has been recognised on subordinate debt during the year in the statement of Profit & Loss.

During the year, the interest component for Gol Subordinate debt is ₹ 194.04 Lakhs of which a sum of ₹ 83.15 Lakhs has been charged of P&L account and ₹ 110.89 Lakhs transferred to expenses pending capitalization. Similarly, the interest component of GoTN Subordinate Debt is ₹ 526.90 Lakhs, of which a sum of ₹ 225.79 Lakhs has been charged to P&L account and ₹ 301.11 Lakhs has been transferred to expenses pending capitalization.

PHASE I Extension

As per Government of India (Gol) sanction, Gol contributed interest free subordinate debt to the extent of ₹ 8600 Lakhs towards 50% share of central taxes and Government of Tamilnadu (GoTN) contributes ₹ 20,500 Lakhs towards 50% share of central taxes and ₹ 20,300 Lakhs towards Land and Rehabilitation & Resettlement. These amounts have been recognized at their fair value of ₹ 840.34 Lakhs for Gol & ₹ 3986.77 Lakhs for GoTN.

As on Balance Sheet date, the company has incurred an amount of ₹ 30,985 Lakhs towards cost of R&R and land / land advance in respect of which funds have been received from Government of Tamil Nadu amounting to ₹ 20,300 Lakhs.

The company will be required to repay the subordinate debt to Gol and GoTN proportionately only after repayment of JICA loan availed for the project.



CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 17 - Other Financial Liabilities	As at 31-Mar-18	As at 31-Mar-17
Security Deposits	869.67	546.03
Other Payables (Net) (Refer Note No 17.1)	145.08	145.08
Total	1,014.75	691.11

Note 17.1 Other Payables represent the amount payable at their guideline value towards the land acquired under litigation net of the deposits made in respect of the same with the Courts.

(₹ in Lakhs)

Note 18 - Long Term Provisions	As at 31-Mar-18	As at 31-Mar-17
Provision for employee benefits (Refer Note No. 39)	563.81	412.06
Gratuity Fund with LIC (net) (Refer Note No. 39 (b))	4.53	-
Total	568.34	412.06

(₹ in Lakhs)

Note 19 - Deferred Tax Liability	As at 31-Mar-18	As at 31-Mar-17
Deferred Tax Liability - on Account of Depreciation and Amortisation	29,340.00	17,956.15
Total	29,340.00	17,956.15

(₹ in Lakhs)

Note 20 - Other Non-Current Liabilities	As at 31-Mar-18	As at 31-Mar-17
Deferred Income - Government Grant (Refer Note No. 20.1 below)	2,10,199.78	1,09,400.54
Others	-	17.71
Total	2,10,199.78	1,09,418.24

20.1. Movement in Government Grants for the Year Ended 31.03.2018

(₹ in Lakhs)

Particulars	Opening Balance	Grants recognised during the Year	Amount recognised in P&L during the Year	Closing Balance
Subordinate Debt - GoTN	61,340.93	72,267.57	1,111.99	1,32,496.51
Subordinate Debt - GoI	22,589.98	25,153.90	409.57	47,334.31
Reimbursement of Taxes & Duties	25,087.90	5,350.79	444.48	29,994.21
Others	381.73	-	6.99	374.74
Total	1,09,400.54	1,02,772.26	1,973.03	2,10,199.77

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Notes to the Financial Statements for the year ended March 31, 2018

Movement in Government Grants for the Year Ended 31.03.2017

(₹ in Lakhs)

Particulars	Opening Balance	Grants recognised during the Year	Amount recognised in P&L during the Year	Closing Balance
Subordinate Debt - GoTN	16,250.77	45,233.78	143.61	61,340.93
Subordinate Debt - Gol	6,362.04	16,284.16	56.22	22,589.98
Reimbursement of Taxes & Duties	19,264.11	5,994.48	170.69	25,087.90
Others	385.14	-	3.42	381.73
Total	42,262.06	67,512.42	373.94	1,09,400.54

(₹ in Lakhs)

Note 21 - Trade Payables	As at 31-Mar-18	As at 31-Mar-17
Due to Micro and Small Enterprises		
Due to Others	5,625.47	3,583.60
Total	5,625.47	3,583.60

(₹ in Lakhs)

Note 22 - Other Financial Liabilities	As at 31-Mar-18	As at 31-Mar-17
JICA Borrowing Repayable - Current	3,265.07	
Interest/ Commitment Charges on Borrowings (Refer Note No. 22.1)		
Accrued and due	32,185.38	34,294.10
Accrued but not due	1,059.88	-
Pass Through Assistance against JICA Loan (Refer Note No. 22.2)	15,568.04	11,788.73
Deposits		
Earnest Money Deposits	235.12	569.61
Deposits received for Other Works	22,908.88	22,987.04
Security Deposits	77.63	52.48
Other Retention/ Recoveries		
i) Retention towards Potential liquidated damages (Refer Note No. 22.3)	6,380.23	8,358.33
ii) Retention towards Potential penalties	3,601.43	2,316.83
iii) Retention towards Performance security on terminated contracts	17,416.11	17,416.11
Retention Money Payable (Refer Note 22.4)	19,276.21	23,675.58
Payable for Capital Purchases	8,761.32	21,376.74
Duties & Taxes	816.09	1,225.55
Book Overdraft	118.97	91.91
Total	1,31,670.33	1,44,153.02



CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

Note 22.1 Commitment charges & Interest accrued on borrowings represents the amount payable on the Japan International Co-Operation Agency (JICA) loan provided for as per the terms of the agreement. During the year the company has made payment of ₹ 12037 lakhs towards interest and commitment charges.

Note 22.2. The total pass through assistance sanctioned for Phase I extn of the project is ₹ 2,14,100 lakhs. An amount of ₹18,500 lakhs has been remitted by Ministry of Housing & Urban Affairs, MRTS Cell, Government of India as "Pass Through Assistance against JICA loan during the same period. The Company sent claims amounting to ₹ 3846.10 lakhs. The amount received as advance PTA is shown under current liabilities.

Note 22.3 Amount retained towards potential Liquidated damages amounting to ₹ 6,380.23 Lakhs (Previous Year - ₹ 8,358.33 Lakhs) and potential penalties amounting to ₹ 3,601.43 Lakhs (Previous Year - ₹ 2,316.83 Lakhs) which would be determined at the time of settlement of final bill or award of arbitration proceedings with the arbitration tribunal & the judicial authorities.

Note 22.4 Retention money represents amount held as security till the completion of defect liability period of various project related contracts. Such retention moneys are released upon completion of work and at the request of the contractor against submission of Bank Guarantee of an equivalent amount. Accordingly, retention money is carried at its original transaction value.

(₹ in Lakhs)

Note 23 - Other Current Liabilities	As at 31-Mar-18	As at 31-Mar-17
Advances Received	388.59	793.45
Provision for expenses	659.38	
Deferred Income		
- Property Development Lease Rent	502.86	345.87
Total	1,550.83	1,139.32

(₹ in Lakhs)

Note 24 - Current Provisions	As at 31-Mar-18	As at 31-Mar-17
Provision for employee benefits (Refer Note No. 39)	22.80	109.65
Total	22.80	109.65

(₹ in Lakhs)

Note 25-Revenue from Operations	For the year ended 31-Mar-18	For the year ended 31-Mar-17
From Traffic Operations		
Fare Box	2,789.64	1,314.52
Parking Fees	183.84	66.81
From Property Development		
Lease/Other Income	4,100.57	744.41
Total	7,074.05	2,125.74

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 26-Other Income	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Interest Income		
- On Deposits with Bank	6,377.65	11,004.51
Less : Interest earned on Borrowed Funds	-	(163.35)
- On Electricity Deposit	41.44	
Government Grants (Refer Note No. 20.1)	1,973.03	373.94
Sale of Tender Documents	23.46	-
Profit on Sale of Property, Plant & Equipment	-	3.05
Miscellaneous income	13.61	51.07
Total	8,429.18	11,269.22
TOTAL INCOME	15,503.23	13,394.96

(₹ in Lakhs)

Note 27-Operating Expenses	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Traction & Other Electricity Charges	2,744.27	1,925.78
Outsourcing Expenses	2,615.56	1,316.94
Total	5,359.83	3,242.726

(₹ in Lakhs)

Note 28-Employee Benefit Expenses	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Salaries & Wages	3,437.93	2,483.45
Contribution to Provident & Other Funds	449.19	206.96
Staff Welfare Expenses	218.30	405.98
Total	4,105.42	3,096.39

(₹ in Lakhs)

Note 29-Finance Cost	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Interest on JICA borrowings	4,008.52	2,261.27
Interest on Subordinate Debt	308.94	
Other Interest & Bank Charges	58.90	
Total	4,376.36	2,261.27


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 30-Other Expenses	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Advertisement	200.07	519.09
Books & Periodicals	1.45	2.13
Commission on sale of fixed assets / scraps	0.42	0.11
Legal, Professional & Consultancy Charges	971.37	723.10
Meeting & Miscellaneous Expenses	586.20	434.85
Motor Car Expenses	29.20	32.52
Postage & Courier Expenses	2.33	1.74
Printing & Stationery	77.52	75.90
Rates & Taxes	634.36	61.65
Recruitment, Conference & Seminar/Sponsorship Expenses	172.84	88.20
Repairs & Maintenance	487.90	798.51
Statutory Audit fees - Towards Audit fee	4.50	4.50
Telephone Charges	45.48	130.61
Travelling Expenses, Conveyance & Vehicle Hire Charges	544.66	423.15
Total	3,758.30	3,296.07
TOTAL EXPENSES (OTHER THAN DEPRECIATION)	17,599.91	11,896.45

(₹ in Lakhs)

Note 31-Depreciation & Amortisation	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Depreciation - Net of Adjustments / reversals (Refer Note No. 2)	20,859.15	10,887.95
Amortisation (Refer Note No. 4)	677.79	674.11
Total	21,536.94	11,562.06
Less: Amortisation of Railway land leasing charges capitalised during the year	(669.41)	(669.41)
Depreciation & Amortisation charged to Statement of Profit & Loss A/c	20,867.53	10,892.65
TOTAL EXPENSES	38,467.44	22,789.10

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 32-Income Taxes	For the year ended 31-Mar-18	For the year ended 31-Mar-17
A) Major Components of Income Tax Expense for the Year		
(i) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of Current Year	-	-
Deferred Tax		
In respect of Current Year	11,383.85	10,946.96
Total	11,383.85	10,946.96

(₹ in Lakhs)

B) Reconciliation of Tax Expense and Accounting Profit for the Year	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Profit/ (Loss) before Tax	(22,964.21)	(9,394.13)
Enacted Income Tax Rate	26.00%	30.90%
Tax Expense/ (Gain) Calculated at applicable Rate	(5,970.69)	(2,902.79)
Deferred Tax on Unutilised Tax Losses not recognised	17,354.55	13,849.75
Total	11,383.85	10,946.96

C) Unrecognised Deferred Tax Assets

Deferred Tax Asset on unused tax losses incurred during the year and the previous year, as detailed hereunder, has not been recognised in the books of account as a matter of prudence.

(₹ in Lakhs)

Financial Year	31-Mar-18	31-Mar-17
Unabsorbed Depreciation - FY 15-16	22,687.88	22,687.88
Unabsorbed Depreciation - FY 16-17	44,821.18	44,821.18
Unabsorbed Depreciation - FY 17-18	81,162.87	-
Total	1,48,671.93	67,509.06

(₹ in Lakhs)

D) Major Components of Deferred Tax Liabilities/ Assets	For the year ended 31-Mar-18	For the year ended 31-Mar-17
On account of Depreciation		
Opening Balance	17,956.15	7,009.19
Recognised during the year	11,383.85	10,946.96
Closing Balance	29,340.00	17,956.15



CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 33 - Earnings Per Share	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Earnings		
- Profit after Tax As per Statement of P&L (₹ Lakhs)	(34,348.06)	(20,341.09)
Shares		
- Number of Shares issued & paid-up at the beginning of the year	3,90,10,690	3,90,10,690
- Number of Shares issued during the year	96,93,910	
- Number of Equivalent Shares in respect of Share Application Money ending Allotment as at the beginning of the year	-	43,25,582
- Number of Equivalent Shares in respect of Share Application Money received during the year	54,78,627	9,31,500
Total	5,41,83,227	4,42,67,772
Weighted average number of equity shares outstanding during the year	4,69,82,916	4,35,55,749
Earnings per Share - Basic & Diluted (Amount in ₹)	(73.11)	(46.70)
Face Value / Share - ₹ 1,000		

Note 34. Capital Management

The Company is a Joint venture among Government of Tamil Nadu (GoTN) and Government of India (GoI) incorporated as a Special Purpose Vehicle (SPV) for the purpose of construction of Metro Rail Network in the City of Chennai. The primary objective of the Company is to provide an affordable mode of public transport.

The ownership of the Company and financing of the project is as per a tripartite Memorandum of Understanding dated 15th February 2011 (the MoU) entered into between GoI, GoTN and CMRL. As per the MoU, CMRL will be jointly promoted by GoI and GoTN with equal equity holding.

The capital structure of the company comprises of equity share capital and debts. The financing of the project is done through a mix of equity, interest free sub-ordinate debt, and senior term debt from Japan International Co-operation Agency (JICA).

The Company's capital consists of equity capital and other equity attributable to shareholders of the Company. As stated above, the shares of the company are held in equal proportion by the Government of India and Government of Tamil Nadu. The Company being a Government Company, the requisite levels of equity and debt which it has to maintain is determined based on Government directions in this respect that are issued on time to time basis, which is broadly determined based on the project finance requirements and other sources of long term finance.

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Note 34A - Category wise Classification of Financial Instruments	As at 31-Mar-18	As at 31-Mar-17
Financial Assets Measured at Amortised Cost		
Non-Current		
Deposits	470.45	433.17
Current		
Trade Receivables	1,159.96	382.30
Cash & Cash Equivalents	1,97,611.48	1,30,114.02
Other Bank Balances	1.00	532.00
VAT/ Stamp Duty Recoverable	6,834.67	11,341.21
SGST Receivable from GoTN	4,080.98	-
Interest Accrued on Deposits with Bank	1,387.91	2,425.86
Other Deposits/ Receivables	7,313.91	3,983.16
	2,18,860.37	1,49,211.71
Financial Liabilities Measured at Amortised Cost		
Non-Current		
Borrowings from JICA - Senior Term Debt	8,64,266.90	7,87,052.27
Subordinate Debt from Government of India	34,044.06	31,125.92
Subordinate Debt from Government of Tamil Nadu	2,78,918.61	2,70,565.33
Security Deposits	869.67	546.03
Others	145.08	145.08
Current		
Trade Payables	5,625.47	3,583.60
Interest/ Commitment Charges payable on Borrowings	33,245.25	34,294.10
Pass Through Assistance against JICA Loan	15,568.04	11,788.73
Deposits	23,221.63	23,609.14
Retention Money Payable	19,276.21	23,675.58
Other Retention/ Recoveries	27,397.77	28,091.26
Payable for Capital Purchases	8,761.32	21,376.74
Duties & Taxes	816.09	1,225.55
Book Overdraft	118.97	-
JICA Borrowing Repayable - Current	3,265.07	-
	13,15,540.12	12,37,079.33



CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

Note 34.1 The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Note 34B - Financial Risk Management - Objectives & Policies

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks, trade receivables and other receivables/recoverables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors (Board) oversee the management of these financial risks through the functional directors. The key managerial personnel of the company lays down the broad structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks :

(1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of mainly two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, trade payables, trade receivables, other receivables/ payables, etc.

(2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, and other receivables. Since there is no concept of credit in case of traffic revenue, there is negligible or no credit risk as far as this stream of revenue is concerned.

With respect to the receivables in case of property development contracts, the Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. Wherever possible, the payment terms are structured in the company's favour and the amounts are mostly required to be paid in advance. Also, all contracts have a security deposit clause requiring an amount to be deposited with the company or a guarantee of equivalent amount to be given which further reduces the credit risk. The Company's exposures are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk arising from investment in balances with banks is limited and there is no collateral

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

held against these because the counterparties are recognised financial institutions with high credit ratings (banks).

(3) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. As per the MoU, the project cost for metro project is funded by a mix of equity, government subordinate debt and senior term debt from JICA.

Note 35. Contingent Liabilities:

a) Claims against the Company not acknowledged as debts:

i) Legal related matters

S. No.	Particulars	31.03.2018	31.03.2017
1.	Legal Cases	118 Cases	153 cases
2.	Enhanced Compensation for the land	₹ 3,11,240 Lakhs	₹ 74,099 Lakhs
3.	Compensation for other claims and damages	₹ 28,385 Lakhs	₹ 29,195 Lakhs
4.	Arbitration Cases*	10 Cases ₹ 4,67,891 Lakhs (Counter Claims – ₹ 1,62,215 Lakhs)	11 Cases ₹ 4,14,169 Lakhs (Counter Claims - ₹ 1,61,012 Lakhs)
5.	Other claims from contractors / suppliers	₹ 7,366 Lakhs	-

In respect of contracts terminated, the balance work has been awarded to new contractors. Arbitration proceedings have been initiated and all additional cost to be incurred, on the award of the balance works to new contractors, is being claimed from the erstwhile contractors who have been terminated. As at 31.03.2018, an amount of ₹ 3,84,315 Lakhs has been claimed in respect of six terminated contracts in respect of which counter claims have been made amounting to ₹ 1,62,147 Lakhs.


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018
Other claims from contractors / suppliers relating to the Dispute Resolution Board award.

The following arbitration claims have been settled in favour of the claimant:

Name of the Party	Package	Date of award	Award Value	Remarks
Afcons Infrastructure Ltd	UAA 01 – Claim No. 4	07-03-2017	₹ 6103 lakhs	50% of the Award has been released. The Company has challenged the Award and the same is pending before the Hon'ble High Court of Judicature of Madras.
Afcons Infrastructure Ltd	UAA 05 – Claim No. 4	07-03-2017	₹ 4559 lakhs	50% of the Award has been released. The Company has challenged the Award and the same is pending before the Hon'ble High Court of Judicature of Madras.
Afcons Infrastructure Ltd.	UAA 05 – Claim No. 6	28-04-2017	₹ 481 lakhs	75% of the Award has been released. The Company has challenged the Award and the same is pending before the Hon'ble High Court of Judicature of Madras.
Afcons Infrastructure Ltd	UAA 01 – Claim No. 6	03-06-2017	₹ 935 lakhs	75% of the Award has been released. The Company has challenged the Award and the same is pending before the Hon'ble High Court of Judicature of Madras.

In respect of ongoing contracts arbitration proceedings have been initiated on 3 contracts and ₹ 83,576 Lakhs has been claimed and counter claims have been made amounting to ₹ 68 Lakhs against this and claims and counter have not been ascertained in respect of the third contract. The net amount, if any, will be accounted for on final determination of arbitration proceedings.

ii) Statutory Related Matters

S. No.	Particulars	31.03.2018	31.03.2017
1.	Demand from ESIC department	₹ 11.77 lakhs	₹ 11.77 lakhs
2.	Demand of Tax deducted @ source under Chapter XVII- FY 2007-08	₹ 0.07 lakhs	₹ 0.07 lakhs
3.	Demand of Tax deducted @ source under Chapter XVII- FY 2009-10	₹ 0.16 Lakhs	₹ 0.16 Lakhs
4.	Demand of Tax deducted @ source under Chapter XVII- FY 2010-11	₹ 0.08 Lakhs	₹ 0.08 Lakhs
5.	Demand of Tax deducted @ source under Chapter XVII- FY 2011-12	₹ 6.47 Lakhs	₹ 6.47 Lakhs
6.	Demand of Tax deducted @ source under Chapter XVII- FY 2012-13	Nil	₹ 0.17 Lakhs
7.	Demand of Tax deducted @ source under Chapter XVII- FY 2017-18	₹ 29.80 Lakhs	₹ 29.80 Lakhs
8.	Demand from Income Tax Department *		
	a) AY 2011-12	₹ 215.50 lakhs	₹ 215.50 lakhs
	b) AY 2012-13	₹ 4,023.00 lakhs	₹ 4,023.00 lakhs

*Appeals are yet to be taken up for admission by Hon'ble High Court of Judicature of Madras.

CHENNAI METRO RAIL LIMITED**Notes to the Financial Statements for the year ended March 31, 2018****b) Relief & Rehabilitation Activities:**

Claims anticipated in respect of Relief and Rehabilitation activities: ₹ 1,816 Lakhs
(PY : ₹ 1,816 Lakhs)

c) Letters of Guarantees

As at the Balance Sheet date, the company has provided bank guarantees amounting to ₹ 146.5 lakhs (PY: ₹ 1 lakh).

d) Letters of Credit

As at the Balance Sheet date, there are no commitments towards Letters of Credit (PY: Nil).

Note 36. Capital & Other Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (excluding any escalation as provided in the terms of the contracts) ₹ 3,10,098.74 Lakhs (Previous Year ₹1,85,696.30 lakhs).

Note 37. Segment Reporting

The company functions in a single business segment which is operation and maintenance of Metro Rail Facility in Chennai. Other operating revenues including rental income earned in respect of Property Development (PD) assets is considered as an integral part the company's primary business under the internal decision making and performance measurement process of the company.

In view of the above, there are no separate operating segments under Ind AS 108.

Note 38. Information on Related Party transactions as required by Ind AS 24 – 'Related Party Disclosures' for the year ended 31st March, 2018

The Company is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 (Section 617 of the Companies Act, 1956). Details of the related parties are disclosed below:



CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

a) Details of Key Managerial Personnel (KMP) and Directors

S. No.	Name of the Director	Designation	From	To
1.	Shri Rajiv Gauba, IAS	Chairman / Nominee Director of Gol	01-04-2016	23-06-2017
2.	Shri Durga Shanker Mishra, IAS	Chairman / Nominee Director of Gol	23-06-2017	Till Date
3.	Shri K K Aggarwal	Director / Nominee Director of Gol	06-02-2014	30-01-2018
4.	Shri Sharat Sharma	Director / Nominee Director of Gol	15-04-2013	15-03-2018
5.	Shri Mukund Kumar Sinha	Director / Nominee Director of Gol	23-12-2013	Till Date
6.	Shri Praveen Goyal	Director / Nominee Director of Gol	07-12-2015	15-03-2018
7.	Shri V K Dhir	Director / Nominee Director of Gol	15-03-2018	Till Date
8.	Shri Sunil Mathur	Director / Nominee Director of Gol	15-03-2018	Till Date
9.	Shri Pankaj Kumar Bansal, IAS	Managing Director / Nominee Director of GoTN	24-12-2013	Till Date
10.	Shri K Shanmugam, IAS	Director / Nominee Director of GoTN	18-05-2010	Till Date
11.	Shri S Krishnan, IAS	Director / Nominee Director of GoTN	18-01-2011	Till Date
12.	Shri Rajeev Ranjan, IAS	Director / Nominee Director of GoTN	28-06-2013	Till Date
13.	Dr D Karthikeyan, IAS	Director / Nominee Director of GoTN	04-07-2016	Till Date
14.	Shri L Narasim Prasad	Whole - Time Director	01-02-2013	Till Date
15.	Smt Sujatha Jayaraj	Whole - Time Director	17-05-2016	Till Date
16.	Shri Rajeev Narayan Dwivedi	Whole - Time Director	01-06-2016	Till Date
17.	Smt Uma R Krishnan	Independent Director	31-10-2016	Till Date
18.	Smt Usha Sankar	Independent Director	31-10-2016	Till Date
19.	Smt Andal P	Company Secretary	05-09-2014	Till Date

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

b) Details of related party transactions during the year

Particulars	2017-18	2016-17
Remuneration to KMP	₹ 155.24 Lakhs	₹ 116.33 Lakhs

Details of Remuneration to Key Managerial Personnel/ Directors

- ❖ Shri Pankaj Kumar Bansal, Managing Director – ₹ 31.80 Lakhs (PY- ₹ 23.42 Lakhs) (including FSC contribution)
- ❖ Smt Sujatha Jayaraj, Director – ₹ 34.36 Lakhs (PY- ₹ 25.29 Lakhs)
- ❖ Shri Rajeev Narayan Dwivedi, Director – ₹ 37.11 Lakhs (PY- ₹ 22.10 Lakhs)
- ❖ Shri L. Narasim Prasad, Director – ₹ 40.61 Lakhs (PY- ₹ 35.00 Lakhs)
- ❖ Smt P Andal, Company Secretary – ₹ 11.36 lakhs (PY ₹ 10.52 lakhs)

39. Employee benefits

a) Defined Contribution Plans

Provident Fund: The Company has made equal contribution towards Voluntary EPF Scheme. The expense is recognized on accrual basis.

Pension: The Company's Pension Scheme is linked with voluntary provident fund Scheme. All employees of Company's under EPF Scheme are also covered under EP Scheme. Under this scheme, no contribution is collected from employees and out of 12% of employer contribution under PF scheme 8.33% is covered under EP Scheme and ₹ 17.53 lakhs is created as liability towards Pension contribution payable to deputation employees.

(₹ in Lakhs)

Particulars	2017-18	2016-17
Contribution to Provident Fund	207.21	206.95

Employee benefits due to Deputationists are paid to their respective organizations / Employer from where they have been deputed based on the direction given by their organizations. In respect of deputation employees, contribution towards provident fund, pension and leave salary contribution are made as per the directions provided by respective departments. In case of gratuity, for eligible employees they are paid / provided by the respective organizations from where they have been deputed.

**CHENNAI METRO RAIL LIMITED****Notes to the Financial Statements for the year ended March 31, 2018****b. Defined Benefit Plan - Gratuity (Funded)**

The company has a defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered trust. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Gratuity Plan is funded by Life Insurance Corporation of India (LIC).

Each year, the Board of Trustees and the Company review the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review.

The aforesaid defined benefit plan typically exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk, as detailed below:

Investment Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at 31st March, 2018 by Actuarial Valuer. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method. The details of Gratuity Liability as per the said valuation report are as follows:

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

1	Membership Statistics		
	1. Membership Data as on	31-Mar-18	31-Mar-17
	2. Actives		
	a) Number	343	356
	b) Average Age	32.77	36.64
	c) Total Past Service	1,584.20	1,281.60
	d) Average Past Service	4.62	3.60
	e) Total Gratuity Salary	142.73	140.98
	f) Average Gratuity Salary	0.42	0.40
	3. Vested Deferreds		
	a) Number	-	-
	b) Average Age	-	-
	c) Average Monthly Pension	-	-
	4. Retiree Beneficiaries		
	a) Number	-	-
	b) Average Age	-	-
	c) Average Monthly Pension	-	-

(₹ in Lakhs)

2	Change in the Present Value of Defined Benefit Obligation (DBO)	31-Mar-18	31-Mar-17
	1. Present Value of Defined Benefit Obligation at the beginning of the Period	308.92	214.92
	2. Service Cost	-	-
	a) Current Service Cost	110.25	76.70
	b) Past Service Cost	10.32	-
	c) (Gain) / Loss on Curtailments	-	-
	d) (Gain) / Loss on Settlements	-	-
	3. Interest Expense	22.41	16.00
	4. Remeasurements	-	-
	a) Effect of Changes in Demographic Assumptions	-	-
	b) Effect of Changes in Financial Assumptions	(13.35)	12.60
	c) Effect of Experience Adjustments	(53.14)	(9.36)
	5. Cashflows	-	-
	a) Benefit Payments	-	-
	(i) From the Plan	(12.09)	(1.94)
	(ii) Directly from the Employer	-	-
	b) Settlement Payments from the Plan	-	-
	c) Participant Contributions	-	-
	6. Effect of Business Combinations / Disposals	-	-
	7. Effect of Changes in Foreign Exchange Rates	-	-
	8. Present Value of Defined Benefit Obligation at the end of the Period	373.32	308.92
	<i>Current</i>	15.85	8.73
	<i>Non Current</i>	357.47	300.19


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

3	Change in the Fair Value of Plan Assets	31-Mar-18	31-Mar-17
	1. Fair Value of Plan Assets at the beginning of the Period	314.19	232.74
	2. Interest Income on Plan Assets	25.98	19.75
	3. Cashflows	-	-
	a) Benefit Payments	-	-
	(i) From the Plan	(12.09)	(1.94)
	(ii) Directly from the Employer	-	-
	b) Settlement Payments from the Plan	-	-
	c) Participant Contributions	-	-
	d) Total Employer Contributions	-	-
	(i) Employer Contributions	85.78	64.51
	(ii) Employer Direct Benefit Payments	-	-
	4. Remeasurements	-	-
	a) Actual Return on Plan Assets (Less 4.2 Above)	1.09	(0.86)
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in foreign Exchange Rates	-	-
	7. Fair Value of Plan Assets at the end of the Period	414.95	314.19

4	Change in Reimbursement Rights	31-Mar-18	31-Mar-17
	1. Reimbursements Rights at the beginning of the Period	-	-
	2. Interest Income on Reimbursement Rights	-	-
	3. Cashflows	-	-
	a) Employer Contributions towards Reimbursement Rights	-	-
	b) Reimbursement to Employer	-	-
	4. Remeasurements	-	-
	a) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in Foreign Exchange Rates	-	-
	7. Reimbursements Rights at the end of the Period	-	-

5	Change in Asset Ceiling	31-Mar-18	31-Mar-17
	1. Asset Ceiling at the beginning of the Period	-	-
	2. Interest Income on Asset Ceiling	-	-
	3. Remeasurements	-	-
	a) Actual Change in Asset Ceiling (Less 6.2 above)	-	-
	4. Effect of Business Combinations / Disposals	-	-
	5. Effect of Changes in Foreign Exchange Rates	-	-
	6. Asset Ceiling at the end of the Period	-	-

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

6	Amounts recognized in the Balance Sheet	31-Mar-18	31-Mar-17
	1. Present Value of Defined Benefit Obligation	373.32	308.92
	2. Fair Value of Plan Assets	414.95	314.19
	3. Net Assets (Liability) recognized in the Balance Sheet	41.62	5.28
	4. Effect of Asset Ceiling	-	-
	5. Net Liability (Asset)	41.62	5.28
	Current	-	-
	Non Current	41.62	5.28

7	Components of Defined Benefit Cost	31-Mar-18	31-Mar-17
	1. Service Cost		
	a) Current Service Cost	110.25	76.70
	b) Past Service Cost	10.32	-
	c) (Gain) / Loss on Curtailments	-	-
	d) (Gain) / Loss on Settlements	-	-
	e) Total Service Cost	120.57	76.70
	2. Net Interest Expense		
	a) Interest Expense on DBO	22.41	16.00
	b) Interest Income on Plan Assets	(25.98)	(19.75)
	c) Interest Income on Reimbursement Rights	-	-
	d) Interest Income on Asset Ceiling	-	-
	e) Total Net Interest Cost	(3.56)	(3.75)
	3. Remeasurements		
	a) Effect of Changes in Demographic Assumptions	-	-
	b) Effect of Changes in Financial Assumptions	(13.35)	12.60
	c) Effect of Experience Adjustments	(53.14)	(9.36)
	d) Actual Return on Plan Assets (Less 4.2 above)	(1.09)	0.86
	e) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-
	f) Actual Change in Asset Ceiling (Less 6.2 above)	-	-
	g) Total Remeasurements	(67.57)	4.10
	4. Defined Benefit Cost included in Profit & Loss Account	117.00	73.07
	5. Defined Benefit Cost included in Other Comprehensive Income	(67.57)	3.99


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

8	Reconciliation of Net Liability (Asset)	31-Mar-18	31-Mar-17
	1. Net Liability/(Asset) at the beginning of the Period	5.28	17.82
	2. Defined Benefit Cost included in Profit & Loss Account	(117.00)	(72.96)
	3. Defined Benefit Cost included in Other Comprehensive Income	(67.57)	4.10
	4. Cash flows		
	a) Total Employer Contributions		
	(i) Employer Contributions	85.78	64.51
	(ii) Employer Direct Benefit Payments	-	-
	b) Employer Contributions towards Reimbursement Rights	-	-
	c) Reimbursements to Employer	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in Foreign Exchange Rates	-	-
	7. Net Liability (Asset) at the end of the Period	41.62	5.28

9	Defined Benefit Obligation	31-Mar-18	31-Mar-17
	1. Defined Benefit Obligation by Participant Status		
	a) Actives	373.32	308.92
	b) Vested Deferreds	-	-
	c) Retiree Beneficiaries	-	-
	d) Total	373.32	308.92

10	Significant Actuarial Assumptions	31-Mar-18	31-Mar-17
	1. Financial Assumptions		
	a) Discount Rate (Single Rate for All Years)	7.71%	7.40%
	b) Expected Return on Plan Assets	**	**
	c) Pension Escalation Rate (Single Rate for All Years)	**	**
	d) Salary Escalation Rate (Duration Based)		
	From Year 1 To Year 1	7.00%	7.00%
	From Year 2 To Year 2	7.00%	7.00%
	From Year 3 To Year 3	7.00%	7.00%
	From Year 4 To Year 42	7.00%	7.00%
	2. Demographic Assumptions		
	a) Pre-Retirement Mortality Rate-IALM (2006-08) Ultimate	100%	100%
	b) Post Retirement Mortality Rate-LIC Ann (1996-98)	100%	100%
	c) Attrition Rate (Age Based)		
	From Age 18 To Age 20	5.00%	5.00%
	From Age 21 To Age 30	5.00%	5.00%
	From Age 31 To Age 40	5.00%	5.00%
	From Age 41 To Age 60	5.00%	5.00%

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

11	Sensitivity Analysis	31-Mar-18	31-Mar-17
	1. Discount -1.0%	419.43	357.47
	2. Discount +1.0%	335.20	269.87
	3. Escalation -1.0%	334.79	269.43
	4. Escalation +1.0%	416.85	357.17
	5. Mortality x 90%	373.25	-
	6. Mortality x 110%	373.40	-
	7. Attrition x 90%	372.28	306.75
	8. Attrition x 110%	374.24	310.75
	9. ₹ 1,000,000 Benefit Ceiling	363.01	308.92
	10. No Benefit Ceiling	373.52	-

12	Maturity Profile of the DBO and Expected Cashflows in the following Period	31-Mar-18	31-Mar-17
	1. Estimated Term / Weighted Average Duration of the DBO	20.048	NA
	2. Expected Total Benefit Payments		
	a) Year 1	16.45	8.73
	b) Year 2	27.48	16.24
	c) Year 3	33.75	13.84
	d) Year 4	22.41	9.94
	e) Year 5	22.80	15.17
	f) Next 5 years	152.07	75.52
	3. Expected Employer Contributions	-	-
	4. Expected Employer Contributions towards Reimbursement Rights	-	-

13	Plan Assets	31-Mar-18	31-Mar-17
	1. Fair value of plan assets		
	a) Cash and Cash Equivalents	0%	0%
	b) Equity Instruments	0%	0%
	c) Debt Instruments	0%	0%
	d) Real Estate	0%	0%
	e) Derivatives	0%	0%
	f) Investment Funds	0%	0%
	g) Assets held by Insurance Company	100%	100%
	h) Others	0%	0%
	i) Total	100%	100%



CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

13	Plan Assets	31-Mar-18	31-Mar-17
	2. Fair value of plan assets with a quoted market price		
	a) Cash and Cash Equivalents	0%	0%
	b) Equity Instruments	0%	0%
	c) Debt Instruments	0%	0%
	d) Real Estate	0%	0%
	e) Derivatives	0%	0%
	f) Investment Funds	0%	0%
	g) Assets held by Insurance Company	100%	100%
	h) Others	0%	0%
	i) Total	100%	100%
	3. Amount invested in company's own financial instruments		
	a) Equity Instruments	0%	0%
	b) Debt Instruments	0%	0%
	c) Real Estate	0%	0%
	d) Others	0%	0%
	e) Total	0%	0%

c) Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)

Employees and their family members are eligible, once during a period of 2 calendar years, for Leave Travel Concession to travel to their home town by the shortest / direct route. Also, they are eligible for travel to any place in India once in a block of 4 calendar years. The mode of transport entitled to employees is based on their designation. If LTC other than home town is not availed the employee is entitled to avail LTC for home town 3 times in a block of 4 calendar years.

Concession not availed in a particular block of 4 years can be carried forward and availed in the first year of the succeeding block. An employee whose family is living away from headquarters may avail of the concession for himself along once in every year for visiting his home town.

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

1	Membership Statistics		
	1. Membership Data as on	31-Mar-18	31-Mar-17
	2. Actives		
	a) Number	343.00	356.00
	b) Average Age	32.77	36.68
	c) Total Earned Leave Days	23,198.50	1,285.20
	d) Average Earned Leave Days	67.63	3.61
	e) Total Encashment Salary	159.98	139.81
	f) Average Encashment Salary	0.47	0.39
	g) Total Availment Salary	-	-
	h) Average Availment Salary	-	-
	3. Vested Deferreds		
	a) Number	-	-
	b) Average Age	-	-
	c) Average Monthly Pension	-	-
	4. Retiree Beneficiaries		
	a) Number	-	-
	b) Average Age	-	-
	c) Average Monthly Pension	-	-

2	Change in the Present Value of Defined Benefit Obligation (DBO)	31-Mar-18	31-Mar-17
	1. Present Value of Defined Benefit Obligation at the beginning of the Period	286.68	202.81
	2. Service Cost	-	-
	a) Current Service Cost	-	71.61
	b) Past Service Cost	-	-
	c) (Gain) / Loss on Curtailments	-	-
	d) (Gain) / Loss on Settlements	-	-
	3. Interest Expense	20.50	14.11
	4. Remeasurements	-	-
	a) Effect of Changes in Demographic Assumptions	-	-
	b) Effect of Changes in Financial Assumptions	(13.09)	12.12
	c) Effect of Experience Adjustments	109.42	14.43
	5. Cashflows	-	-
	a) Benefit Payments	-	-
	(i) From the Plan	-	-
	(ii) Directly from the Employer	(19.42)	(28.40)
	b) Settlement Payments from the Plan	-	-
	c) Participant Contributions	-	-
	6. Effect of Business Combinations / Disposals	-	-
	7. Effect of Changes in Foreign Exchange Rates	-	-
	8. Present Value of Defined Benefit Obligation at the end of the Period	384.08	286.68
	Current	21.78	15.33
	Non Current	362.30	271.35


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

3	Change in the Fair Value of Plan Assets	31-Mar-18	31-Mar-17
	1. Fair Value of Plan Assets at the beginning of the Period	-	-
	2. Interest Income on Plan Assets	-	-
	3. Cashflows	-	-
	a) Benefit Payments	-	-
	(i) From the Plan	-	-
	(ii) Directly from the Employer	(19.42)	(28.40)
	b) Settlement Payments from the Plan	-	-
	c) Participant Contributions	-	-
	d) Total Employer Contributions	-	-
	(i) Employer Contributions	-	-
	(ii) Employer Direct Benefit Payments	19.42	28.40
	4. Remeasurements	-	-
	a) Actual Return on Plan Assets (Less 4.2 Above)	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in foreign Exchange Rates	-	-
	7. Fair Value of Plan Assets at the end of the Period	-	-

4	Change in Reimbursement Rights	31-Mar-18	31-Mar-17
	1. Reimbursements Rights at the beginning of the Period	-	-
	2. Interest Income on Reimbursement Rights	-	-
	3. Cashflows	-	-
	a) Employer Contributions towards Reimbursement Rights	-	-
	b) Reimbursement to Employer	-	-
	4. Remeasurements	-	-
	a) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in Foreign Exchange Rates	-	-
	7. Reimbursements Rights at the end of the Period	-	-

5	Change in Asset Ceiling	31-Mar-18	31-Mar-17
	1. Asset Ceiling at the beginning of the Period	-	-
	2. Interest Income on Asset Ceiling	-	-
	3. Remeasurements	-	-
	a) Actual Change in Asset Ceiling (Less 6.2 above)	-	-
	4. Effect of Business Combinations / Disposals	-	-
	5. Effect of Changes in Foreign Exchange Rates	-	-
	6. Asset Ceiling at the end of the Period	-	-

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

6	Amounts recognized in the Balance Sheet	31-Mar-18	31-Mar-17
	1. Present Value of Defined Benefit Obligation	384.08	286.68
	2. Fair Value of Plan Assets	-	-
	3. Net Assets (Liability) recognized in the Balance Sheet	(384.08)	(286.68)
	4. Effect of Asset Ceiling	-	-
	5. Net Assets (Liability) recognized in the Balance Sheet	(384.08)	(286.68)
	Current	(21.78)	(15.33)
	Non Current	(362.30)	(271.35)

7	Components of Defined Benefit Cost	31-Mar-18	31-Mar-17
	1. Service Cost		
	a) Current Service Cost	-	71.61
	b) Past Service Cost	-	-
	c) (Gain) / Loss on Curtailments	-	-
	d) (Gain) / Loss on Settlements	-	-
	e) Total Service Cost	-	71.61
	2. Net Interest Expense		
	a) Interest Expense on DBO	20.50	14.11
	b) Interest Income on Plan Assets	-	-
	c) Interest Income on Reimbursement Rights	-	-
	d) Interest Income on Asset Ceiling	-	-
	e) Total Net Interest Cost	20.50	14.11
	3. Remeasurements		
	a) Effect of Changes in Demographic Assumptions	-	-
	b) Effect of Changes in Financial Assumptions	(13.09)	12.12
	c) Effect of Experience Adjustments	109.42	14.43
	d) Actual Return on Plan Assets (Less 4.2 above)	-	-
	e) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-
	f) Actual Change in Asset Ceiling (Less 6.2 above)	-	-
	g) Total Remeasurements	96.33	26.55
	4. Defined Benefit Cost included in Profit & Loss Account	116.83	112.27
	5. Defined Benefit Cost included in Other Comprehensive Income	-	-


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

8	Reconciliation of Net Assets (Liability) recognized in the Balance Sheet	31-Mar-18	31-Mar-17
	1. Net Assets (Liability) recognized in the Balance Sheet at the beginning of the Period	(286.68)	(202.81)
	2. Defined Benefit Cost included in Profit & Loss Account	(116.83)	(112.27)
	3. Defined Benefit Cost included in Other Comprehensive Income	-	-
	4. Cash flows		
	a) Total Employer Contributions	-	-
	(i) Employer Contributions	-	-
	(ii) Employer Direct Benefit Payments	19.42	28.40
	b) Employer Contributions towards Reimbursement Rights	-	-
	c) Reimbursements to Employer	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in Foreign Exchange Rates	-	-
	7. Net Assets (Liability) recognized in the Balance Sheet at the end of the Period	(384.08)	(286.68)
9	Defined Benefit Obligation	31-Mar-18	31-Mar-17
	1. Defined Benefit Obligation by Participant Status		
	a) Actives	384.08	286.68
	b) Vested Deferreds	-	-
	c) Retiree Beneficiaries	-	-
	d) Total	384.08	286.68
10	Significant Actuarial Assumptions	31-Mar-18	31-Mar-17
	1. Financial Assumptions		
	a) Discount Rate (Single Rate for All Years)	7.71%	7.40%
	b) Expected Return on Plan Assets	**	**
	c) Pension Escalation Rate (Single Rate for All Years)	**	**
	d) Salary Escalation Rate (Duration Based)		
	From Year 1 To Year 1	7.00%	7.00%
	From Year 2 To Year 2	7.00%	7.00%
	From Year 3 To Year 3	7.00%	7.00%
	From Year 4 To Year 42	7.00%	7.00%
	2. Demographic Assumptions		
	a) Pre Retirement Mortality Rate-IALM (2006-08) Ultimate	100%	100%
	b) Post Retirement Mortality Rate-LIC Ann (1996-98)	100%	100%
	c) Attrition Rate (Age Based)		
	From Age 18 To Age 20	5.00%	5.00%
	From Age 21 To Age 30	5.00%	5.00%
	From Age 31 To Age 40	5.00%	5.00%
	From Age 41 To Age 60	5.00%	5.00%

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

11	Sensitivity Analysis	31-Mar-18	31-Mar-17
	1. Discount -1.0%	429.25	329.74
	2. Discount +1.0%	346.59	251.87
	3. Escalation -1.0%	346.04	251.45
	4. Escalation +1.0%	429.11	329.47
	5. Mortality x 90%	384.01	-
	6. Mortality x 110%	384.15	-
	7. Attrition x 90%	382.47	284.80
	8. Attrition x 110%	385.57	288.26

12	Maturity Profile of the DBO and Expected Cashflows in the following period :	31-Mar-18	31-Mar-17
	1. Estimated Term / Weighted Average Duration of the DBO	19.493	NA
	2. Expected Total Benefit Payments		
	a) Year 1	22.60	15.33
	b) Year 2	30.28	14.69
	c) Year 3	35.73	13.25
	d) Year 4	22.49	8.95
	e) Year 5	22.88	17.43
	f) Next 5 years	160.16	39.52
	3. Expected Employer Contributions	-	-
	4. Expected Employer Contributions towards Reimbursement Rights	-	-

13	Plan Assets	31-Mar-18	31-Mar-17
	1. Fair value of plan assets		
	a) Cash and Cash Equivalents	0%	0%
	b) Equity Instruments	0%	0%
	c) Debt Instruments	0%	0%
	d) Real Estate	0%	0%
	e) Derivatives	0%	0%
	f) Investment Funds	0%	0%
	g) Assets held by Insurance Company	0%	0%
	h) Others	0%	0%
	i) Total	0%	0%



CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

13	Plan Assets	31-Mar-18	31-Mar-17
	2. Fair value of plan assets with a quoted market price		
	a) Cash and Cash Equivalents	0%	0%
	b) Equity Instruments	0%	0%
	c) Debt Instruments	0%	0%
	d) Real Estate	0%	0%
	e) Derivatives	0%	0%
	f) Investment Funds	0%	0%
	g) Assets held by Insurance Company	0%	0%
	h) Others	0%	0%
	i) Total	0%	0%
	3. Amount invested in company's own financial instruments		
	a) Equity Instruments	0%	0%
	b) Debt Instruments	0%	0%
	c) Real Estate	0%	0%
	d) Others	0%	0%
	e) Total	0%	0%

d) Other Long Term Employee Benefits - Leave Encashment, Half-pay leave

Company allows entitlement of half Pay leave to all eligible employees at the rate of 20 days for every year of service and the unutilized portion can be carried forward without any upper limit.

An employee availing half pay leave is entitled to receive salary equal to the half of basic + DA components of salary. However, Other allowance are paid in full. The maximum half pay leave that can be availed at a time is 24 months. Half pay Leave can be encashed by the employees subject to Leave Rules.

CHENNAI METRO RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

1	Membership Statistics		
	1. Membership Data as on	31-Mar-18	31-Mar-17
	2. Actives		
	a) Number	343.00	353.00
	b) Average Age	32.77	36.68
	c) Total Half Pay Leave Days	18,233.00	13,296.00
	d) Average Half Pay Leave Days	53.16	37.67
	e) Total Encashment Salary	-	-
	f) Average Encashment Salary	-	-
	g) Total Availment Salary	82.62	181.22
	h) Average Availment Salary	0.24	0.51
	3. Vested Deferreds		
	a) Number	-	-
	b) Average Age	-	-
	c) Average Monthly Pension	-	-
	4. Retiree Beneficiaries		
	a) Number	-	-
	b) Average Age	-	-
	c) Average Monthly Pension	-	-

2	Change in the Present Value of Defined Benefit Obligation (DBO)	31-Mar-18	31-Mar-17
	1. Present Value of Defined Benefit Obligation at the beginning of the Period	115.50	97.15
	2. Service Cost	-	-
	a) Current Service Cost	-	-
	b) Past Service Cost	-	-
	c) (Gain) / Loss on Curtailments	-	-
	d) (Gain) / Loss on Settlements	-	-
	3. Interest Expense	8.55	7.48
	4. Remeasurements	-	-
	a) Effect of Changes in Demographic Assumptions	1.72	-
	b) Effect of Changes in Financial Assumptions	(4.68)	-
	c) Effect of Experience Adjustments	38.91	10.88
	5. Cashflows	-	-
	a) Benefit Payments	-	-
	(i) From the Plan	-	-
	(ii) Directly from the Employer	-	-
	b) Settlement Payments from the Plan	-	-
	c) Participant Contributions	-	-
	6. Effect of Business Combinations / Disposals	-	-
	7. Effect of Changes in Foreign Exchange Rates	-	-
	8. Present Value of Defined Benefit Obligation at the end of the Period	160.00	115.50
	Current	16.24	NA
	Non Current	143.76	NA


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

3	Change in the Fair Value of Plan Assets	31-Mar-18	31-Mar-17
	1. Fair Value of Plan Assets at the beginning of the Period	-	-
	2. Interest Income on Plan Assets	-	-
	3. Cashflows	-	-
	a) Benefit Payments	-	-
	(i) From the Plan	-	-
	(ii) Directly from the Employer	-	-
	b) Settlement Payments from the Plan	-	-
	c) Participant Contributions	-	-
	d) Total Employer Contributions	-	-
	(i) Employer Contributions	-	-
	(ii) Employer Direct Benefit Payments	-	-
	4. Remeasurements	-	-
	a) Actual Return on Plan Assets (Less 4.2 Above)	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in foreign Exchange Rates	-	-
	7. Fair Value of Plan Assets at the end of the Period	-	-

4	Change in Reimbursement Rights	31-Mar-18	31-Mar-17
	1. Reimbursements Rights at the beginning of the Period	-	-
	2. Interest Income on Reimbursement Rights	-	-
	3. Cashflows	-	-
	a) Employer Contributions towards Reimbursement Rights	-	-
	b) Reimbursement to Employer	-	-
	4. Remeasurements	-	-
	a) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in Foreign Exchange Rates	-	-
	7. Reimbursements Rights at the end of the Period	-	-

5	Change in Asset Ceiling	31-Mar-18	31-Mar-17
	1. Asset Ceiling at the beginning of the Period	-	-
	2. Interest Income on Asset Ceiling	-	-
	3. Remeasurements	-	-
	a) Actual Change in Asset Ceiling (Less 6.2 above)	-	-
	4. Effect of Business Combinations / Disposals	-	-
	5. Effect of Changes in Foreign Exchange Rates	-	-
	6. Asset Ceiling at the end of the Period	-	-

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

6	Amounts recognized in the Balance Sheet	31-Mar-18	31-Mar-17
	1. Present Value of Defined Benefit Obligation	160.00	115.50
	2. Fair Value of Plan Assets	-	-
	3. Net Assets/(Liability) recognized in the Balance Sheet	(160.00)	(115.50)
	4. Effect of Asset Ceiling	-	-
	5. Net Assets/(Liability)	(160.00)	(115.50)
	Current	(16.24)	NA
	Non Current	(143.76)	NA

7	Components of Defined Benefit Cost	31-Mar-18	31-Mar-17
	1. Service Cost		
	a) Current Service Cost	-	-
	b) Past Service Cost	-	-
	c) (Gain) / Loss on Curtailments	-	-
	d) (Gain) / Loss on Settlements	-	-
	e) Total Service Cost	-	-
	2. Net Interest Expense		
	a) Interest Expense on DBO	8.55	7.48
	b) Interest Income on Plan Assets	-	-
	c) Interest Income on Reimbursement Rights	-	-
	d) Interest Income on Asset Ceiling	-	-
	e) Total Net Interest Cost	8.55	7.48
	3. Remeasurements		
	a) Effect of Changes in Demographic Assumptions	1.72	-
	b) Effect of Changes in Financial Assumptions	(4.68)	-
	c) Effect of Experience Adjustments	38.91	10.88
	d) Actual Return on Plan Assets (Less 4.2 above)	-	-
	e) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-
	f) Actual Change in Asset Ceiling (Less 6.2 above)	-	-
	g) Total Remeasurements	35.95	10.88
	4. Defined Benefit Cost included in Profit & Loss Account	44.50	18.36
	5. Defined Benefit Cost included in Other Comprehensive Income	-	-


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

8	Reconciliation of Net Assets (Liability)	31-Mar-18	31-Mar-17
	1. Net Assets (Liability) at the beginning of the Period	(115.50)	(97.15)
	2. Defined Benefit Cost included in Profit & Loss Account	(44.50)	(18.36)
	3. Defined Benefit Cost included in Other Comprehensive Income	-	-
	4. Cash flows		
	a) Total Employer Contributions	-	-
	(i) Employer Contributions	-	-
	(ii) Employer Direct Benefit Payments	-	-
	b) Employer Contributions towards Reimbursement Rights	-	-
	c) Reimbursements to Employer	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in Foreign Exchange Rates	-	-
	7. Net Assets (Liability) at the end of the Period	(160.00)	(115.50)

9	Defined Benefit Obligation	31-Mar-18	31-Mar-17
	1. Defined Benefit Obligation by Participant Status		
	a) Actives	160.00	115.50
	b) Vested Deferreds	-	-
	c) Retiree Beneficiaries	-	-
	d) Total	160.00	115.50

10	Significant Actuarial Assumptions	31-Mar-18	31-Mar-17
	1. Financial Assumptions		
	a) Discount Rate (Single Rate for All Years)	7.71%	7.40%
	b) Expected Return on Plan Assets	**	**
	c) Pension Escalation Rate (Single Rate for All Years)	**	**
	d) Salary Escalation Rate (Duration Based)		
	From Year 1 To Year 1	7.00%	7.00%
	From Year 2 To Year 2	7.00%	7.00%
	From Year 3 To Year 3	7.00%	7.00%
	From Year 4 To Year 42	7.00%	7.00%
	2. Demographic Assumptions		
	a) Pre Retirement Mortality Rate - IALM (2006-08) Ultimate	100%	100%
	b) Post Retirement Mortality Rate - LIC Ann (1996-98)	100%	100%
	c) Attrition Rate (Age Based)		
	From Age 18 To Age 20	5.00%	5.00%
	From Age 21 To Age 30	5.00%	5.00%
	From Age 31 To Age 40	5.00%	3.00%
	From Age 41 To Age 60	5.00%	1.00%

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

11	Sensitivity Analysis	31-Mar-18	31-Mar-17
	1. Discount -1.0%	173.51	-
	2. Discount +1.0%	148.36	-
	3. Escalation -1.0%	148.18	-
	4. Escalation +1.0%	173.47	-
	5. Mortality x 90%	159.98	-
	6. Mortality x 110%	160.02	-
	7. Attrition x 90%	159.74	-
	8. Attrition x 110%	160.25	-

12	Maturity Profile of the DBO and Expected Cashflows in the following Period	31-Mar-18	31-Mar-17
	1. Estimated Term / Weighted Average Duration of the DBO	13.905	-
	2. Expected Total Benefit Payments		
	a) Year 1	16.85	-
	b) Year 2	17.06	-
	c) Year 3	16.84	-
	d) Year 4	15.10	-
	e) Year 5	15.29	-
	f) Next 5 years	69.91	-
	3. Expected Employer Contributions	-	-
	4. Expected Employer Contributions towards Reimbursement Rights	-	-

13	Plan Assets	31-Mar-18	31-Mar-17
	1. Fair value of plan assets		
	a) Cash and Cash Equivalents	0%	0%
	b) Equity Instruments	0%	0%
	c) Debt Instruments	0%	0%
	d) Real Estate	0%	0%
	e) Derivatives	0%	0%
	f) Investment Funds	0%	0%
	g) Assets held by Insurance Company	0%	0%
	h) Others	0%	0%
	i) Total	0%	0%



CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

13	Plan Assets	31-Mar-18	31-Mar-17
	2. Fair value of plan assets with a quoted market price		
	a) Cash and Cash Equivalents	0%	0%
	b) Equity Instruments	0%	0%
	c) Debt Instruments	0%	0%
	d) Real Estate	0%	0%
	e) Derivatives	0%	0%
	f) Investment Funds	0%	0%
	g) Assets held by Insurance Company	0%	0%
	h) Others	0%	0%
	i) Total	0%	0%
	3. Amount invested in Company's own financial instruments		
	a) Equity Instruments	0%	0%
	b) Debt Instruments	0%	0%
	c) Real Estate	0%	0%
	d) Others	0%	0%
	e) Total	0%	0%

e. Other Long-Term Employee Benefits - Leave Encashment (unfunded)

Leave Encashment: As per HR policy of the company, each eligible employee is credited with 30 days of earned leave and 20 days of half pay leave each year. In case of earned leave, only 50% of leave balance in leave account can be encashed once in a calendar year. The liability on this account is recognized on the basis of actuarial valuation.

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

1	Membership Statistics		
	1. Membership Data as on	31-Mar-18	31-Mar-17
	2. Actives		
	a) Number	343	353
	b) Average Age	32.77	36.68
	c) Total Half Pay Leave Days	-	-
	d) Average Half Pay Leave Days	-	-
	e) Total Encashment Salary	-	-
	f) Average Encashment Salary	-	-
	g) Total Availment Salary	-	-
	h) Average Availment Salary	-	-
	3. Vested Deferreds		
	a) Number	-	-
	b) Average Age	-	-
	c) Average Monthly Pension	-	-
	4. Retiree Beneficiaries		
	a) Number	-	-
	b) Average Age	-	-
	c) Average Monthly Pension	-	-

(₹ in Lakhs)

2	Change in the Present Value of Defined Benefit Obligation (DBO)	AS on 31-Mar-18	AS on 31-Mar-17
	1. Present Value of Defined Benefit Obligation at the beginning of the Period	56.89	49.12
	2. Service Cost	-	-
	a) Current Service Cost	-	-
	b) Past Service Cost	-	-
	c) (Gain) / Loss on Curtailments	-	-
	d) (Gain) / Loss on Settlements	-	-
	3. Interest Expense	4.21	3.78
	4. Remeasurements	-	-
	a) Effect of Changes in Demographic Assumptions	-	-
	b) Effect of Changes in Financial Assumptions	-2.48	-
	c) Effect of Experience Adjustments	5.92	4.00
	5. Cashflows	-	-
	a) Benefit Payments	-	-
	(i) From the Plan	-	-
	(ii) Directly from the Employer	-	-
	b) Settlement Payments from the Plan	-	-
	c) Participant Contributions	-	-
	6. Effect of Business Combinations / Disposals	-	-
	7. Effect of Changes in Foreign Exchange Rates	-	-
	8. Present Value of Defined Benefit Obligation at the end of the Period	64.54	56.89
	<i>Current</i>	6.79	NA
	<i>Non Current</i>	57.75	NA


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

3	Change in the Fair Value of Plan Assets	As on 31-Mar-18	As on 31-Mar-17
	1. Fair Value of Plan Assets at the beginning of the Period	-	-
	2. Interest Income on Plan Assets	-	-
	3. Cashflows	-	-
	a) Benefit Payments	-	-
	(i) From the Plan	-	-
	(ii) Directly from the Employer	-	-
	b) Settlement Payments from the Plan	-	-
	c) Participant Contributions	-	-
	d) Total Employer Contributions	-	-
	(i) Employer Contributions	-	-
	(ii) Employer Direct Benefit Payments	-	-
	4. Remeasurements	-	-
	a) Actual Return on Plan Assets (Less 4.2 Above)	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in foreign Exchange Rates	-	-
	7. Fair Value of Plan Assets at the end of the Period	-	-

4	Change in Reimbursement Rights	As on 31-Mar-18	As on 31-Mar-17
	1. Reimbursements Rights at the beginning of the Period	-	-
	2. Interest Income on Reimbursement Rights	-	-
	3. Cashflows	-	-
	a) Employer Contributions towards Reimbursement Rights	-	-
	b) Reimbursement to Employer	-	-
	4. Remeasurements	-	-
	a) Actual Return on Reimbursement Rights (less 5.2 above)	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in Foreign Exchange Rates	-	-
	7. Reimbursements Rights at the end of the Period	-	-

5	Change in Asset Ceiling	As on 31-Mar-18	As on 31-Mar-17
	1. Asset Ceiling at the beginning of the Period	-	-
	2. Interest Income on Asset Ceiling	-	-
	3. Remeasurements	-	-
	a) Actual Change in Asset Ceiling (Less 6.2 above)	-	-
	4. Effect of Business Combinations / Disposals	-	-
	5. Effect of Changes in Foreign Exchange Rates	-	-
	6. Asset Ceiling at the end of the Period	-	-

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

6	Amounts recognized in the Balance Sheet	As on 31-Mar-18	As on 31-Mar-17
	1. Present Value of Defined Benefit Obligation	64.54	56.89
	2. Fair Value of Plan Assets	-	-
	3. Net Assets (Liability) recognized in the Balance Sheet	(64.54)	(56.89)
	4. Effect of Asset Ceiling	-	-
	5. Net Liability (Asset)	(64.54)	(56.89)
	<i>Current</i>	(6.79)	NA
	<i>Non Current</i>	(57.75)	NA

7	Components of Defined Benefit Cost	As on 31-Mar-18	As on 31-Mar-17
	1. Service Cost		
	a) Current Service Cost	-	-
	b) Past Service Cost	-	-
	c) (Gain) / Loss on Curtailments	-	-
	d) (Gain) / Loss on Settlements	-	-
	e) Total Service Cost	-	-
	2. Net Interest Expense		
	a) Interest Expense on DBO	4.21	3.78
	b) Interest Income on Plan Assets	-	-
	c) Interest Income on Reimbursement Rights	-	-
	d) Interest Income on Asset Ceiling	-	-
	e) Total Net Interest Cost	4.21	3.78
	3. Remeasurements		
	a) Effect of Changes in Demographic Assumptions	-	-
	b) Effect of Changes in Financial Assumptions	(2.48)	-
	c) Effect of Experience Adjustments	5.92	4.00
	d) Actual Return on Plan Assets (Less 4.2 above)	-	-
	e) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-
	f) Actual Change in Asset Ceiling (Less 6.2 above)	-	-
	g) Total Remeasurements	3.43	4.00
	4. Defined Benefit Cost included in Profit & Loss Account	7.64	7.78
	5. Defined Benefit Cost included in Other Comprehensive Income	-	-


CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

8	Reconciliation of Net Liability (Asset)	As on 31-Mar-18	As on 31-Mar-17
	1. Net Liability (Asset) at the beginning of the Period	(56.89)	(49.12)
	2. Defined Benefit Cost included in Profit & Loss Account	(7.64)	(7.78)
	3. Defined Benefit Cost included in Other Comprehensive Income	-	-
	4. Cash flows		
	a) Total Employer Contributions	-	-
	(i) Employer Contributions	-	-
	(ii) Employer Direct Benefit Payments	-	-
	b) Employer Contributions towards Reimbursement Rights	-	-
	c) Reimbursements to Employer	-	-
	5. Effect of Business Combinations / Disposals	-	-
	6. Effect of Changes in Foreign Exchange Rates	-	-
	7. Net Liability (Asset) at the end of the Period	(64.54)	(56.89)
9	Defined Benefit Obligation	As on 31-Mar-18	As on 31-Mar-17
	1. Defined Benefit Obligation by Participant Status		
	a) Actives	214.18	56.89
	b) Vested Deferreds	-	-
	c) Retiree Beneficiaries	-	-
	d) Total	214.18	56.89
10	Significant Actuarial Assumptions	31-Mar-18	31-Mar-17
	1. Financial Assumptions		
	a) Discount Rate (Single Rate for All Years)	7.71%	7.40%
	b) Expected Return on Plan Assets	**	**
	c) Pension Escalation Rate (Single Rate for All Years)	**	**
	d) Salary Escalation Rate (Duration Based)		
	From Year 1 To Year 1	5.00%	5.00%
	From Year 2 To Year 2	5.00%	5.00%
	From Year 3 To Year 3	5.00%	5.00%
	From Year 4 To Year 42	5.00%	5.00%
	2. Demographic Assumptions		
	a) Pre Retirement Mortality Rate - IALM (2006-08) Ultimate	100%	100%
	b) Post Retirement Mortality Rate - LIC Ann (1996-98)	100%	100%
	c) Attrition Rate (Age Based)		
	From Age 18 To Age 20	5.00%	5.00%
	From Age 21 To Age 30	5.00%	5.00%
	From Age 31 To Age 40	5.00%	3.00%
	From Age 41 To Age 60	5.00%	1.00%

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

11	Sensitivity Analysis	As on 31-Mar-18	As on 31-Mar-17
	1. Discount -1.0%	71.03	-
	2. Discount +1.0%	63.64	-
	3. Escalation -1.0%	64.37	-
	4. Escalation +1.0%	72.29	-
	5. Mortality x 90%	65.73	-
	6. Mortality x 110%	67.58	-
	7. Attrition x 90%	67.72	-
	8. Attrition x 110%	70.14	-

12	Maturity Profile of the DBO and Expected Cashflows in the following Period :	As on 31-Mar-18	As on 31-Mar-17
	1. Estimated Term / Weighted Average Duration of the DBO	13.974	-
	2. Expected Total Benefit Payments		
	a) Year 1	7.04	-
	b) Year 2	7.36	-
	c) Year 3	7.00	-
	d) Year 4	6.66	-
	e) Year 5	6.26	-
	f) Next 5 years	30.88	-
	3. Expected Employer Contributions	-	-
	4. Expected Employer Contributions towards Reimbursement Rights	-	-

13	Plan Assets	31-Mar-18	31-Mar-17
	1. Fair value of plan assets		
	a) Cash and Cash Equivalents	0%	0%
	b) Equity Instruments	0%	0%
	c) Debt Instruments	0%	0%
	d) Real Estate	0%	0%
	e) Derivatives	0%	0%
	f) Investment Funds	0%	0%
	g) Assets held by Insurance Company	0%	0%
	h) Others	0%	0%
	i) Total	0%	0%



CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

13	Plan Assets	31-Mar-18	31-Mar-17
	2. Fair value of plan assets with a quoted market price		
	a) Cash and Cash Equivalents	0%	0%
	b) Equity Instruments	0%	0%
	c) Debt Instruments	0%	0%
	d) Real Estate	0%	0%
	e) Derivatives	0%	0%
	f) Investment Funds	0%	0%
	g) Assets held by Insurance Company	0%	0%
	h) Others	0%	0%
	i) Total	0%	0%
	3. Amount invested in Company's own financial instruments		
	a) Equity Instruments	0%	0%
	b) Debt Instruments	0%	0%
	c) Real Estate	0%	0%
	d) Others	0%	0%
	e) Total	0%	0%

40. Other Disclosures

- a) Earnings in Foreign Currency - ₹ Nil/- (Previous Year: ₹ Nil)
- b) Outgo in Foreign Currency

(in ₹ Lakhs)

Details	2017-18	2016-17
a) Foreign Travel		
- Directors	5.35	1.22
- Others	36.49	5.74
b) Professional fees to Consultants	65.08	118.86
c) Interest payments	Nil	Nil
d) Contract payments	12,957.72	15,716.87
e) Others	Nil	Nil

CHENNAI METRO RAIL LIMITED
Notes to the Financial Statements for the year ended March 31, 2018

Note 41. The financial statements for the year as approved by the Board of Directors on 20.08.2018 and the report thereon issued by the Statutory Auditors were revised pursuant to C&AG's audit observation during the course of audit under section 143 (6) (a) of the Companies Act, 2013. The revision has the impact of decrease in current liabilities & increase in non-current liabilities on the Balance Sheet to the tune of Rs.2349.91 lakhs and there is no impact on Profit & Loss Account.

Note 42. Previous year figures have been regrouped or reclassified wherever necessary to make them comparable with current year's figures and the amounts are rounded off to nearest lakhs of rupees.

Note 43. Figures have been rounded off to nearest lakhs of rupees.

As per our report of even date attached
M/s Ganesan and Company
Chartered Accountants

N. Venkatramani
Partner
M. No: 215145
FRN: 000859S

Place : Chennai
Date : 14.09.2018

Pankaj Kumar Bansal, IAS
Managing Director
(DIN: 05197128)

Place : Chennai
Date : 14.09.2018

For and on behalf of the Board of Directors

Rajeev Narayan Dwivedi
Director
(DIN: 07554468)

Sujatha Jayaraj
Director-Finance & Chief Financial Officer
(DIN: 07531722)

P Andal
Company Secretary
(M.No.: A28465)



INDEPENDENT AUDITOR'S REPORT**To the Members of Chennai Metro Rail Limited, Chennai**

This report supersedes our original report dated 20-08-2018. Pursuant to the observations made by Comptroller and Auditor General of India under section 143(6)(a) of the Companies Act, 2013 the accounts approved by the Board of Directors on 20-08-2018 have been revised to incorporate the observations made by the Comptroller and Auditor General of India on the financial statements and books of account of the company. The impact of the revision in the accounts of the company is stated in note 41 to the accounts. Our audit procedure on events subsequent to the date of the original report is restricted solely to the amendments made vide note 41 to notes forming part of accounts.

Report on the IndAS Financial Statements

We have audited the accompanying IndAS financial statements of CHENNAI METRO RAIL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the statement of profit and loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the IndAS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IndAS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 (IndAS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IndAS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IndAS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IndAS financial statements, whether due to fraud or error. In making those risk

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- ❖ 9, (Old No.36), SOUTH BEACH AVENUE, MRC NAGAR MAIN ROAD, R.A. PURAM, CHENNAI - 600 028. PHONE 24950547
 - ❖ 23, JAWAHARLAL NEHRU STREET, PONDICHERRU - 605 001. PHONE : 2336884, 2332015, 2338975
 - ❖ A-306, 3rd FLOOR, SYMPHONY BLOCK, VICTORY HARMONY APARTMENTS, SUMANGALI SEVASHRAMA ROAD, (HEBBAL), 4th CROSS CHOLA NAGAR, BANGALORE - 560 032 PHONE 080-23336133
 - ❖ E-MAIL : support@gandco-ca.com



GANESAN AND COMPANY

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assessments, the auditor considers internal financial control relevant to the Company's preparation of the IndAS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IndAS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IndAS financial statements for the year ended 31-03-2018.

Basis for Qualified Opinion

Deviation from Accounting Standard :

IndAS 21 - The effects of changes in foreign exchange rates: Foreign currency assets and liabilities are to be valued on the balance sheet date as per IndAS paragraph 23 which has not been carried out by the Company regarding JICA loan.

IndAS 23 - Borrowing Costs: The exchange differences arising from foreign currency borrowings to be regarded as interest costs under IndAS paragraph 6(e) has not been determined. The borrowing costs eligible for capitalization on qualifying assets has not been determined accordingly.

The impact of the above on the IndAS financial statements has not been ascertained.

IndAS 16 - Property, plant and Equipment; IndAS 33 - Earning per share and IndAS 12 - Income taxes: Consequential effect of the above deviations on the carrying cost of Property, plant and equipment, depreciation, Deferred taxes and Earning per share has not been ascertained.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid IndAS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IndAS of the state of affairs (financial position) of the Company as at 31st March, 2018, its loss (financial performance including other comprehensive income), its cash flow and its changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure-A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, The Statement of Profit and Loss and the Cash Flow statement and Statement of changes in Equity dealt with by this report are in agreement with the books of account.
 - d) in our opinion, the aforesaid IndAS financial statements for the year ended 31-03-2018 comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rule issued thereunder except for the matter described in the Basis for Qualified Opinion paragraph above.



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- e) In terms of notification issued in G.S.R.463(E) dated 05-06-2015 under clauses (a) and (b) of sub-section 91) of Section 462 and in pursuance of sub-section (2) of the said Section of the Companies Act, 2013 (18 of 2013), the provisions of sub-section (2) of section 164 of the Act, do not apply to a Government Company and accordingly the question of reporting on the disqualification of appointment of Directors does not arise;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed, the impact of pending litigations on its financial position in its IndAS financial statements - Refer Note no.35 to the IndAS financial statements;
 - The company did not have any long term contracts, including derivative contracts, for which there were material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. In compliance to the directions under section 143(5) and according to the information and explanations given to us, we report as hereunder:
- The company is in the process of reconciliation of land holdings as per books of account and the actual holdings and title deeds of immovable properties are in the name of the company except to an extent of 2,00,048.70 sqmts (Refer Note 2.4 of Notes of accounts)
 - During the year, there is no case of waiver/write off of debts/loans/interest etc.,
 - There is no inventory lying with the third parties during the audit period. The Company is maintaining adequate records for the lands that were received as Gift from the Government and also from Private Parties. As on the date of balance sheet the value of Gift of Land amounted to ₹ 1057.17 lakhs. The particulars of such land are as follows :

S.No.	Name of the party / authority gifted the land	Govt. / Private	Area (Sq.mtr)	Amount (₹ in lakhs)
1.	Ozone Projects Private Limited	Private	700.60	478.61
2.	G. Munuswamy	Private	197.51	169.82
3.	AG Office, Anna Salai, Teynampet	Government	342	386.53
4.	Ramkrishan Kulwant Rai Holdings P. Ltd.	Private	40.51	22.21

- iv) Enhanced Compensation to the extent of awards pronounced by the court and privately negotiated settlement including other agreed terms of settlements, have been added to the cost of land when finality is reached on such settlements. During the financial year 2017-2018, a sum of ₹ 9778.89 lakhs paid by the Company has been accounted under the cost of the land. In respect of matters under sub-judice these are accounted and disclosed under Contingent Liability.

For Ganesan and Company
Chartered Accountants
FRN No. 000859S

N. Venkatramani
Partner
M. No. 215145

Place : Chennai
Date : 14-09-2018



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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE COMPANY (AUDITOR'S REPORT) ORDER, 2016, UNDER CLAUSE (i) OF SUB SECTION 11 OF SECTION 143 OF THE COMPANIES ACT, 2013 (the Act)

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the IndAS financial statements of the Company for the year ended March 31, 2018.

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets. The company is in the process of reconciliation of land holdings as per books of account and the actual holdings.
- b) Pursuant to a program of physical verification of fixed assets to cover all the items of fixed assets in a phased manner over a period of 3 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets, the company has carried out the physical verification of assets along with internal auditors, during the financial year. The reconciliation of the physical verification reports and the fixed assets register is under progress and no material discrepancies relating to items of material value were noticed on such verification.
- c) The tile deeds of immovable properties are in the name of the company except to an extent of 2,00,048.70 sqmts (Refer Note 2.4 of Notes to accounts).
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on verification between physical stocks and book records.
3. 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 and accordingly, reporting under clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order is not applicable to the Company.
4. According to the information and explanations given to us, the company has not given any loans, guarantees or security or made any investments during the year attracting the provisions of Sec.185 or Sec.186 of the Companies Act, 2013 and accordingly, reporting in clause (iv) of paragraph 3 of the Order is not applicable to the Company.
5. According to the information and explanations given to us, the company has not accepted any deposits and accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.
6. According to the information and explanations provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (I) of Section 148 of the Act.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty



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of Excise, Value added Tax, Cess, Goods and Service Tax and any other statutory dues with the appropriate authorities with delays in a few instances.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, valued added tax outstanding on account of any dispute except as given below:

(₹ in Lakhs)

Sl. No.	Particulars	Forum where dispute is pending	FY 2017-18
1.	Demand of Tax deducted at source under Chapter XVII-FY 2007-08	ACIT, Chennai	0.07
2.	Demand of Tax deducted at source under Chapter XVII-FY 2009-10	ACIT, Chennai	0.16
3.	Demand of Tax deducted at source under Chapter XVII-FY 2010-11	ACIT, Chennai	0.08
4.	Demand of Tax deducted at source under Chapter XVII-FY 2011-12	ACIT, Chennai	6.47
5.	Demand of Tax deducted at source under Chapter XVII-FY 2012-13	ACIT, Chennai	0.17
6.	Demand of Tax deducted at source under Chapter XVII-FY 2017-18	ACIT, Chennai	29.80

8. The Company has availed loan from any Financial Institutions or Banks or has not issued any Debentures. The Company has availed loans from Government of India [under pass through assistance of loan from Japan International Corporation Agency (JICA) and sub-ordinate debt from Government of India and Government of Tamil Nadu. As explained to us, the interest obligation of the loan under pass through assistance which remains unpaid and overdue of ₹32,185.38 lakhs has been met by Government of India on the respective due dates.
9. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) and the term loans from Government of India under pass through assistance and Subordinated debt from Government of India and Government of Tamil Nadu were applied for the purpose for which those loans and Sub-ordinate debts were raised.
10. According to the information and explanation given to us by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. The company being a Government Company, provisions of Section 197 relating to Managerial Remuneration, are not applicable.
12. In our opinion, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the order is not applicable to the Company.



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13. In our opinion and according to the information and explanation given to us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or debentures and accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. According to the information and explanation given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, reporting under clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For Ganesan and Company

Chartered Accountants

FRN No. 000859S

Place : Chennai

Date : 14-09-2018

N. Venkatramani

Partner

M. No. 215145



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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 with reference to financial statements of Chennai Metro Rail Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility for Internal Financial Controls

Our responsibility is to express an opinion on the company's internal financial controls with reference of financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit on Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a materials weakness exists and testing and evaluating the design and operating effectiveness of internal control based including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions



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of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference of Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subjects to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following deficiencies in design / design and operation of controls resulting in significant deficiencies and material weaknesses have been identified as at March 31, 2018.

- The design of internal control over the preparation of the financial statements being audited is required to be strengthened to avoid failure of the information and communication component of internal control to provide complete and accurate output because of deficiencies in timeliness, completeness, or accuracy, for timely identification and accounting of liabilities and assets.
- The components of internal controls and testing conducted by the management during the year of the implemented internal financial controls to ensure their operational effectiveness are to be adequately documented.
- The absence of an internal process to report deficiencies in internal control to management, particularly with respect of capitalization of fixed assets (viz., land completed projects, capitalisation of borrowing costs) on a timely basis.
- Implementation of controls and procedures to ensure adherence to appropriate selection of policy and their implementation to comply with the mandatory accounting standards / generally accepted accounting principles having a material impact on the financial statements and indicating a likely ineffective oversight of entity's financial reporting and internal control by those charged with governance :
 - i. Ind AS 21 - The effects of changes in foreign exchange rates : Foreign currency assets and liabilities are to be valued on the balance sheet date as per Ind AS paragraph 23 which has not been carried out by the company regarding JICA loan.
 - ii. Ind AS 23 - Borrowing Costs - The exchange differences arising from foreign currency borrowings to be regarded as interest costs under Ind AS paragraph 6(e) has not been determined. The borrowing costs eligible for capitalization on qualifying assets has not been determined accordingly.



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

In our opinion, except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India", and the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2018.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

for Ganesan and Company
Chartered Accountants
FRN No. 000859S

Place : Chennai
Date : 14-09-2018

N. Venkatramani
Partner
M.No. 215145



भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
तथा पदेन सवस्य लेखा परीक्षा बोर्ड, चेन्नै

Indian Audit and Accounts Department
Office of the Principal Director of Commercial Audit
and ex-officio Member Audit Board, Chennai.

19.09.2018

PDCA/CHENNAI/CA-II/CMRL Acs 2-147/2018-19/287

To

The Managing Director,
Chennai Metro Rail Limited,
Chennai - 600 107.

Sir,

Sub :- Comments of the Comptroller and Auditor General of India under
Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of
Chennai Metro Rail Limited, for the year ended 31 March 2018.

I forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the
Companies Act, 2013 on the Financial Statements of **Chennai Metro Rail Limited**, for the year ended 31 March 2018.

Five copies of Printed Annual Report of your company may be arranged to be forwarded to this office.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-
(R. AMBALAVANAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI.

Encl. : Audit Certificate

इंडियन आईल भवन, स्तर - 2, 139, महात्मा गाँधी मार्ग, चेन्नै - 600 034
Indian Oil Bhavan, Level-2, 139, Mahatma Gandhi Road, Chennai - 600 034
Tel : 044-28330147 Fax: 044-28330142/145 e-mail : mabchennai@cag.gov.in



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF CHENNAI METRO RAIL LIMITED FOR THE YEAR ENDED
31 MARCH 2018**

The preparation of financial statements of **Chennai 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 are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 14.09.2018 which supersedes their earlier Audit Report dated 20.08.2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Chennai Metro Rail Limited** for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the financial statements by the management, as indicated in Note No.41 of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

(R. AMBALAVANAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI.

Place : Chennai
Date : 19.09.2018

FORM No. MGT - 11**Proxy Form**

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

CIN : **U60100TN2007SGC065596**

Name of the Company : **CHENNAI METRO RAIL LIMITED**

Registered Office : **Admin. Building, CMRL Depot,
Poonamallee High Road, Koyambedu,
CHENNAI - 600 107.**

Name of the member (s) Registered Address E-mail ID Folio No. / Client ID DP ID

I/We, being the member(s) of shares of the above named company hereby appoint

1. Name :
Address :
E-mail ID :
Signature :, of failing him
2. Name :
Address :
E-mail ID :
Signature :, of failing him
3. Name :
Address :
E-mail ID :
Signature :, of failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **11th Annual General Meeting** to be held on the day, **the 26th day of September, 2018 at 11.30 AM at the Registered Office of the Company at Admin. Building, CMRL Depot, Poonamallee High Road, Koyambedu, Chennai - 600 107** and at any adjournment thereof in respect of such resolutions as are indicated below :



Ordinary Business

1. To adopt the Audited Balance Sheet as at 31st March, 2018, Statement of Income and the Statement of Profit and Loss for the year ended 31st March 2018 together with the Comments of the Comptroller and Auditor General of India.
2. To fix remuneration of Statutory Auditors for the Financial Year 2018-19.

Special Business

- 3 & 4. Increasing the authorised show capital of the Company to ₹ 8000 crore.
5. Appointment of Smt Uma R Krishnan as Independent Director of the Company
6. Appointment of Smt Usha Sankar as Independent Director of the Company

Signed this day of 2018

Signature of Shareholder :

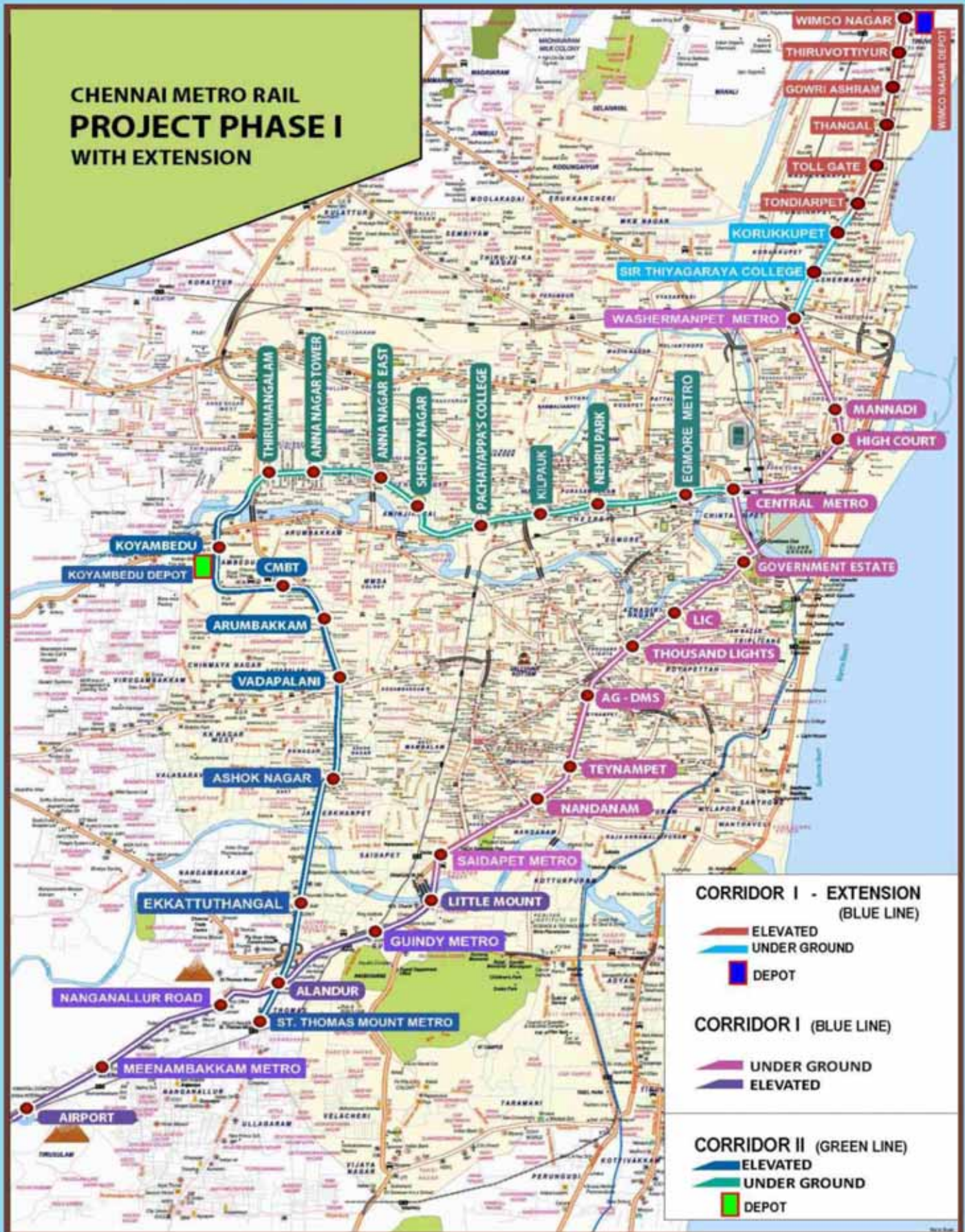
Signature of Proxy holder (s) :

Affix
Revenue
Stamp

Note :

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

CHENNAI METRO RAIL PROJECT PHASE I WITH EXTENSION





CHENNAI METRO RAIL LIMITED

CMRL Depot, Admin. Building, Poonamallee High Road, Koyambedu, Chennai - 600 107.

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