



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.

7th ANNUAL REPORT 2013-14

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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 Shankar Aggarwal	Chairman (From 14.07.2014)
Shri Pankaj Kumar Bansal	Managing Director (From 24.12.2013)
Shri Sharat Sharma	Director
Shri M K Sinha	Director (From 23.12.2013)
Shri K K Aggarwal	Director (From 06.02.2014)
Shri Mahesh Kumar	Director (From 05.05.2014)
Shri K Shanmugam	Director
Shri S Krishnan	Director
Shri Rajeev Ranjan	Director
Dr T Prabhakara Rao	Director (From 30.05.2014)

Functional Directors

Shri L Narasim Prasad	Director (Systems & Operations)
Shri R Ramanathan	Director (Projects)
Smt Vijaya Kanth	Director (Finance)

Immediate Past Directors

Dr Sudhir Krishna	Chairman (Till 30.06.2014)
Shri Braj Kishore Prasad	Director (From 22.11.2013 to 30.05.2014)
Shri B S Sudhir Chandra	Director (Till 05.05.2014)
Shri Pradeep Kumar	Director (Till 06.02.2014)
Shri K Rajaraman	Managing Director (Till 24.12.2013)
Shri C K Khaitan	Director (Till 23.12.2013)
Shri C V Shankar	Director (From 24.10.2013 to 22.11.2013)
Shri N S Palaniappan	Director (Till 24.10.2013)
Shri Shiv Das Meena	Director (Till 28.06.2013)

Chief General Manager-Finance & Company Secretary (Till 30.08.2014)

Shri K Prabhakharan

Auditors

M/s R Venkatakrishnan & Associates, Chartered Accountants,
"Rangas", # 1/4, Fourth Main Road, R A Puram, Chennai - 600 028

Bankers

- ✦ Corporation Bank, Ashok Nagar, Chennai
- ✦ Indian Overseas Bank, Secretariat Branch, Chennai
- ✦ State Bank of India, Treasury Branch, Thousand Lights, Chennai
- ✦ State Bank of India, Egmore Branch, Chennai
- ✦ Indian Bank, Harbour Branch, Chennai

Registered Office

Chennai Metro Rail Depot, Admin. Building, Poonamallee High Road,
Koyambedu, Chennai - 600 107. Telephone: 44 2379 2000 Fax: 44 2379 2200
E-mail : chennaietrorail@gmail.com Website : www.chennaietrorail.gov.in

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Seventh Annual General Meeting of Chennai Metro Rail Limited will be held on 30th September 2014 at 11.00 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 Balance Sheet as at 31st March 2014, Statement of Income and the Statement of Profit and Loss for the year ended 31st March 2014 together with the Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 and the Reports of the Directors and the Auditors thereon.
2. To fix remuneration of Auditors for the Financial Year 2014-15 and if thought 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 2014-15".

By Order of the Board of Directors

Place : Chennai
Date : 05-09-2014

P. Andal
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. 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.

By Order of the Board of Directors

Place : Chennai
Date : 05-09-2014

P. Andal
Company Secretary



CHAIRMAN's MESSAGE

Dear Shareholders,

I am pleased to present the 7th Annual Report of your Company for the financial year 2013-14.

The Chennai Metro Rail Project has made significant achievements during the period under report in elevated viaduct construction and underground construction.

Out of the 45 km of the Chennai Metro Rail Project – Phase I, Civil & System works in 10 km of elevated corridor from Koyambedu to Alandur covering 7 elevated stations have mostly been completed. Only certain minor works and finishing works are in progress which will get completed shortly. This section will be ready for Revenue Operation, as Stage 1, after getting statutory clearance from Commissioner of Metro Railway Safety.

Various types of trials including Signal & Rolling Stock are in progress. Research Designs Standard Organization (RDSO), Lucknow carried out Oscillation and Emergency track distance Trials with the Rolling Stock over the section from Koyambedu to Alandur on both up and down lines in June 2014, based on which the RDSO has issued Speed Trial Certificate. CMRL has already initiated the process of submission of relevant documents including Speed Trial Certificate to the Commissioner of Metro Railway Safety (CMRS) to enable statutory inspection of Stage 1 section by CMRS.

Stage 1A covers elevated section from Alandur to St. Thomas Mount and Little Mount to Airport for a length of 9 km covering 6 elevated stations. Works are in progress within section and so far 75% of the civil works have been completed. It is programmed to go in for Revenue Operation by middle of the year 2015.

Remaining section of 26 km consists of underground and the ramps towards the elevated corridors. It consists of 19 underground stations, works are in progress at all the underground stations and till date 55% of the works have been completed. The underground section consists of 36.4 km of tunnel which are being bored with the use of 12 nos. of Tunnel boring machines. Till date, 22 km of tunnel work has been completed constituting 60%. It is programmed to go in for Revenue Operation in this section, as Stage 2, in substages commencing from the end of the year 2015 to the end of 2016.

It gives me great pleasure to hear that the Hon'ble Chief Minister of Tamil Nadu, Selvi J Jayalithaa flagged off the first test run of the Chennai Metro at Koyambedu on 6th November 2013. Before flagging off the test run, the Hon'ble Chief Minister inspected the train and inaugurated the flow of traction power to the test track.

The Hon'ble Minister for Industries of Government of Tamil Nadu, Thiru P. Thangamani reviewed the progress of the project on 03-07-2014 with the senior management team of CMRL.

Trial run conducted between Koyambedu and Ashok Nagar covering a distance of 6 kms on 14th February 2014. Subsequently, trial run from Ashok Nagar station to Alandur station has been successfully conducted on 9th June 2014.

During the year, your Company has been awarded 'Best upcoming Metro Rail Operator' for the year 2014 at the 3rd Annual Metro Rail Summit 2014 organized by the ITP publishing organization at Gurgaon, Delhi.

In view of dynamic economic and competitive market environment, there is absolute need for staying abreast with innovative technological advancements. In order to maintain high productivity standards and employee morale, your Company provides training to its employees through various centers of excellence like IIMs/IITs etc.

I would express my gratitude to Government of Tamil Nadu, Government of India for their continued support and also to Japan International Co-operative Agency (JICA) for extending valuable support.

All the achievements have been primarily possible with appreciable and continuous efforts and support of employees of the Company. I appreciate each and every employee of CMRL for their trust, commitment which has added on to the Company's performance. With the ingredients of success, dedicated people, engineering and technological excellence and right business strategies in place, your Company is well positioned to meet the demand of the Chennai commuters and commission the project in time.

I am thankful to the Board Members for their valuable support in taking CMRL to greater heights of achievements.

I look forward to your firm support while continuing the growth momentum in coming years too.

Shankar Aggarwal, IAS
Chairman



REPORT OF THE DIRECTORS

The Board of Directors is pleased to present the Company's 7th Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2014, and comments of the Comptroller and Auditor General of India, under Section 619(4) of the Companies Act, 1956.

Status of the Project

The Chennai Metro Rail Project has made significant achievements during the period under report in elevated viaduct construction and underground construction. The unique challenges faced by the Chennai's mixed ground condition and densely populated urban environment are being addressed by choice of different types of tunnel boring machines and careful tunneling operations.

Resettlement and Rehabilitation

The Company has well defined Resettlement and Rehabilitation policy for the welfare of Project Affected Families (PAF). The total number of PAFs is 522 and they have been given various benefits to the tune of ₹ 3503.91 lakhs.

Progress of Project Works

Elevated Corridor Work

The civil and the track works are nearing completion in the stretch from Koyambedu to St. Thomas Mount. The progress of the system works are in commendable development. The revenue operations are planned to commence by October 2014 between Koyambedu and Alandur (10 kms).

Elevated Station Works

All structural works, block work, street level, concourse level rooms have been completed between Koyambedu and Alandur. System works are also in progress in all these stations.

Underground Work

Tunnel Boring Machines (TBM) deployed in CMRL project have achieved good progress in underground tunneling work. The contractors have deployed 12 TBMs and tunneled 16431.2 Mts. During the year, CMRL has completed 4 out of 40 tunnels to be bored.

Package No.	Total tunneling length (in Mts)	Tunneling completed (in Mts)	Percentage of completion
UAA-01	10970	5407	49.29%
UAA-02	7232	1853	25.62%
UAA-03	5736	2438	42.50%
UAA-04	6776	3253	48.01%
UAA-05	5594	3480	62.21%
TOTAL	36308	16431	45.25%

All the Diaphragm wall panels completed in Mannadi, High Court, Egmore, Government Estate, Kilpauk, Pachaiyappa's College, Shenoy Nagar, Anna Nagar East, Anna Nagar Tower, Thirumangalam stations have been completed. The Diaphragm wall works are in progress at Chennai Central, Thousand Lights, AG-DMS, Teynampet, Nandanam, Nehru Park stations are in progress. Diaphragm wall work in progress for Entry / Exit structures at Washermanpet, High Court, Government Estate, LIC stations.

Laying of Concourse slab in Washermanpet, High Court, Government Estate, Saidapet stations have been completed and the work is under progress in Mannadi, Central, Egmore, Nehru Park, Kilpauk, Shenoy Nagar, Anna Nagar East, Anna Nagar Tower metro stations.

25 KV Over Head Equipment work in progress

25 KV overhead equipment erection works from Koyambedu to Ashok Nagar and Ashok Nagar to Alandur station on both up and down line has been completed. Accordingly, trial run was conducted upto Ashok Nagar.

Track works in progress

The plinth concrete completed upto 22455m on viaduct between Thirumangalam to St. Thomas Mount and slab concrete has been completed for a length of 6511m in Depot



at Koyambedu. 32 Turnouts in depot and 22 turnouts in viaduct have been laid. De-stressing has been completed for a length of 18912m in viaduct and 2031 in depot. The completed track works between Koyambedu Depot and Ashok Nagar was inspected by CMRL officials along with other officials from General Consultants and Contractors.

Rolling Stock

Five trains under the import category from Alstom, Brazil and two trains from Sri City have been delivered to the Koyambedu Depot. The static and dynamic testing pertaining to speed certification by Research Designs and Standard Organisation (RDSO) of the trains are in progress.

Diesel Shunting Locomotive for CMRL

The Diesel Shunting Locomotive designed to haul 4 car / 6 car trains has been shipped to the Koyambedu Depot during November 2013.

Transfer of Technology and Progress in production of trains in India

The first train out of the 33 trains to be produced from Sri City factory was delivered on 27th February 2014. The clearance certificate for completion of quality and control tests was handed over by the Chairman of CMRL to the President of Alstom.

The construction of the new factory in Sri City is complete and the progress of the production of trains is as per target / schedule. So far 2 trains manufactured at Sri City delivered to CMRL are under various stages of testing in CMRL Depot.

Escalators / Lifts at Stations

Installation of Escalators and Lifts have commenced at CMBT and other Metro Stations. Lift installation is also under way at administrative building of Depot. Around 170 escalators and 125 lifts are to be installed at different levels in all 32 Metro Stations to facilitate easy mobility of all Passengers including differently abled and old age persons.

Commissioning of 110/33/25 KV Receiving Sub-station at Koyambedu and other sub-stations

Installation of equipments like Transformers, Switchgear, Control Panels, Battery charger, Battery DG set and others have been completed, EIG approval obtained and Koyambedu Receiving

Sub-station was energized on 26-07-2013. 33 KV/415 V sub-stations at Koyambedu, CMBT, Ashok Nagar and Koyambedu Depot have been tested and commissioned .

Signalling, Telecom and Automatic Fare Collection (AFC) Works

Installation of all outdoor Signalling equipments, viz., Signal, Point machine, S-Bonds, Synchronous loop, PTI loop, Tuning unit of Audio frequency track circuit at Test track in Koyambedu Depot. The signalling system of test track is designed with two virtual stations at either end so that the whole running of train between two stations can be simulated. The testing facility of PSD signalling interface will be provided in Test track.

Depot Signalling Room (DSR) in Koyambedu Depot and in Signal Equipment Room (SER) in Koyambedu Station

The installation work of Signalling Racks (Computer based interlocking), Cable Termination and Cable Distribution racks, Inter-rack wiring and cable terminations are completed. Point machines, S-bonds, Track circuits etc. are under installation.

Flagging off of Test run by the Hon'ble Chief Minister of Tamil Nadu

The Hon'ble Chief Minister of Tamil Nadu, Selvi J Jayalithaa flagged off the first test run of the Chennai Metro at Koyambedu on 6th November 2013. Before flagging off the test run, the Hon'ble Chief Minister inspected the train and inaugurated the flow of traction power to the test track.

Other important milestones achieved during the year under report

- Trial run conducted between Koyambedu and Ashok Nagar covering a distance of 6 kms on 14th February 2014. Subsequently, trial run from Ashok Nagar station to Alandur station has been successfully conducted on 9th June 2014.
- While observing the Vigilance Awareness Week, from 28th October to 2nd November 2013, Shri N Vittal, IAS (Retd.) released the Vigilance Bulletin of CMRL.
- The new recruits of Operation and Maintenance are undergoing training so as to gain experience.
- The Board approved the Vigilance Manual, Fraud Prevention Policy and Whistle Blower Policy of the Company.



Best upcoming Metro Rail Operator of the year

Chennai Metro Rail Limited received the 'Best upcoming Metro Rail Operator' for the year 2014 at the 3rd Annual Metro Rail Summit 2014 organized by the ITP publishing organization at Gurgaon, Delhi on 18-02-2014.

CMRL concern for Environment

As part of its commitment to safeguarding the environment, the Company has been made up sincere efforts into restore the ecological balance, besides undertaking compensatory afforestation for the trees felled in the Project. CMRL has successfully undertaken transplanting 23 large sized trees (identified as important species) in Thiru Vi Ka Park, Shenoy Nagar, 33 trees in Pachaiyappa's College Metro Station. All the trees transplanted have survived. The Company has so far planted 57,435 trees till 31st March 2014. Cumulatively, CMRL has planted 59,013 trees as on 31-05-2014.

CMRL has installed rainwater harvesting structures in medians between spaces in elevated section to harvest runoff rainwater from viaducts. This has worked effectively during the last 2 seasons. CMRL has also commenced work on a rainwater harvesting pond on the Depot.

Review Meeting with the Hon'ble Minister for Industries

The Hon'ble Minister for Industries of Government of Tamil Nadu, Thiru P. Thangamani who is also in-charge of the Chennai Metro Rail Project reviewed the progress of the project on 03-07-2014 with the senior management team of CMRL.

High Power Committee Meetings (HPC)

The HPC, under the Chairmanship of Chief Secretary, Government of Tamil Nadu, has met frequently and 11 meetings have been held so far. HPC has given decisions expeditiously resulting in smooth and speedy implementation of Chennai Metro Rail Project. The Board is happy to inform that the working of the HPC in Tamil Nadu is appreciable and Ministry of Urban Development has taken steps to bring in a similar HPC working system in other States where Metro Projects are under implementation.

Financial Outlay

The total financial outlay as of 31st March 2014 was ₹ 3,090.75 crores and during the current year 2014-15, the outlay is estimated at ₹ 4,327.68 crores.

Status of funding for the Project:

(Rupees in Crores)

Details	Means of Finance for the Project			Received as of 31-3-2014		
	Govt. of India	Govt. of Tamil Nadu	Total	Govt. of India	Govt. of Tamil Nadu	Total
Equity Share Capital	2,190.00	2,190.00	4,380.00	1,923.79	2,190.00	4,113.79
Equity Exchange Fluctuation				-	26.74	26.74
Subordinate Debt (Interest-free)	730.00	844.00	1,574.00	287.45	844.00	1,131.45
Senior Term Debt (Pass Through Assistance against JICA Loan)	8,646.00	-	8,646.00	4,324.53	-	4,324.53
Grand Total	11,566.00	3,034.00	14,600.00	6,535.77	3,060.74	9,596.51

FIXED DEPOSITS

The Company has not invited deposits from Public under Section 58A of the Companies Act, 1956.

AUDIT COMMITTEE

In accordance with the provisions of Section 292 (A) of the Companies Act, 1956, your Board of Directors constituted an Audit Committee with effect from 30th June 2008. Further, the Board of

Directors at their meeting held on 28th January 2014 reconstituted the Audit Committee. The Audit Committee presently comprises of the following Directors :

Shri K Shanmugam	- Chairman
Shri S Krishnan	- Member
Shri Mukund Kumar Sinha	- Member

BOARD OF DIRECTORS

During the Financial Year 2013-14, the Board of Directors had 7 Board Meetings and 13 Board Sub-Committee Meetings.

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

- Shri K Rajaraman, IAS, Principal Secretary, Planning, Development and Special Initiatives, was transferred and hence his office of the Managing Director ceased with effect from 24-12-2013.
- Shri Pankaj Kumar Bansal, IAS was nominated as Managing Director w.e.f. 24-12-2013 in place of Shri K Rajaraman, IAS.
- Shri Pradeep Kumar, ceased to be Director w.e.f. 06-02-2014.
- Shri C V Shankar, was Director in the Company during the period 24-10-2013 to 22-11-2013.
- Shri C K Khaitan, IAS, Joint Secretary (UT), Ministry of Urban Development ceased to be Director w.e.f. 23-12-2013.
- Shri M K Sinha, IAS, Officer on Special Duty & Ex-Officio Joint Secretary (UT), Ministry of Urban Development was appointed as Director w.e.f. 23-12-2013 vice Shri C K Khaitan, Joint Secretary (UT), Ministry of Urban Development.
- Shri K K Aggarwal, Executive Director/Works (Planning), Ministry of Railways (Railway Board) in place of Shri Pradeep Kumar, with effect from 06-02-2014.
- Shri Shiv Das Meena, IAS ceased to be Director w.e.f. 28-06-2013.

- Shri Rajeev Ranjan, IAS, Principal Secretary to Government of Tamil Nadu, Highways and Minor Ports Department was appointed as Director w.e.f. 28-06-2013 in place of Shri Shiv Das Meena, IAS, Administrator, Annamalai University.
- Shri Braj Kishore Prasad, IAS, Principal Secretary of Transport Department was appointed as Director on ex-officio basis in place of Shri C V Shankar, IAS w.e.f. 22-11-2013.
- Dr. T. Prabhakara Rao, IAS, Principal Secretary of Transport Department was appointed as Director on ex-officio basis in place of Shri Braj Kishore Prasad, IAS w.e.f. 30-05-2014.
- Shri Shankar Aggarwal, IAS was appointed on 14-07-2014 as Director/Chairman on ex-officio basis in place of Dr. Sudhir Krishna, IAS who was superannuated on 30-06-2014.

The Board of Directors also place on record their appreciation for the contribution of Shri K Rajaraman, Shri Pradeep Kumar, Shri C V Shankar, Shri C K Khaitan, Shri Shiv Das Meena, Shri N S Palaniappan, Shri Braj Kishore Prasad and Dr. Sudhir Krishna, during their tenure.

Statutory Auditors

The Comptroller and Auditor General of India, New Delhi has appointed M/s R Venkatakrishnan & Associates, Chennai, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2013-14 and the same has been noted by the Board of Directors and Audit Committee on 03-12-2013 and 27-11-2013 respectively.

STATUTORY DISCLOSURES

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

Employees in receipt of remuneration in excess of ₹ 6,00,000 per month or ₹ 72,00,000 per annum : NIL.

Details regarding technology absorption and conservation of energy required under Section 217 (1) (e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

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 Underground stations at higher cost with reduced consumption has also been initiated.

FOREIGN EXCHANGE EARNINGS & OUTGO

₹ in Crores

1.	Total Foreign Exchange Earned	(Prev. Year- 0.00)
2.	Total Foreign Exchange used	484.16 (Prev. Year- 417.43)

DIRECTORS' RESPONSIBILITY STATEMENT

Whilst preparing the Annual Accounts, the Company has adhered to the following best practices and your Directors confirm the same pursuant to Section 217 (2AA) of the Companies Act, 1956:

- 1) The Annual Accounts are prepared under the historical cost convention and on an accrual basis and are in compliance with the accounting standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956;
- 2) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable, prudent and in the best interest of the Company's business so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for 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, 1956 for safeguarding 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.

AUDITORS' REPORT

The observations of the Statutory Auditors in their report, read with the relevant notes to accounts are self-explanatory and do not require further explanation.

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-1.

ACKNOWLEDGEMENT

The Board of Directors whole-heartedly thanks the State 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, Delhi Metro Rail Corporation Ltd, all the consortium members of General Consultants and Contractors for their support and co-operation.

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

For and on behalf of the Board

Place : Chennai
Date : 05-09-2014

(Shankar Aggarwal)
Chairman

ANNEXURE - 1

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 though Clause 49 of listing agreement is not applicable to it.

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 14 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 617 of the Companies Act, 1956. 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 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, 2014, the Company has thirteen Directors on the Board, of which Government of India nominated five, Government of Tamil Nadu including the Managing Director nominated five and three whole-time 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.

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 Board's 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 Chief General Manager-Finance & 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 a week prior to the date of the meeting 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 Office of the Chairman and Secretary (UD), Ministry of Urban Development, New Delhi. During the financial year ended 31st March 2014, 7 Board Meetings and 13 Committee Meetings (including 5 O&M Manuals Approval Committee Meetings) were held.
- vi) The Members of the Board have complete access to all information of the Company.

c) Briefing by the Managing 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 make presentation by the Managing Director 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 the Committees of the Board are also placed before the Board of Directors for their 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 Chief General Manager-Finance & Company Secretary ensures compliance of all applicable provisions of the Companies Act, 1956, and other statutory requirements.

During the financial year 2013-14, seven Board Meetings were held on 03-04-2013, 22-05-2013, 06-07-2013, 19-08-2013, 03-12-2013, 28-01-2014 and 21-03-2014.



Details of designation, number of Board Meetings attended, attendance at last AGM are given hereunder :

Sl. No.	Directors	Board Meetings held during respective tenures of Directors	No. of Board Meetings attended	Attendance AGM/EGM (No. of AGM- 1 & No. of EGM- 0)	No. of Membership in the Board/ Committees
(1)	(2)	(3)	(4)	(5)	(6)
1	Dr. Sudhir Krishna	7	7	Present	-
2	Shri B.S. Sudhir Chandra	7	7	-	4
3	Shri Pradeep Kumar	6	3	-	2
4	Shri C.K. Khaitan	5	4	Not present	2
5	Shri Sharat Sharma	6	6	Not present	2
6	Shri Mukund Kumar Sinha	2	2	-	1
7	Shri K K Aggarwal	1	1	-	1
8	Shri K Rajaraman	5	5	Present	6
9	Shri Pankaj Kumar Bansal	2	2	-	5
10	Shri K Shanmugam	7	3	Not present	1
11	Shri S Krishnan	7	5	Present	4
12	Shri Shiv Das Meena	2	1	-	-
13	Shri N.S. Palaniappan	4	-	-	-
14	Shri Rajeev Ranjan	5	4	-	-
15	Shri C V Shankar	-	-	-	-
16	Shri Braj Kishore Prasad	3	2	-	1
17	Shri L Narasim Prasad	7	7	Present	6
18	Shri R Ramanathan	7	6	Present	6
19	Smt Vijaya Kanth	4	4	Present	5

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 budgets 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
- 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) HR/Remuneration Committee
- iii) O & M Committee
- iv) Project Management Review Committee
- v) Property Development Committee
- vi) Investment 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) HR / 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) O&M 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) Investment Committee

- 1) To consider and approve investment of project funds of the Company
- 2) To review the Investment Policy and suggest modifications
- 3) Any other matter as may be referred by the Board

The Managing Director is the Chairman of all the Committees except Audit Committee and the Chief General Manager - Finance & Company Secretary is the Convenor of all the Committees.

2.1 Audit Committee

The constitution, quorum, scope etc. of the Audit Committee is in line with the provisions of Companies Act, 1956. 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. Further, the Board of Directors at their meeting held on 28th January 2014 reconstituted the Audit Committee.

2.3 Composition

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

- | | | |
|----------------------------|---|---------------------------|
| 1. Shri K Shanmugam | - | Chairman of the Committee |
| 2. Shri S Krishnan | - | Member |
| 3. Shri Mukund Kumar Sinha | - | Member |

Managing Director, Director (Finance), Chief General Manager - Finance & Company Secretary, 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 Chief General Manager - Finance & Company Secretary is the Secretary to the Audit Committee.

2.4 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.

2.5 Meetings and attendance

3 Meetings of the Audit Committee meetings were held during the Financial Year.

Sl. No.	Directors	Audit Committee Meetings held during respective tenures of Directors	No. of Audit Committee Meeting attended
1.	Shri C K Khaitan	3	2
2.	Shri Mukund Kumar Sinha	-	-
3.	Shri K Shanmugam	3	3
4.	Shri S Krishnan	3	3

3. ANNUAL GENERAL MEETING

Date, time and location where the 6th Annual General Meeting was held, is as under:

Date and time	27th September 2013 at 11.30 AM
Venue	Registered Office of the Company at No.7, Harini Towers, Conran Smith Road, Gopalapuram, Chennai-600 086
Specified Resolution (s) passed	<ul style="list-style-type: none"> ✓ Fixing the remuneration of Statutory Auditors for Financial Year 2013-14 ✓ Appointment of Director (S&O), Director (Projects) and Director (Finance) as Functional Directors

4. COMPANY'S WEBSITE

The Company's website is www.chennaietrorail.gov.in. 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 the progress achieved.

Registered Office :

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



CHENNAI METRO RAIL LIMITED
BALANCE SHEET AS AT 31-03-2014

(₹ in Lakhs)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	3,84,758.00	3,44,758.00
(b) Reserves & Surplus	4	24,386.36	16,371.30
(2) Share application Money pending allotment	5	29,295.45	21,121.00
(3) Non-Current Liabilities			
(a) Long Term Borrowings	6	5,64,972.22	4,08,509.86
(b) Deferred Tax Liability (Net)	7	19.00	19.20
(c) Other Long Term Liabilities	8	14,618.96	8,864.25
(4) Current Liabilities			
(a) Other Current Liabilities	9	68,484.61	29,780.14
(b) Short Term Provisions	9	14,079.65	7,666.49
TOTAL		11,00,614.26	8,37,090.23
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	93,577.11	49,436.99
(ii) Intangible Assets	10A	16.58	27.30
(iii) Capital Work In Progress	11	6,53,896.43	4,22,756.01
(b) Long Term Loans & Advances	12	81,279.77	1,16,293.64
		8,28,769.89	5,88,513.94
(2) Current Assets			
(a) Cash & Cash Equivalents	13	1,88,353.70	1,71,082.40
(b) Short Term Loans & Advances	14	39,008.85	8,228.72
(c) Other Current Assets	15	44,481.82	69,265.17
		2,71,844.36	2,48,576.29
TOTAL		11,00,614.26	8,37,090.23
Company Information, Basis of preparation of Financial Statements and Significant Accounting Policies Notes forming part of Financial Statements	1 & 2 3 - 31		

As per our report of even date attached
R.Venkatakrishnan & Associates
Chartered Accountants

S. Padma
Partner
M.No: 206833
FRN: 008572S

Place : Chennai
Date : 05-09-2014

For and on behalf of the Board of Directors

Pankaj Kumar Bansal, IAS
Managing Director

Vijaya Kanth
Director - Finance

P. Andal
Company Secretary

Place : Chennai
Date : 05-09-2014

CHENNAI METRO RAIL LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2014

(₹ in Lakhs)

Particulars	Note	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CONTINUING OPERATIONS			
1. Revenue from operations		-	-
2. Other Income	16	12,734.73	13,182.35
3. Total revenue (1+2)		12,734.73	13,182.35
4. Expenses			
(a) Employee Benefits	17	328.85	-
(b) Depreciation & Amortization Expenses	10	38.60	27.04
(c) Other expenses	18	170.29	151.56
Total expenses		537.74	178.60
5. Profit / (Loss) before extraordinary items and tax (3-4)		12,196.99	13,003.75
6. Prior Period items	19	19.13	-
7. Profit / (Loss) before tax (5 ± 6)		12,177.86	13,003.75
8. Tax expense:			
(a) Current tax		4,143.65	4,208.55
(b) Deferred tax		(0.06)	10.51
(c) Earlier Period		19.22	
		4,162.81	4,219.07
10. Profit / (Loss) for the year transferred to Reserves & Surplus		8,015.06	8,784.68
Company Information, Basis of Preparation of Financial Statements and Significant Accounting Policies	1 & 2		
Notes forming part of Financial Statements	3 - 31		
Earnings per share (of ₹ 1000 each)	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(a) Basic		23.20	40.08
(b) Diluted		20.86	31.28
<u>Weighted average number of Shares</u>			
(a) For computing Basic EPS		3,45,52,512	2,19,15,252
(b) For computing Diluted EPS		3,84,30,268	2,80,83,900

As per our report of even date attached
R.Venkatakrishnan & Associates
Chartered Accountants

S. Padma
Partner
M.No: 206833
FRN: 008572S

Place : Chennai
Date : 05-09-2014

For and on behalf of the Board of Directors

Pankaj Kumar Bansal, IAS
Managing Director

Vijaya Kanth
Director - Finance

P. Andal
Company Secretary

Place : Chennai
Date : 05-09-2014



CHENNAI METRO RAIL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(₹ in Lakhs)

Particulars	For the year ended 31-03-2014	For the year ended 31-03-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss before Tax	12,177.86	13,003.75
Adjustment for:-		
Depreciation	38.60	27.04
Deferred Tax Liability	(0.20)	10.51
Operating Profit before working Capital Changes	12,216.26	13,041.30
Adjustment for:-		
Other Current Assets	24,783.36	(55,251.90)
Loans and Advances	4,709.22	32,890.88
Provisions	6,413.16	4,016.84
Employee Benefits	104.97	-
Other Current Liabilities	38,704.47	11,486.07
Net Cash from Operating Activities before tax	86,931.44	6,183.19
Less : Adjustments for Tax	(4,162.81)	(4,219.07)
Net Cash from Operating Activities after tax	82,768.64	1,964.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	(44,168.01)	(44,339.96)
Capital Work in Progress	(2,24,145.12)	(2,28,996.94)
Retention Money	5,199.30	7,881.53
Net Cash from Investing Activities	(2,63,113.83)	(2,65,455.37)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Share Application Money	48,174.45	1,74,000.00
Loans raised during the year	1,49,442.05	1,44,437.13
Net Cash From Financing Activities	1,97,616.50	3,18,437.13
D. Net changes in cash & cash equivalents (A+B+C)	17,271.30	54,945.88
E. Cash & Cash Equivalents (Opening Balance)	1,71,082.40	1,16,136.52
F. Cash & Cash Equivalents (Closing Balance)*	1,88,353.70	1,71,082.40
* Cash & Cash Equivalents includes an amount of ₹ 1500 Lakhs under Bank Lien for Letter of Credit and Letter of Guarantee facilities referred to Note No.13- Cash and Bank Balances.		

As per our report of even date attached
R.Venkatakrishnan & Associates
Chartered Accountants

S. Padma
Partner
M.No: 206833
FRN: 008572S

Place : Chennai
Date : 05-09-2014

For and on behalf of the Board of Directors

Pankaj Kumar Bansal, IAS
Managing Director

Vijaya Kanth
Director - Finance

P. Andal
Company Secretary

Place : Chennai
Date : 05-09-2014

Chennai Metro Rail Limited
Notes to the Financial Statements for the year ended
31st March 2014

1. 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.

2. 1) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. These financial statements have been prepared on an accrual basis and under the historical cost convention and in accordance with the Revised Schedule VI of the Companies Act, 1956.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

2) Significant Accounting Policies

A. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles require management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Examples of such estimates include the useful life of fixed assets and intangible assets; expenditure during construction, etc., actual result could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

In respect of works contracts, expenditure is booked as Capital Work in Progress based on certification by General Consultants for the project.



B. Fixed Assets

- 1) Fixed Assets are stated at historical cost less accumulated depreciation and impairment loss if any. The cost comprises the purchase price and any attributing cost of bringing the asset to its working condition for its intended use. Borrowing costs and other directly attributed costs relating to acquisition of fixed assets which takes substantial time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Assets under installation or under construction as at the balance sheet date are shown as Capital work in Progress. Administrative and general overheads (net of income) directly/indirectly attributable to project are classified as expenses pending capitalization and grouped under capital work in progress and the same shall be allocated to the assets upon their completion.

Claims including Price variation are accounted for on acceptance.

Liquidated damages and penalties are accounted for on settlement of final bill or award of arbitration proceedings with judicial authorities.

Land

i) Freehold land

Free hold land are accounted for on completion of documentation for transfer of title deeds in favour of the Company including alienation of the land.

ii) 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, whichever is earlier.

iii) Land Received as Gift

Land received as gift other than government lands are recognized as capital reserve and are capitalized at the guideline value, as fixed by Government of Tamil Nadu.

iv) Leasehold land

Leasehold lands are capitalized in the books from the date of Enter upon Permission in respect of the land.

C. Depreciation and Amortisation

Depreciation on tangible assets (other than land) is provided on pro-rata basis on straight-line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Tangible Fixed Assets costing less than ₹ 5,000 are fully depreciated in the year of acquisition.

Intangible assets are amortized on Straight-Line Method over a period of legal right or 5 years whichever is earlier.

Leasehold lands are amortised over the life of the lease from the date of receipt of Enter upon Permission in respect of the land.

D. Government Grant

Government Grants relating to depreciable and non-depreciable fixed assets:

Grant is shown as deduction from the gross value of asset in arriving at its book value. When the grant is equal to the cost of assets, the asset should be shown in balance sheet at nominal value, say ₹ 1.

E. Interest Income

Interest income is recognized on a time proportion basis taking into account the amount invested, the rate applicable and the contractual obligation.

- a) Interest on mobilisation and other advances to vendors on Capital Works is adjusted against the Expenses Pending Capitalization.
- b) Interest earned on short term deposits with banks is recognized as income.

F. Foreign Currency Transaction

(i) Initial Recognition

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.



(ii) Conversion

Foreign currency monetary items are reported using the closing rate of RBI prevailing on the financial year end. JICA Loans are reported as per RBI closing rate.

(iii) Exchange Differences

Exchange differences arising on the statement of monetary items or on reporting the company's monetary items at rates different from they were initially recorded during the year, or reported in previous financial statements, are recognized in Expenditure pending Capitalization in the year in which they arise.

G. Investments

The Company has not made any investments other than temporary short term deposits with banks and the same has been stated at cost. Bank deposits are not intended to be held for more than 1 year and hence they are treated as current asset.

H. Employee benefits

- i) **Provident Fund, Pension and Leave encashment:** Provision for Company contribution to Provident Fund for Company's employees is accounted on an accrual basis. Provision for leave salary is made for permanent employees of the company on the basis of actuarial valuation.

In respect of deputationists, employee benefits due to employees are paid to their respective organizations / Employer from where they have been deputed based on the direction given by their organizations. Necessary provision for leave salary and pension payable at the close of the Financial Year are provided for.

- ii) **Gratuity:** Company follows defined contribution plan and the premium paid to LIC group gratuity scheme is administered through a trust which is accounted as expense. Eligible employees on deputation are paid by their respective organisations, from where they have been deputed.

I. Prior Period Expenses & Income

Individual Items of Prior Period Expenses and Income over ₹ 100,000 each are recognized.

J. Prepaid Items

Individual Items of Prepaid Expenses over ₹ 100,000 each are recognized.

K. Borrowing Cost

Interest cost incurred on funds borrowed specifically for the project and identified therewith is capitalized up to the time of commissioning of the project or part thereof and thereafter charged to revenue to the extent assets are under commercial operation.

L. Taxation

- 1) Taxes on income have been accounted in accordance with Accounting Standards-22 of the ICAI.
- 2) Provision for wealth tax is computed in accordance with provisions of Wealth Tax Act, 1957.

M. Provision, Contingent Liabilities & Contingent Assets

Provision for Contingent Liabilities and Contingent Assets (AS-29) : Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes to the Financial Statements for the year ended 31st March 2014

(₹ in Lakhs)

Note	3 - Share Capital	31-03-2014	31-03-2013
Authorized			
43,800,000 Equity Shares of ₹ 1000/- each (Previous Year - 4,38,00,000 Equity Shares of ₹ 1000/- each)	4,38,000.00	4,38,000.00	4,38,000.00
Issued, Subscribed and Paid-up Equity Shares (Number of Shares of ₹ 1000 each)			
Equity Shares of ₹ 1000/- each fully paid	3,84,758.00	3,84,758.00	3,44,758.00
3,84,758.00			3,44,758.00
a) Reconciliation of Equity Shares and amounts outstanding			
Particulars	31-03-2014	31-03-2013	
	No. of Shares	₹	No. of Shares
At the beginning of the year	3,44,75,800	3,44,758.00	1,37,75,800
Issued during the year	40,00,000	40,000.00	2,07,00,000
At the end of the year	3,84,75,800	3,84,758.00	3,44,75,800
b) 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.			
c) Details of shareholders holding more than 5% shares in the Company			
Name of Shareholder	31-03-2014	31-03-2013	
	No. of Shares	% of Holding	No. of Shares
The President, Government of India	1,92,37,900	50	1,72,37,900
The Governor, Government of Tamil Nadu	1,92,37,900	50	1,72,37,900
	3,84,75,800	100	3,44,75,800
			100



Chennai Metro Rail Limited

Notes to the Financial Statements for the year ended 31st March 2014

(₹ in Lakhs)

Note 4 - Reserves & Surplus	31-03-2014	31-03-2013
Capital Reserve		
Opening Balance	341.62	341.62
Add: Additions during the year	-	-
Closing Balance	341.62	341.62
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	16,029.68	7,245.00
Add: Transferred during the year	8,015.06	8,784.68
Closing Balance	24,044.73	16,029.68
Total	24,386.36	16,371.30

Note 5 - Share Application Money Pending Allotment	31-03-2014	31-03-2013
(Advance Share Application Money)		
- From Government of India	-	-
- From Government of Tamil Nadu	29,295.45	21,121.00
Total	29,295.45	21,121.00

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 - 2,929,545 (P.Y. 2,112,100) of ₹ 1000/- each.



Chennai Metro Rail Limited

Notes to the Financial Statements for the year ended 31st March 2014

(₹ in Lakhs)

Note 6 - Long Term Borrowings	31-03-2014	31-03-2013
Unsecured		
Term Loans from Other Parties		
From Government of India against Japan International Co-operation Agency	4,51,827.22	3,00,309.86
Subordinate Debt from Government of Tamil Nadu	84,400.00	84,400.00
Subordinate Debt from Govt. of India	28,745.00	23,800.00
	5,64,972.22	4,08,509.86

- A) To meet the Project cost, the Govt. of India has provided Pass Through Assistance against Japan International Co-operation Agency (JICA) loan. JICA sanctioned three tranches, the first tranche sanctioned on 21-11-2008 is for 21,751 millions of JPY at interest rate of 1.2% p.a. (except for consultancy services for which the rate is 0.01%) and the second and third tranches sanctioned on 31-3-2010 and 28-3-2013 are for 59,851 million JPY and 48,691 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 all the tranches. These loans will be repayable in 30 years (10 Years Moratorium from date of agreement & after that 20 Years repayment). The Company has provided for the impact of foreign exchange difference on the loans as on 31-03-2014.
- B) The Company submitted their claim with Japan International Co-operation Agency (JICA) through CAAA to an extent of ₹ 473,404.84 Lakhs during 2009-10 to 2013-14. Claims amounting to ₹ 464,326.78 Lakhs have been processed and disbursed by JICA out of which an amount of ₹ 432,453.00 Lakhs has been remitted by Ministry of Urban Development, MRTS Cell, Government of India as 'Pass Through Assistance' against JICA Loan during that same period. The balance amount of ₹ 31,873.78 Lakhs (Previous Year ₹ 61,646.73 Lakhs) is receivable from Ministry of Urban Development of Government of India and the same is grouped under Loans & Advances.
- C) Government of India (GOI) and Government of Tamil Nadu (GOTN) being JV partners contributes interest-free subordinate debt to the extent of ₹ 73,000 Lakhs and ₹ 84,400 Lakhs respectively for the project. The Company will be required to repay the subordinate debt to GOI and GOTN proportionately only after repayment of JICA loan availed for the project. Subordinate Debt from the GOTN is provided to meet the cost of Resettlement and Rehabilitation expenditure (R&R) and land cost partially and that from GOI is provided for expenses towards Central Taxes. 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 ₹ 153,324.93 Lakhs towards the cost of R&R and Land/Land Advance.
- D) The Government of Tamil Nadu has accorded " Enter Upon Permission " to land of estimated value of ₹ 128,871.08 Lakhs. The title to the land will be transferred to the Company on alienation. Consequently, the capitalisation of the land and recognition of the Subordinate Debt in respect of the same will be recognised at the time of alienation.

Chennai Metro Rail Limited

Notes to the Financial Statements for the year ended 31st March 2014

(₹ in Lakhs)

Note 7 - Deferred Tax Liability	31-03-2014	31-03-2013
Deferred Tax Liability		
a) On Account of Depreciation and Amortisation	19.00	19.20
	19.00	19.20
Note 8 - Other Long Term Liabilities	31-03-2014	31-03-2013
Provision for employee benefits	104.97	-
Retention Money Payable	14,513.99	8,864.25
	14,618.96	8,864.25
Note 9 - Current Liabilities	31-03-2014	31-03-2013
a) Other Current Liabilities		
Duties & Taxes	415.62	516.87
Outstanding Expenses	254.29	147.89
Commitment charges & Interest accrued and due on borrowings	9,348.54	3,471.05
Commitment charges & Interest accrued but not due on borrowings	598.79	1,274.12
Other Payables		
i) Sundry Creditors	23,737.55	23,932.14
ii) Retention towards potential liquidated damages	2,192.65	-
iii) Retention towards potential penalties	1,383.89	438.06
iv) Retention towards balance works on terminated contracts	26,276.26	-
v) Retention towards performance security on terminated contracts	4,277.02	-
	68,484.61	29,780.13
<p>a) 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. With regard to this payment, the Company has made a request to Ministry of Urban Development (MOUD) to postpone the payment of the same after commencement of operations, reply for the same is awaited.</p> <p>b) Amount retained towards potential liquidated damages amounting to ₹ 2,192.65 Lakhs (Previous Year - ₹ Nil) and potential penalties amounting to ₹ 1,383.89 Lakhs (Previous Year - ₹ 438.06 Lakhs) are included under other payables pending the determination of the actual liquidated damages at the time of settlement of final bill or award of arbitration proceedings with the judicial authorities.</p> <p>c) The Company shall identify the creditors relating to Micro, Small and Medium enterprises upon commencement of operations. Hence, dues to Micro, Small and Medium Enterprises as on 31st March 2014 is not ascertained.</p>		
b) Short Term Provisions		
Income Tax Provision	11,735.44	7,591.64
Wealth Tax Provision	0.22	0.22
Provision for employee benefits	43.52	74.62
Provision for Land Rent	2,300.47	-
	14,079.65	7,666.49

Notes to the Financial Statements for the year ended 31st March 2014

Note 10 - Tangible Assets

₹ in Lakhs

Tangible Assets	Gross Block			Accumulated depreciation and amortisation			Net Block	
	Balance as at 1st April 2013	Additions	Deletions	Balance as at 1st April 2013	Depreciation/ amortisation expense for the year	Adjustment	Balance as at 1st April 2013	Balance as at 31st March 2014
Land	49,219.04	349.44	-	-	-	-	49,219.04	49,568.48
Lease Land	-	47,442.89	-	-	3,629.80	-	-	43,813.09
Furniture and Fittings	61.29	11.57	1.89	7.93	5.90	7.79	53.35	49.33
Vehicles	45.88	-	-	17.07	4.36	-	28.81	24.46
Office Equipments	48.55	9.48	0.60	5.48	2.90	1.83	43.07	47.22
Computers	120.58	6.55	-	29.31	19.05	5.56	91.27	73.22
Bicycle	0.06	-	-	0.02	-	0.04	0.04	-
Plant & Machinery	1.43	-	-	0.03	0.07	-	1.40	1.33
Total	49,496.82	47,819.93	2.50	59.84	3,662.08	15.22	49,436.99	93,577.11
Previous Year	5,179.71	44,317.12	-	35.15	24.69	-	5,144.56	49,436.99

Note 10A - Intangible Assets

₹ in Lakhs

Tangible Assets	Gross Block			Accumulated depreciation and impairment			Net Block	
	Balance as at 1st April 2013	Additions	Deletions	Balance as at 1st April 2014	Depreciation/ amortisation expense for the year	Adjustment	Balance as at 1st April 2013	Balance as at 31st March 2014
Computer Software	34.93	0.09	-	7.63	6.79	4.02	27.30	16.58
Total	34.93	0.09	-	7.63	6.79	4.02	27.30	16.58
Previous Year	12.08	22.84	-	5.27	2.35	-	6.81	27.30

- a) Estimated amount of ₹ 47,442.89 Lakhs have been paid towards enter upon permission for Railway Lands have been capitalised pending finalisation of lease deeds and the expenditure relating to the lease period consumed until 31st March 2014 has been amortised.
- b) As referred in Note No.5(d), The Government of Tamil Nadu has accorded "Enter Upon Permission" to land of estimated value of ₹ 1,28,871 Lakhs. The title to the land will be transferred to the Company on alienation. Consequently the capitalisation of the land and recognition of the subordinate debt in respect of the same will be recognised at the time of alienation.
- c) i) Government of Tamil Nadu/Other autonomous bodies have accorded "Enter Upon Permission" to the Company for undertaking construction work in State Government land. An advance amount of ₹ 40,649.05 lakhs has been paid in respect of the same and the balance estimated value amounts to ₹ 33,539 Lakhs. The lands will be capitalised upon alienation.
ii) Central Government Lands/other autonomous Bodies have accorded "Enter Upon Permission" to the Company for undertaking construction work. An advance amount of ₹ 2083.27 Lakhs has been paid in respect of the same and the balance estimated value amounts to ₹ 9266.11 lakhs, the title of which shall be transferred to the Company on alienation of land. The land will be capitalised on alienation. VAT amount included in the cost of fixed assets amounts to ₹ 19.02 Lakhs. Consequently the claim raised for reimbursement with the GOTN, the VAT amount received if any by way of grant shall be adjusted from the cost of the fixed assets and adjustments made for corresponding depreciation/amortisation charge.
- d) As per Accounting Standard AS - 11 Foreign Exchange Loss amounting to Nil (Previous Year - Nil) have been Capitalised during the financial year.
- e) As per Accounting Standard AS - 16 Borrowing Costs amounting to Nil (Previous Year Nil) have been Capitalised during the year.
- g) Adjustments include depreciation on assets written off during the year (Furniture & Fixtures - ₹ 0.60 Lakhs and Office Equipments - ₹ 0.21 Lakhs).



Chennai Metro Rail Limited
Notes to the Financial Statements for the year ended 31st March 2014

Note 11 - Capital Work in Progress

(₹ in Lakhs)

Particulars	As on 01-04-2013	Expenditure for the year	As on 31-03-2014
Resettlement & Rehabilitation expenditure	12,069.86	264.37	12,334.23
Shifting of Utilities	8,389.99	4,094.71	12,484.70
Survey Expenses	170.64	4.02	174.66
Station Building	24,211.23	4,671.55	28,882.78
Procurement - Civil	51,516.47	11,880.59	63,397.05
Depot and Stabling	9,696.26	8,629.69	18,325.95
Underground - Tunnelling & Stations	2,04,873.22	1,19,702.28	3,24,575.50
Permanent Way	6,673.98	10,074.72	16,748.69
Procurement - Systems			
Rolling Stock	34,504.54	18,544.42	53,048.96
Lifts & Escalator	2,714.77	2,086.74	4,801.51
Automatic Fare Collection	2,689.89	338.83	3,028.72
Power Supply & OHE	4,021.64	5,679.15	9,700.80
Signalling & Telecommunication	14,203.87	7,621.36	21,825.23
Tunnel Ventilation System	2,841.14	321.52	3,162.66
UG - Station Air-Conditioning	2,195.79	244.28	2,440.07
	63,171.64	34,836.30	98,007.94
Other Cost			
General Consultancy Charges	46,466.99	12,712.92	59,179.91
Prime Consultancy Charges	3,742.45	505.62	4,248.07
Other Consultancy Charges	384.31	61.67	445.98
	50,593.74	13,280.21	63,873.95
Metro Headquarters	20.51	1,517.50	1,538.01
Expenses pending Capitalization (Note 11A)	(8,631.52)	22,184.49	13,552.97
Grand Total	4,22,756.01	2,31,140.42	6,53,896.43

Expenditure pending capitalization includes Foreign Exchange Loss of ₹ 7,236.19 Lakhs (Previous Year Foreign Exchange gain ₹ 30,120.90 Lakhs) as per Accounting Standard AS - 11 for the financial year 2013-14.

CWIP includes borrowing cost of ₹ 5,202.16 Lakhs (Previous Year ₹ 2,839.03 Lakhs) as per Accounting Standard AS - 16 for the financial year 2013-14.



Chennai Metro Rail Limited
Break-up of Expenses Pending Capitalisation

(₹ in Lakhs)

Note 11A	Upto 31-03-2013	For the year ended 31-03-2014	Upto 31-03-2014
Advertisement	515.18	124.91	640.09
Books & Periodicals	9.80	2.42	12.22
Conference & Seminar/Sponsorship Expenses	121.69	40.69	162.39
Depreciation (Till 2009-10)	11.46	-	11.46
Legal, Professional & Consultancy Charges	399.49	159.12	558.61
Community Interaction Programme & Meeting Expenses	17.86	1.05	18.91
Miscellaneous Expenses	16.61	3.09	19.69
Insurance	16.27	345.23	361.50
Motor Car Expenses	62.50	21.78	84.27
Outsourcing Expenses	322.46	186.82	509.28
Postage & Courier Expenses	5.47	2.20	7.68
Printing & Stationery	83.36	27.88	111.24
Rates & Taxes	150.88	0.29	151.17
Rent & Electricity Charges	1,675.77	2,918.86	4,594.63
Repairs & Maintenance	52.10	28.23	80.32
Salary, PF and Pension Contribution	2,909.73	1,773.08	4,682.81
Staff Welfare Expenses	54.43	59.47	113.91
Statutory Audit fees - Towards Audit fee	4.80	4.00	8.80
- Towards Service Tax	0.55	0.59	1.14
Telephone Charges	71.86	87.83	159.69
Travelling Expenses, Conveyance & Vehicle Hire Charges	828.26	439.49	1,267.75
Loss / (Gain) on Exchange Fluctuation	(19,939.24)	7,245.13	(12,694.12)
Finance Charges	4,762.26	5,205.72	9,967.98
Interior Decoration - Office	133.42	-	133.42
Project Certification Charges		497.44	497.44
Amortization - Leasehold Property		3,629.80	3,629.80
TOTAL	(7,713.03)	22,805.10	15,092.06
Less: Other Income		-	
Interest on Mobilization Advance	749.21	607.40	1,356.61
Interest received	13.43	-	13.43
Sale of Tender Documents	150.99	12.86	163.85
Miscellaneous Income	4.85	0.35	5.21
Total	918.49	620.61	1,539.10
Net Expenses pending Capitalization	(8,631.52)	22,184.00	13,552.97

Chennai Metro Rail Limited

Notes to the Financial Statements for the year ended 31st March 2014

(₹ in Lakhs)

Note 12 - Long Term Loans & Advances	31-03-2014	31-03-2013
Unsecured, Considered good		
a) Capital Advances		
Land Advance	43,873.63	71,512.54
Advances to Contractors		
i) Mobilization and other Advances	34,827.05	40,299.48
ii) Material Advances		218.61
Other Advances	2,579.09	4,263.02
	81,279.77	1,16,293.65
<p>a) Advances paid on account of Land will be capitalized and transferred to the Land Account on completion of appropriate documentation evidencing transfer of title and alienation of the same in the name of the Company.</p> <p>b) Mobilization and other advances to contractors are covered by the Bank Guarantees and hypothecation of Plant & Machineries.</p>		

Note 13 - Cash & Bank Balances	31-03-2014	31-03-2013
a) Cash and Cash Equivalents		
Cash on Hand	0.32	0.27
Balances with Bank		
In Current Accounts	30,203.38	39,582.12
In Deposit Accounts (with Maturities less than 3 months)	22,650.00	95,000.01
In Deposit Accounts (with Maturities more than 3 months but less than 12 months)	1,34,000.00	35,000.00
	1,86,853.70	1,69,582.40
b) Other Bank Balances		
Earmarked Short Term Deposits (with Maturities less than 3 months)	500.00	1,000.00
Earmarked Short Term Deposits (with Maturities more than 3 months but less than 12 months)	1,000.00	500.00
	1,88,353.70	1,71,082.40
Other Bank balances includes short term deposits of ₹ 1,500.00 Lakhs 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 31st March 2014

(₹ in Lakhs)

Note 14 - Short Term Loans & Advances	31-03-2014	31-03-2013
Unsecured, Considered good		
a) Advance Tax & TDS	9,479.56	8,201.42
b) Other Advances & Receivables	29,529.29	27.30
	39,008.85	8,228.72

Note 15 - Other Current Assets	31-03-2014	31-03-2013
a) Deposit		
Rental Advance	65.70	137.75
Refundable deposit	41.27	0.24
b) Interest Accrued On Deposits	3,004.81	1,887.87
c) Prepaid Expenses	746.97	50.22
d) VAT Recoverable from GOTN	8,749.27	5,542.11
e) Pass Through Assistance against JICA Loan	31,873.78	61,646.73
f) Interim Arrear Payments receivables	-	0.25
	44,481.82	69,265.17

An amount of ₹ 8,749.27 Lakhs (Previous Year ₹ 5,542.11 Lakhs) incurred on account of VAT payments 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.

Chennai Metro Rail Limited

Notes to the Financial Statements for the year ended 31st March 2014

(₹ in Lakhs)

Note 16 - Other Income	31-03-2014	31-03-2013
Interest on Bank Deposits	12,416.25	13,095.92
Interest on Income Tax Refund	299.31	-
Recruitment & Training Fees - O & M	6.16	86.42
Other Income	13.00	-
	12,734.73	13,182.35
Note 17 - Employee Benefits	31-03-2014	31-03-2013
Salaries & Wages	261.78	
Contribution to Provident & Other Funds	32.02	
Staff Welfare Expenses	35.05	
	328.85	
Note 18 - Other Expenses	31-03-2014	31-03-2013
O & M Expenses		
Test Run Expenses	18.83	-
Legal Fees	1.69	-
Insurance Charges	9.56	-
Recruitment & Training Expenses	126.10	151.56
Postage	0.69	-
Printing & Stationery	0.56	-
Rent	2.95	-
Electricity Charges	0.02	-
Repairs & Maintenance	1.41	-
Total O & M Expenses	161.80	151.56
Property Development Expenditure		
Licence Fees	5.06	-
Interest on Income tax	1.74	-
Fixed Assets Written Off	1.69	-
	170.29	151.56
Note 19 - Prior Period Expenses	31-03-2014	31-03-2013
Expenses		
Depreciation	20.53	
Less : Income	(1.40)	
Other Income	19.13	

- During the year, the Company has recognized the depreciation on fixed assets costing less than ₹ 5,000 on an individual asset basis which has resulted in a depreciation charge relating to prior period amounting to ₹ 16.51 Lakhs.
- During the year, the Company has recognized the amortization expenses on computer software over maximum period of 5 years or the licence period which has resulted in prior period charge amounting to ₹ 4.02 Lakhs.
- During the year, the Company has accounted the forfeiture of Earnest Money Deposit of ₹ 1.40 Lakhs to the FY 2011-12.



20. Contingent Liabilities:

Claims against the Company not acknowledged as debts:

S.No.	Particulars	FY 2013-14	FY 2012-13
1.	Legal Cases	185 cases (including 110 cases towards land acquisition)	80 cases
2.	Enhanced Compensation for the land	₹ 22,245 Lakhs	Not Ascertained
3.	Demand from ESIC department	₹ 11.77 Lakhs	Nil

- On account of implementation of Relief and Rehabilitation activities, all liabilities towards applicants with supporting documents were settled and it cannot be ascertained, if any, further liabilities may be incurred in this regard.
- Adjudication proceedings to claim costs amounting to ₹ 7,795.18 Lakhs (Previous year - Nil) incurred for Depot Construction works have not been acknowledged by the Company as debts.
- Demands raised by the Income Tax Authorities under Income Tax Act, 1961 in respect of short deduction/payment of tax deducted at source under Chapter XVII including interest thereon as follows :

List of defaults from Form 26AS		
Sl. No.	Financial Year	Total Default ₹ in Lakhs
1	2008-09	59.62
2	2009-10	90.64
3	2010-11	32.59
4	2011-12	48.21
5	2012-13	14.04
6	2013-14	1,204.02
	Total Demand	1,449.14

Letters of Guarantees

As at the Balance Sheet date, the Company has provided Bank Guarantees amounting to ₹ 2.30 Lakhs (Previous Year ₹ 2.30 Lakhs).

Letters of Credit

As at the Balance Sheet date, the Company has commitments towards Letters of Credit amounting to ₹ 452.02 Lakhs on account of procurement of Depot Machineries (Previous Year ₹ 1234.60 Lakhs).

21. Capital & Other Commitments

- a) 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 and variations) ₹ 6,73,415.35 Lakhs (Previous Year ₹ 7,77,646.89 Lakhs).
- b) Based on Enter upon Permission for State Government Lands, an area of 1,99,485 sq.mt. (As per Land Delivery Receipt) has been handed over to the company for which an estimate amount of ₹ 1,28,871.08 Lakhs shall be accounted as Subordinate Debt to the Government of Tamil Nadu upon alienation.
- c) Land Advances amounting to ₹ 42,732.31 Lakhs have already been paid towards land acquisition from Government Departments. Further estimated commitments towards lands acquired from Government Departments/Bodies amount to ₹ 42,804.08 Lakhs.
- d) Estimated amount of ₹ 47,442.89 Lakhs paid towards enter upon permission for Railway lands of Southern Railway has been capitalized pending finalization of lease deeds and an amount of ₹ 287.91 Lakhs paid towards additional compensation is accounted as an advance pending finalization of area acquired. At present, there is no further demand subsisting but if there is a change in the area required, demand may arise in future.
- e) In respect of the contracts terminated, the balance work have been awarded or proposed to be 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. The net amount, if any, will be accounted for on final determination of arbitration proceedings.

22. Contingent Assets

Contingent assets which are significant and material are Nil (Previous year- Nil).

23. Disclosure in respect of AS -19 "Leases"

The Company has taken office premises on lease and these lease agreements are usually renewable/cancellable on mutually agreed terms. During the year, the Company has paid a lease rent amounting to ₹ 362.34 Lakhs (Previous Year ₹ 365.81 Lakhs) which is included under the head Expenses pending Capitalization.

24. The Company has prepared Cash Flow Statement as required under Accounting Standard 3.



25. There is no Segment Activities for the Company. Hence segment reporting is not applicable
26. 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 and details of the related parties are disclosed below:

Sl. No.	Name of the Related Party	Nature of Relationship	Tenure
1	Dr Sudhir Krishna	Chairman / Nominee Director of GOI	From 10-08-2011 to 30-06-2014
2	Thiru B S Sudhir Chandra	Director / Nominee Director of GOI	From 27-09-2012 to 05-05-2014
3	Thiru Pradeep Kumar	Director / Nominee Director of GOI	From 08-10-2012 to 06-02-2014
4	Thiru C V Sankar	Director / Nominee Director of GOTN	From 24-10-2013 to 22-11-2013
5	Thiru C K Khaitan	Director / Nominee Director of GOI	From 19-02-2013 to 23-12-2013
6	Thiru Sharat Sharma	Director / Nominee Director of GOI	From 15-04-2013
7	Thiru M K Sinha	Director / Nominee Director of GOI	From 23-12-2013
8	Thiru K K Agarwal	Director / Nominee Director of GOI	From 06-02-2014
9	Thiru K Rajaraman	Managing Director / Nominee Director of GOTN	From 04-08-2010 to 24-12-2013
10	Thiru Pankaj Kumar Bansal	Managing Director / Nominee Director of GOTN	From 24-12-2013
11	Thiru K Shanmugam	Director /Nominee Director of GOTN	From 18-05-2010
12	Thiru S Krishnan	Director / Nominee Director of GOTN	From 18-01-2011
13	Thiru Shiv Das Meena	Director /Nominee Director of GOTN	From 20-07-2011 to 28-06-2013
14	Thiru N S Palaniappan	Director / Nominee Director of GOTN	From 19-12-2012 to 24-10-2013
15	Thiru Rajeev Ranjan	Director / Nominee Director of GOTN	From 28-06-2013
16	Thiru Braj Kishore Prasad	Director /Nominee Director of GOTN	From 22-11-2013 to 30-05-2014
17	Thiru L Narasim Prasad	Whole-time Director	From 01-02-2013 to date
18	Thiru R Ramanathan	Whole-time Director	From 25-02-2013 to date
19	Tmt Vijaya Kanth	Whole-time Director	From 19-07-2013 to date

27. Remuneration to Key Managerial Personnel

1. Current year: ₹ 58.72 Lakhs (Previous year ₹ 6.13 Lakhs).

The details of Managerial remuneration (representing cost to company) to the directors of the company is given below:

a) Shri Pankaj Kumar Bansal	₹ 3.77 Lakhs
b) Smt. Vijaya Kanth, Director	₹ 14.51 Lakhs
c) Shri R.Ramanathan, Director	₹ 21.72 Lakhs
d) Shri L. Narasim Prasad, Director	₹ 18.71 Lakhs

The Managing Director of the Company till 24-12-2013 Mr K.Rajaraman, who is also the Key managerial personnel also held the position of the Secretary, Planning, Development and Special Initiative Department of Government of Tamil Nadu and no remuneration, was paid to him by the Company.

28. Disclosure as per AS-15 (Revised) - Employee benefits

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 case of gratuity, for eligible employees they are paid / provided by the respective organizations from where they have been deputed.

Gratuity: The Company has a defined contribution plan and taken an annually renewable master policy of group gratuity cum life insurance scheme with Life Insurance Corporation of India. A trust has been formed for this purpose. The Company does not have any actuarial and investment risk.

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. The accounts include a provision for an amount of ₹ 114.29 Lakhs towards Leave Salary payable on the basis of actuarial valuation to company's employees and ₹ 11.34 Lakhs payable to deputationists. Assumptions of actuarial valuation are as follows :



Privilege Leave Benefits

Financial assumptions

Discount rate	- 9.00%
Salary escalation rate	- 7.00%
Retirement Age	- 60 years
Withdrawal rate	- 5% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality rate	- Indian Assured Lives Mortality (2006-08)

Amount to be recognized	Amount (₹ in Lakhs)
Present value of funded obligations	Nil
Fair value of plan assets	Nil
Present value of unfunded obligations	114.29
Unrecognized past service cost	Nil
Net liability	114.29

Table of Fair Value of Plan Assets	Amount (₹ in Lakhs)
Opening fair value of plan assets	Nil
Expected return	Nil
Actuarial gains and (losses)	Nil
Contribution by employer	Nil
Benefits paid	Nil
Closing balance of fund	Nil

Table showing Category of Plan Assets	Amount (₹ in Lakhs)
Government of India Securities	Nil
High quality corporate bonds	Nil
Equity shares of listed companies	Nil
Property	Nil
Funds managed by Insurer	Nil
Bank Balance	Nil

Principal Actuarial Assumptions	Amount (₹ in Lakhs)
Discount rate as on 31-03-2014	9.00%
Expected return on plan assets at 31-03-2014	Nil
Equity shares of listed companies	Nil
Property	Nil
Funds managed by Insurer	Nil
Bank Balance	Nil

Table showing surplus / (deficit)	Amount (₹ in Lakhs)
Defined Benefit Obligation	114.29
Plan Assets	Nil
Surplus / (Deficit)	114.29

Table showing bifurcation of Present Benefit Obligation at the end of year as per revised Schedule VI to the Companies Act	Amount (₹ in Lakhs)
Current liability (Amount due within one year)	9.32
Non-current liability (Amount due over one year)	104.97

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 ₹ 22.86 Lakhs is created as towards Pension contribution payable to deputation employees.

In respect of deputation employees, contribution towards provident fund, pension and leave salary contribution are made as per the directions provided by respective deputations

29. The Company recognizes impairment of assets when the same is in permanent in nature and the asset is incapable of being rectified/repared for use. During the year, the Company has not impaired any assets.



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

31. Miscellaneous

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

(₹ in Lakhs)

Details	31-03-2014	31-03-2013
a) Foreign Travel		
- Directors	0.57	1.66
- Others	21.84	48.89
b) Professional fees to General Consultants	3,964.99	3,029.64
c) Interest payments	Nil	Nil
d) Contract payments	44,427.19	38,630.46
e) Others	1.26	32.47

- c) 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.

As per our report of even date attached
R.Venkatakrishnan & Associates
Chartered Accountants

S. Padma
Partner
M.No: 206833
FRN: 008572S

Place : Chennai
Date : 05-09-2014

For and on behalf of the Board of Directors

Pankaj Kumar Bansal, IAS
Managing Director

Vijaya Kanth
Director - Finance

P. Andal
Company Secretary

Place : Chennai
Date : 05-09-2014

R. Venkatakrishnan & Associates
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the Members of Chennai Metro Rail Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **Chennai Metro Rail Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes to financial statements. However, our opinion is not qualified in respect of these matters.



R. Venkatakrishnan & Associates
Chartered Accountants



- a) Note No.9 (b), Amount retained towards potential liquidated damages amounting to Rs.2,192.65 Lakhs (Previous Year - Rs. Nil) and potential penalties amounting to Rs.1,383.89 Lakhs (Previous year - Rs.438.06 Lakhs) are included under other payables pending the determination of the actual liquidated damages at the time of settlement of final bill or award of arbitration proceedings with the judicial authorities.
- b) Note No.10,
 - a) Estimated amount of ₹ 47,442.89 Lakhs have been paid towards enter upon permission for Railway Lands have been capitalised pending finalisation of lease deeds and the expenditure relating to the lease period consumed until 31 st March 2014 has been amortised.
 - b) As referred in Note No.5 (d), The Government of Tamil Nadu has accorded “Enter Upon Permission” to land of estimated value of ₹ 1,28,871 Lakhs. The title to the land will be transferred to the Company on alienation. Consequently the capitalisation of the land and recognition of the subordinate debt in respect of the same will be recognised at the time of alienation.
 - c) i) Government of Tamil Nadu / Other autonomous bodies have accorded “Enter Upon Permission” to the Company for undertaking construction work in State Government land. An advance amount of ₹ 40,649.05 Lakhs has been paid in respect of the same and the balance estimated value amounts to ₹ 33,539 Lakhs. The lands will be capitalised upon alienation.
 ii) Central Government Lands /other autonomous Bodies have accorded “Enter Upon Permission” to the Company for undertaking construction work. An advance amount of , ₹ 2083.27 Lakhs has been paid in respect of the same and the balance estimated value amounts to ₹ 9266.11 Lakhs, the title of which shall be transferred to the Company on alienation of land. The land will be capitalised on alienation.
 - d) VAT amount included in the cost of fixed assets amounts to ₹ 19.02 Lakhs. Consequent to the claim raised for reimbursement with the GOTN, the VAT amount received if any by way of grant shall be adjusted from the cost of the fixed assets and adjustments made for corresponding depreciation / amortisation charge.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
 - e) According to the information and explanations given to us, the company is a Government Company; therefore, provisions of Section 274 (1)(g) of the Companies Act 1956 are not applicable pursuant to the Gazette Notification No. GSR 829 (E) dated 21-10-2003 issued by the Government of India.

Place : Chennai
Date : 05-09-2014

S. Padma
Partner
(Membership No. 206833)
Firm Registration No. : 008572S

R. Venkatakrishnan & Associates
Chartered Accountants



The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Chennai Metro Rail Limited, on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars, including quantitative details and the situation of fixed assets on the basis of available information.
(b) As explained to us, all the fixed assets have been physically verified by the management, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
(c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
2. The Company does not have inventories; hence Clause (ii) of Paragraph 4 of Companies (Auditors' Report) Order, 2003 relating to Inventory is not applicable to the Company.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. On the basis of information made available to us there are no transactions which need to be entered in the register maintained under section 301 of Companies Act, during the year.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business. **The internal audit needs to be made more effective by periodical reviews including but not limited to action being initiated on time.**
8. As per the rules made by the Central Government with regard to maintenance of Cost records under sec.209(1)d of the Companies Act, the company is not required to maintain the Cost records.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities,
(b) According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable with exception of the following:



R. Venkatakrishnan & Associates
Chartered Accountants



- i) Employee State Insurance, where the liability is yet to be quantified and remitted for the period April 2013 to August 2013.
- ii) Amounts raised by the Income Tax Authorities under Income Tax Act, 1961 in respect of short deductions/payments of tax deducted at source under Chapter-XVII including interest thereon.

Sl. No.	Financial Year	Short Payment (₹ in Lakhs)	Short Deduction (₹ in Lakhs)	Interest on TDS Payments Default (₹ in Lakhs)	Total Default (₹ in Lakhs)
1.	2008-09	1.41	45.87	12.34	59.62
2.	2009-10	1.26	78.27	11.12	90.65
3.	2010-11	0.00	26.34	6.26	32.60
4.	2011-12	0.01	27.01	21.19	48.21
5.	2012-13	0.00	10.79	3.25	14.04
6.	2013-14	0.07	1104.94	99.01	1204.02
Total		2.76	1293.21	153.17	1449.14

- (c) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

However there is a dispute in relation to ESI and the same is tabulated below.

Name of the Statute	Nature of dues	Amount demanded by Statute (₹ in Lakhs)	Amount paid (₹ in Lakhs)	Period to Which the amount related	Forum where dispute is pending
Employee State Insurance	ESI Contribution	8.33	2.08	FY 2011-12	ESI Corporation
Employee State Insurance	ESI Contribution	3.43	0.85	FY 2012-13	ESI Corporation

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year. Company is still in project implementation stage and has not commenced operations till date.
11. The Company has not accepted any deposits/loans from banks or any other financial institutions or debenture holders. Hence clause (xi) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

R. Venkatakrishnan & Associates
Chartered Accountants



12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence clause (xii) of the paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
13. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. The Company is not dealing in shares, securities, debentures and other investments. Hence clause (xiv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. The Company has obtained term loans in the form of development assistance from an External Development Organization and the Governments of India and Government of Tamil Nadu. In our opinion and according to the information and explanation given to us, the term loans have been applied by the Company during the year for the purpose for which it was obtained.
17. Based on the information and explanations given to us and on our overall examination of the Balance Sheet of the Company as at 31 st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year. Hence clause (xix) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place : Chennai
Date : 05-09-2014

S.Padma
Partner
Membership No. 206833
Firm Registration No. 008572S



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

सं/No. PDCA/CA III CORD/CMRL/A/cs 13-14/2014-15/203

दिनांक/ *Dated* : 29-09-2014

सेवा में / To

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

Sir,

Sub :- Audit of accounts of Chennai Metro Rail Limited under Section 619(4) of the Companies Act, 1956, for the year ended 31 March 2014.

I forward herewith the Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Chennai Metro Rail Limited for the year ended 31 March 2014.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

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

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 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
CHENNAI METRO RAIL LIMITED FOR THE YEAR ENDED 31 MARCH 2014**

The preparation of financial statements of Chennai Metro Rail Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the standards on auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 5 September 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Chennai Metro Rail Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

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

(G. SUDHARMINI)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

Place : Chennai
Date : 29-09-2014



Chennai Metro Rail Limited

Registered Office: Chennai Metro Rail Depot, Admin Building,
Poonamallee High Road, Koyambedu, Chennai 107

Attendance Slip & Proxy Form

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signature registered with the company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary.

Name & Address of the Shareholder

L F No.

I hereby record my presence at the 7th Annual General Meeting of the Company at the registered office of Chennai Metro Rail Limited, CMRL Depot, Admin. Building, Poonamallee High Road, Koyambedu, Chennai - 600107.

Signature of the Shareholder or Proxy

Proxy Form

I/We _____

of _____ being a member/members of Chennai Metro Rail Ltd.

hereby appoint _____ of _____

or failing him _____ of _____

_____ as my / our proxy to vote for me / us
and on my /our behalf at the 7th Annual General Meeting of the Company to be held on
30th September 2014, at 11.00 hrs (IST) and at any adjournment thereof.

As witness my / our hand(s) this _____ day of _____ 2014.

Affix a
One Rupee
Revenue Stamp

Signature of the Shareholder(s)

N.B: The proxy must be returned so as to reach the company not less than 48 hours before the time of holding the aforesaid meeting.



CHENNAI METRO RAIL PROJECT PHASE I




CORRIDOR I

- UNDER GROUND
- ELEVATED
- UNDER STUDY

CORRIDOR II

- ELEVATED
- UNDER GROUND

CORRIDOR I

-  UNDER GROUND
 ELEVATED
 UNDER STUDY

CORRIDOR II

- 
- ELEVATED
UNDER GROUND**



Tunnel entrance view - Shenoy Nagar



D-Wall break through at Kilpauk



MD and Officials of CMRL during the first trial run conducted over elevated stretch



View of the train during trial run over viaduct



Aerial view of Koyambedu Depot



Honourable Chief Minister inspecting the Metro Train and discussing with the MD and Officials of CMRL



Honourable Chief Minister, Honourable Minister of Industries, Chief Secretary photo session with Senior Officials of CMRL



Honourable Chief Minister of Tamil Nadu Selvi J Jayalalithaa felicitating the MD for the support extended by CMRL during the rescue operation in Moulivakkam building mishap



चेन्नै मेट्रो रेल लिमिटेड

चेन्नै मेट्रो रेल डिपो, प्रशासन भवन, पूनमल्ली हाई रोड, कोयंबेडु, चेन्नै-600107,
फोन : 044-23792000 फैक्स : 044-23792200
ई-मेल : chennaietrorail@gmail.com वेबसाइट : www.chennaietrorail.gov.in