



## 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 Madhusudan Prasad	Chairman (From 02-02-2015)
Shri Pankaj Kumar Bansal	Managing Director
Shri K K Aggarwal	Director
Shri Sharat Sharma	Director
Shri Mukund Kumar Sinha	Director
Shri K Shanmugam	Director
Shri S Krishnan	Director
Shri Vikram Kapur	Director (From 27-01-2015)
Shri Rajeev Ranjan	Director

### Functional Directors

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

### Immediate Past Directors

Shri Shankar Aggarwal	Chairman (Till 31-01-2015)
Dr. Sudhir Krishna	Director (Till 30-06-2014)
Dr. T. Prabhakara Rao	Director (Till 27-01-2015)
Shri B S Sudhir Chandra	Director (Till 05-05-2014)
Shri Mahesh Kumar	Director (Till 08-04-2015)

### Company Secretary

Shri K Prabhakaran	(Till 30-08-2014)
Smt. Andal P.	

### 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, Koyambedu 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 **Eighth Annual General Meeting** of Chennai Metro Rail Limited will be held on **Tuesday, 22<sup>nd</sup> September 2015** at **11.30 hours** (IST) at the Registered Office of the Company at CMRL Depot, Admin. Building, Poonamallee High Road, Koyambedu, Chennai - 600 107 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2015, Statement of Income and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015 together with the Comments of the Comptroller and Auditor General of India under Section 143 (6) of the Companies Act, 2013 and the Reports of the Directors and the Auditors thereon.
2. To fix remuneration of Auditors for the Financial Year 2015-16 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 2015-16".

### Special Business

1. To consider and if thought fit to pass the following resolution as Special Resolution with or without modifications :

#### Increase in the Number of Directors

"RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 the existing Article 118 of the Articles of Association of the Company be replaced by the following Article 118:

- 118. Until otherwise determined by a General Body Meeting of the Company and subject to the provisions of Section 149 of the Companies Act, 2013, the number of Directors shall not be less than 3 (Three) nor more than 16 (Sixteen).**

By Order of the Board of Directors

Place : Chennai  
Date : 27-08-2015

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 : 27-08-2015

**P. Andal**  
**Company Secretary**



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

The Board intends to increase the number of Directors from 14 to 16, to facilitate the appointment of Independent Directors. Presently, as per the Articles of Association of the Company, the number of Directors shall not be more than 14 in accordance with the provisions of the Companies Act. The Central Government has prescribed in the Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, that every public company having a paid-up share capital of ten crore shall have at least two Directors as Independent Directors. As per these provisions, it is mandatory for CMRL to have at least two Independent Directors in the Board. The Board of CMRL as of now consists of 13 Directors out of which five Directors are Nominees of Govt. of Tamil Nadu, five Directors are nominees of Govt. of India and the three are Whole-time Functional Directors. As per the notification of MCA dated 05-06-2015, the maximum of 15 Directors in a public limited company is not applicable to Government Companies.

The Board of Directors commend the resolution to the Shareholders for their approval.

**None of the Directors of the Company are interested in the passing of these resolutions except to the extent of their shareholdings in the Company as Members of the Company.**

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

Place : Chennai  
Date : 27-08-2015

**P. Andal  
Company Secretary**



## CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to present the performance of Chennai Metro Rail Limited for the FY 2014-15 with the 8<sup>th</sup> Annual Report of your Company together with the Directors' Report, Auditors Report and thereon.

There have been significant achievements during the year under review of the Chennai Metro Rail Project both in the elevated viaduct and underground construction. Out of the 45 Km. of the Chennai Metro Rail Project – Phase I, all works have been completed for the 10 Km. of the elevated corridor from Koyambedu to Alandur covering 7 elevated stations. With great pleasure, I state the Hon'ble Chief Minister of Tamil Nadu, Selvi J Jayalalithaa flagged off the metro service between Koyambedu and Alandur and these Elevated Stations were declared open to the Public on 29<sup>th</sup> June, 2015. On the same day, the Operational Control Centre at Koyambedu and Coach Maintenance Depot at Koyambedu were also declared open by the Hon'ble Chief Minister of Tamil Nadu.

The Hon'ble Minister of Urban Development inspected and reviewed the progress of the Metro Rail Works on 5<sup>th</sup> September, 2014 with the senior management team of CMRL.

I would also like to highlight that the tunnelling work is substantially completed and all the underground station building works are progressing in a quick pace.

It is my sincere duty to place on record the co-operation and guidance extended to Chennai Metro Rail Project by the Government of Tamil Nadu, Government of India and by the Japan International Co-operative Agency (JICA) and for their confidence in us for the development of the project.

All the achievements have been primarily possible with appreciable and continuous efforts and support of the employees of the Company. I appreciate each and every employee of CMRL for their trust and 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 public.



Finally, on behalf of the Board, I would like to thank all employees of CMRL for their tremendous efforts, in delivering results. It is their commitment and focus that enables our substantial progress.

I would like to place on record my sincere thanks to the Board of Directors for their copious guidance and valuable support in taking CMRL to greater heights of triumphs.

I look forward your firm support while continuing the development thrust.

**Madhusudan Prasad, IAS**  
**Chairman**



## REPORT OF THE DIRECTORS

The Board of Directors is pleased to present the Company's 8<sup>th</sup> Annual Report along with the Audited Statement of Accounts for the financial year ended March 31, 2015, and comments of the Comptroller and Auditor General of India, under Section 143(6) of the Companies Act, 2013.

### PROGRESS OF PROJECT WORKS

#### Elevated Corridor Work

- A. All necessary approvals have been obtained for the stretch from Koyambedu to Alandur (10 Km.) and operations have been commissioned on 29<sup>th</sup> June, 2015.
- B. For the remaining elevated section from Little Mount to Airport and Alandur to St. Thomas Mount (10.5 Km.), it is in the advanced stage of completion.

#### Underground Work

Tunnelling work substantially completed except -

- a) TBM approaching Chennai Central from High Court, Egmore and May Day Park.
- b) LIC to AG-DMS.

All the underground station building works are progressing briskly.

#### Track works in progress

- Track works in the Little Mount - OTA and Alandur - St. Thomas Mount Stretch have almost been completed. Track works between OTA & Airport will be started shortly.
- Track works in the Underground Stretch have also commenced from Thirumangalam end.

#### Rolling Stock

Out of total 42 trains, 25 have been received at Koyambedu Depot. All necessary tests on five trains for Revenue Operation is completed. The static and dynamic testing on the other trains is in progress.





### **Escalators / Lifts at Station**

Escalators and Lifts have been installed between Koyambedu and Alandur section. Around 200 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 110/33/25KV Receiving Sub-station at Koyambedu and other Sub-stations**

Koyambedu Receiving Sub-station was energized on 26-07-2013. 33 KV/415 V Sub-stations at all 7 elevated stations and Depot between Koyambedu to Alandur have been commissioned. Stage 1A and 2A works are in progress in line with Civil Works.

### **Signalling, Telecom and Automatic Fare Collection (AFC) Works**

All necessary signalling, telecommunication and AFC works are completed and commissioned for section between Koyambedu and Alandur. Stage 1A and 2A works are progressing without any hitch. The installation works are in progress for other remaining elevated section. OCC at Depot also commissioned.

### **Meeting with the Hon'ble Union Minister of Urban Development**

The Hon'ble Minister of Urban Development inspected the Chennai Metro Rail Works and reviewed the progress of the Metro Rail Works on 5<sup>th</sup> September, 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 in periodic intervals and 13 meetings have been held so far. HPC has given decisions expeditiously resulting in smooth and speedy implementation of Chennai Metro Rail Project.

### **Financial Progress**

The total expenditure as on 31<sup>st</sup> March 2015 was ₹ 10,458.35 Crore and during the current year 2015-16, the expenditure is estimated at ₹ 3,508.92 Crore.

**Status of funding for the Project:**

(Rupees in Crore)

Details	Means of Finance for the Project			Received as of 31-3-2015		
	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	71.82	98.56
Subordinate Debt (Interest-free)	730.00	844.00	1,574.00	287.45	1,442.22	1,729.67
Senior Term Debt (Pass Through Assistance against JICA Loan)	8,646.00	-	8,646.00	5,304.59	-	5,304.59
<b>Grand Total</b>	<b>11,566.00</b>	<b>3,034.00</b>	<b>14,600.00</b>	<b>7,542.57</b>	<b>3,704.04</b>	<b>11,246.61</b>

**FIXED DEPOSITS**

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

**AUDIT COMMITTEE**

The Audit Committee presently comprises of the following Directors:

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

**BOARD OF DIRECTORS**

During the Financial Year 2014-15, the Board of Directors had 4 Board Meetings and 13 Board Sub-Committee Meetings.



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

- Shri Madhusudan Prasad, IAS, Secretary, Ministry of Urban Development, was appointed w.e.f. 02-02-2015, as Director/Chairman, on ex-officio basis in place of Shri Shankar Aggarwal, IAS.
- Dr. Sudhir Krishna superannuated on 30-06-2014 and Shri Shankar Aggarwal, IAS was appointed as the Director/Chairman w.e.f. 14-07-2014.
- Shri Vikram Kapur, IAS, Principal Secretary/Commissioner, Corporation of Chennai, was appointed as Director in place of Dr. T. Prabhakara Rao, IAS w.e.f. 27-01-2015.
- Shri Mahesh Kumar, Director (Projects), Kochi Metro Rail Limited, was appointed as Director, w.e.f. 05-05-2014 vice Shri B S Sudhir Chandra.
- Dr. T. Prabhakara Rao, IAS, Principal Secretary of Transport Department was appointed as Director, in place of Shri Braj Kishore Prasad, IAS, on 30-05-2014.

The Board of Directors also place on record their appreciation for the contribution of Dr. Sudhir Krishna, Shri Shankar Aggarwal, IAS, Dr. T. Prabhakara Rao, IAS, Shri B S Sudhir Chandra, and Shri Braj Kishore Prasad, IAS, during their tenure.

**MEETINGS OF THE BOARD AND ITS COMMITTEES**

During the Financial Year 2014-15, the Board of Directors had 4 Board Meetings and 13 Board Sub-Committee Meetings. The details of these meetings are as follows:

Description	No. of Meetings	Dates of Meetings
Board	4	05-05-2014; 05-09-2014; 31-12-2014; 20-03-2015
Audit Committee	3	17-04-2014; 13-08-2014; 19-12-2014
HR/Remuneration Committee	1	21-05-2014
O&M Committee	2	20-05-2014; 19-09-2014
Project Management Review Committee	5	17-04-2014; 20-05-2014; 19-09-2014; 19-03-2015; 24-03-2015
Property Development Committee	2	04-04-2014; 21-05-2014



## STATUTORY AUDITORS

The Comptroller and Auditor General of India, New Delhi, appointed M/s R. Venkatakrisnan & Associates, Chartered Accountants, Chennai, as Statutory Auditors of the Company for the Financial Year 2014-15 and the same has been noted by the Board of Directors and Audit Committee on 31-12-2014 and 19-12-2014 respectively.

## SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms.S.Lalitha, Practising Company Secretary has been appointed as the Secretarial Auditor of the Company for the FY 2014-15.

## STATUTORY DISCLOSURES

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

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

## FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ in Crore)

- |    |                               |   |        |                       |
|----|-------------------------------|---|--------|-----------------------|
| 1. | Total Foreign Exchange Earned | - | Nil    | (Prev. Year - 0.00)   |
| 2. | Total Foreign Exchange used   | - | 705.85 | (Prev. Year - 484.16) |

## 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 134 (5) of the Companies Act, 2013:



- 1) In the preparation of accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 2) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 3) The Directors have prepared the annual accounts on a going concern basis.
- 4) The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and the systems were adequate and operating effectively.

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014, the extract of the annual return as on 31-03-2015 in Form MGT-9 is placed in ANNEXURE.

#### **AUDITORS' REPORT**

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

#### **SECRETARIAL AUDIT REPORT:**

The observations of the Secretarial Auditor in their report is placed in ANNEXURE.

#### **Comments of the Board:**

1. During the period under review, the Company sought exemption from the requirement of appointing Independent Directors. Ministry of Corporate Affairs vide notification dt. 5-6-2015 has substituted the words "Ministry or Department of the Central Government which is administratively in-charge of the Company, or, as the case may be, the State Government. Accordingly, Independent Directors will be appointed in the Board during the current year.



2. The share application money received is pending allotment for the equivalent amount to be received from the Government of India to maintain equal Equity contribution as per the Memorandum of Understanding.

## **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" in Annexure.

### **VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

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

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

### **RELATED PARTY TRANSACTIONS**

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

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board constituted a CSR Committee in its meeting held on 20-03-2015 pursuant to Section 135 of the Companies Act, 2013. As on date, the CSR Committee consists of the following members:

1. Managing Director, CMRL - Chairman
2. Director (Finance), CMRL - Member
3. Director (Projects), CMRL - Member
4. Director (S&O), CMRL - Member



During the period under review, the Company was in its project phase and there was no operational income to the Company for the previous years. Since, there were no operational income; no amount has been spent towards Corporate Social Responsibility activities as required under Section 135.

## **ACKNOWLEDGEMENT**

The Board of Directors whole-heartedly thank 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 : 07-07-2015

**Madhusudan Prasad**  
**Chairman**



## CORPORATE GOVERNANCE REPORT

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

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

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

### Composition of the Board

As on March 31, 2015, 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 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 are normally classified as follows :
  - a) Regular agenda items
    - i) Grant of Leave of Absence
    - ii) Confirmation of the Minutes of the previous Board Meeting
    - iii) Action taken report on the Minutes of the previous/earlier Meetings
    - iv) Progress Report of the Project
  - b) Agenda items for approval of the Board
  - c) Agenda items for information of the Board.
- iii) Duly approved Agenda notes are circulated in advance to enable Directors to take an informed decision.
- iv) Where it is not desirable to attach any document or if the agenda is of a sensitive nature, the same is placed on the table at the meeting with the approval of the Managing Director. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are taken up for discussion with permission of the Chair of the Board.
- v) The meetings are usually held either at the Company's Registered Office or at The Office of the Chairman and Secretary (UD), Ministry of Urban Development, New Delhi. During the financial year ended 31<sup>st</sup> March 2015, 4 Board Meetings and 13 Board Sub-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 / 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 / Directors to the Board Members. Members of Top Management, General Consultants and Experts are also called in to brief the Board and make presentation wherever required.

**d) Recording of minutes of proceedings at the Board Meeting**

Minutes of the proceedings of each Board Meeting are recorded. The minutes of the proceedings are entered in the Minutes Book. The minutes of each Board Meeting are submitted for confirmation at its next meeting after these are approved by the Chairman. The minutes of committees of the Board are also placed before the Board of Directors for 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 Company Secretary ensures compliance of all applicable provisions of the Companies Act, 2013 and other statutory requirements.

During the financial year 2014-15, four Board Meetings were held on 05-05-2014, 05-09-2014, 31-12-2014 and 20-03-2015.



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

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-1)	No. of Membership in the Board Committees
(1)	(2)	(3)	(4)	(5)	(6)
1.	Shri Madhusudan Prasad	1	1	-	-
2.	Dr. Sudhir Krishna	1	1	-	-
3.	Shri Shankar Aggarwal	2	2	-	-
4.	Shri B.S. Sudhir Chandra	-	-	-	1
5.	Shri Mahesh Kumar	3	3	-	1
6.	Shri Sharat Sharma	4	3	-	2
7.	Shri Mukund Kumar Sinha	4	3	-	1
8.	Shri K K Aggarwal	4	2	-	1
9.	Shri Pankaj Kumar Bansal	4	4	AGM-Present EGM-Not Present	6
10.	Shri K Shanmugam	4	2	-	1
11.	Shri S Krishnan	4	4	-	4
12.	Shri Ved Mani Tiwari	-	-	-	1
13.	Dr. T. Prabhakara Rao	2	-	-	1
14.	Shri Rajeev Ranjan	4	3	-	-
15.	Shri Vikram Kapur	1	1	-	1
16.	Shri Braj Kishore Prasad	1	-	-	1
17.	Shri L Narasim Prasad	4	4	AGM-Not Present EGM-Present	5
18.	Shri R Ramanathan	4	4	AGM-Present EGM- Present	5
19.	Smt Vijaya Kanth	4	4	AGM-Present EGM- Present	6



### 1.3 Information placed before the Board of Directors:

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

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

## 2. COMMITTEES OF BOARD OF DIRECTORS

The Board has established the following Committees :

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. O & M Committee
- iv. Project Management Review Committee
- v. Property Development Committee
- vi. Investment Committee
- vii. Corporate Social Responsibility Committee.



The Terms of Reference (TOR) of the above Committees are as follows:

**a) Audit Committee**

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

**b) Nomination & 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 propose 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.



**g) Corporate Social Responsibility Committee**

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

The Managing Director is the Chairman of all the Committees except Audit Committee and the 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, 2013. All the members of Audit Committee are qualified who have insight to interpret and understand financial statements.

**2.2 Constitution**

The Board, in its 3<sup>rd</sup> meeting held on 30<sup>th</sup> 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 28<sup>th</sup> January 2014 reconstituted the Audit Committee.

As per Section 177(2), the Audit Committee shall consist of minimum three Directors with Independent Directors forming majority. It is also specified in the third proviso to this section, that every Audit Committee of a Company existing immediately before the commencement of the act, shall within one year of such commencement, shall be reconstituted in accordance with Sub-section (2). The reconstitution of the existing Audit Committee, consistent with the provisions of Companies Act 2013, is yet to be made.

As on date of Director's 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), General Manager - Finance, Statutory Auditors and the Internal Auditors are also invited to the Audit Committee Meetings, but they have no right to vote.

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

### 2.3 Scope of Audit Committee

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

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

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

### 2.4 Meetings and attendance

3 meetings of the Audit Committee 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 Mukund Kumar Sinha	3	2
2	Shri K Shanmugam	3	3
3	Shri S Krishnan	3	3



## ANNUAL GENERAL MEETING

Date, time and location where the 7<sup>th</sup> Annual General Meeting was held, is as under:

Date and time	30 <sup>th</sup> September 2014 at 11:00 hours
Venue	Registered Office of the Company at Koyambedu, Chennai
Specified Resolution (s) passed	<ul style="list-style-type: none"><li>✓ Adopting the Balance Sheet, Profit &amp; Loss Account for the FY 2013-14</li><li>✓ Authorising the Board to fix the statutory audit remuneration</li></ul>

## COMPANY'S WEBSITE

The Company's website is [www.chennaietrorail.gov.in](http://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](http://www.facebook.com/chennaietrorail) to update public on a daily basis on progress achieved.

### Registered Office :

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



## ANNUAL REPORT ON CSR ACTIVITIES

S.No.	Particulars	Remarks					
1.	A brief Outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the website link to the CSR Policy and Projects or Programs:	During the period under review the CSR policy is not formulated					
2.	The Composition of the CSR Committee:	Chairman- Managing Director Members: Director - Finance Director - Projects Director - S&O					
3.	Average net profit of the company for the last three financial years	-					
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	NIL					
5.	Details of the CSR spent during the Financial Year: a. Total amount to be spent for the financial Year b. Amount unspent (if any) c. Manner in which amount spent during the financial year is detailed below:	NIL					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activities identified	Sector in which the project is covered	Projects or Programs	Amount Outlay (budget) program or project-wise	Amount spent on the projects or programs sub-heads:	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency*
1.							
2.	NIL						
3.							
	Total	-					
*Give details of the implementing Agency.							

CHAIRMAN OF THE CSR COMMITTEE



**FORM No. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31-03-2015

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

**I. REGISTRATION & OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

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

#### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 March 2014)				No. of Shares held at the end of the year (As on 31 March 2015)				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF									
b) Central Govt.	-	19237900	19237900	50%	-	19505345	19505345	50%	1.39%
c) State Govt.(s)	-	19237900	19237900	50%	-	19505345	19505345	50%	1.39%
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	-	<b>38475800</b>	<b>38475800</b>	<b>100%</b>	-	<b>39010690</b>	<b>39010690</b>	<b>100%</b>	<b>1.39%</b>



Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 March 2014)				No. of Shares held at the end of the year (As on 31 March 2015)				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>B. Public Shareholding</b>			NIL				NIL		
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>			NIL				NIL		
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)									
Non-Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - DR									
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	38475800	38475800	100%	-	39010690	39010690	100%	1.39%

**(B) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Govt. of India & Nominees	19237900	50%	-	19505345	50%	-	1.39%
2	Govt. of Tamil Nadu & Nominees	19237900	50%	-	19505345	50%	-	1.39%

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

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	38475800	100%	38475800	100%
Date wise Increase / Decrease in Promoters Shareholding during the year; Reasons for increase : Due to allotment	5th Sep. 2014 534890	5th Sep. 2014 1.22%	39010690	100%
At the end of the year	39010690	100%	39010690	100%

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

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



## (E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	330	0.00085%	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	330	0.00084%	-	-

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-		-	
i) Principal Amount		564972.22		564972.22
ii) Interest due but not paid		9348.54		9348.54
iii) Interest accrued but not due		598.79		598.79
<b>Total (i+ii+iii)</b>		<b>574320.76</b>		<b>574320.76</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition		267447.00		267447.00
* Reduction		-		-
<b>Net Change</b>		<b>267447.00</b>		<b>267447.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		825728.00		825728.00
ii) Interest due but not paid		15364.58		15364.58
iii) Interest accrued but not due		675.18		675.18
<b>Total (i+ii+iii)</b>	-	<b>841767.76</b>	-	<b>841767.76</b>





## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Pankaj Kumar Bansal, MD	Smt. Vijaya Kanth, Director (Finance)	Shri R.Ramanathan Director (Projects)	Shri L.Narasim Prasad Director(S&O)	
1.	Gross salary (in Lakhs)					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	14.94	23.94	24.30	25.06	88.25
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Option	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify...					
5.	Others, please specify	-	-	-	-	-
	<b>Total (A) (in Lakhs)</b>	<b>14.94</b>	<b>23.94</b>	<b>24.30</b>	<b>25.06</b>	<b>88.25</b>
	<b>Ceiling as per the Act</b>					

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

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	-----	-----	-----	
1	Independent Directors					
	Fee for attending Board Committee Meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending Board Committee Meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary (in lakhs)				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	6.77	-	6.77
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		-		
2	Stock Option		-		
3	Sweat Equity		-		
4	Commission		-		
	- as % of profit		-		
	Others specify...		-		
5	Others, please specify- EPF		0.60		0.60
	<b>Total</b>		<b>7.38</b>		<b>7.38</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**Form MR-3****Secretarial Audit Report**

(For the financial year ended 31-03-2015)

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

To  
The Members,  
M/s. Chennai Metro Rail Limited,  
Admin. Building, CMRL Depot,  
Poonamallee High Road,  
Opposite to Daniel Thomas School,  
Koyambedu, Chennai - 600 107.

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

Based on my verification of the **M/s. Chennai Metro Rail Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, "the Company" has during the audit period ended on 31-03-2015, complied with the statutory provisions listed hereunder and also that "the Company" has proper Board-processes and compliance-mechanism in place to an extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Chennai Metro Rail Limited ("the Company")** for the period ended on 31-03-2015 according to the provisions of:

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

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

i) Secretarial Standards issued by 'The Institute of Company Secretaries of India' (**Not notified, hence not applicable to the Company during the audit period**).

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



- I) The Company shall have minimum 2 Independent Directors as per the Section 149 (4) of the Companies Act, 2013 and Rule 4 of Companies (Appointment of Directors) Rules, 2014. As per the Circular No. 14/2014 issued by Ministry of Corporate Affairs dated 9<sup>th</sup> June, 2014, the Independent Directors shall be appointed within one year commencing from 1<sup>st</sup> April, 2014. Whereas, "the Company" is yet to appoint Independent Directors within such period. In addition to this, the Audit Committee is required to be re-constituted with requisite number of Independent Directors and in case of Nomination and Remuneration Committee, it shall be re-constituted with requisite number of non-executive Directors and Independent Director as per the Companies Act, 2013.
- II) As per the Section 42 (6) of the Companies Act, 2013, a Company has to allot securities within 60 (sixty) days from the date of receipt of application money for such securities. Whereas, "the Company" has share application money pending allotment to an extent of INR.31,128.82 lakh as on 31-03-2015, received from Government of Tamil Nadu, which is beyond 60 (sixty) days.

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

- a) The Metro Railways Construction Act, 1978.
- b) The Metro Railways (Operation and Maintenance) Act, 2002.

**I further report that** the Board of Directors of "the Company" is duly constituted with proper balance of Executive Directors, Non-Executive Directors **except for Independent Directors (as specified in (I))**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

**I further report that** based on the information received and records maintained, there are adequate systems and processes in "the Company" commensurate with the size and operations of "the Company" to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



**I further report that** during the audit period, there were no instances of:

- i) Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity.
- ii) Redemption/buy-back of securities.
- iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act 2013.
- iv) Merger / amalgamation / reconstruction etc.
- v) Foreign Technical Collaborations.

**I further report that** the following points were noted by me during the audit period:

#### **Note 1**

As per the Section 180 (1)(c) of the Companies Act, 2013, where the borrowings by the Company exceeds the aggregate of its paid-up share capital and free reserves of the Company, the Company has to get consent of members of the Company by passing special resolution in a General Meeting.

"The Company" has an un-secured long term borrowings to an extent of INR.8,25,728 lakh as on 31-03-2015. The Shareholders of "the Company" have given loan to "the Company" as per the Memorandum of Understanding entered between Members and "the Company" (namely The Government of India, The Government of Tamil Nadu and Chennai Metro Rail Limited) dated 15<sup>th</sup> February, 2011. Though the Shareholders of "the Company" are aware of the borrowing exceeding the said limits, "the Company" is hereby recommended to get the consent from its Shareholders for borrowings exceeding the paid-up share capital and free reserves by means of a special resolution.

#### **Note 2**

As per Section 135 of the Companies Act, 2013, where the Company's net profit exceeds INR.5 crore during any financial year, the Board shall spend at least 2 per cent of the average net profits of the Company made during the three immediately preceding financial years towards corporate social responsibility activities. In case "the Company" has not spent any amount for CSR during the financial year, the same need to be explained by the Board in the Boards' report.

Place : Chennai  
Date : 01-07-2015

S. Lalitha  
FCS No. : 4464  
CP No. : 2666



**CHENNAI METRO RAIL LIMITED**  
**BALANCE SHEET AS AT 31-03-2015**

(₹ in Lakh)

Particulars	Note	As at 31-03-2015	As at 31-03-2014
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	3,90,106.90	3,84,758.00
(b) Reserves & Surplus	4	30,975.98	24,386.36
<b>(2) Share application Money pending allotment</b>	5	31,128.82	29,295.45
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	6	8,25,728.00	5,64,972.22
(b) Deferred Tax Liability (Net)	7	16.70	19.00
(c) Long Term Provisions	8	181.83	104.97
(d) Other Long Term Liabilities	9	20,509.28	14,513.99
<b>(4) Current Liabilities</b>			
(a) Other Current Liabilities	10 (a)	1,01,930.72	67,995.06
(b) Short Term Provisions	10 (b)	14,915.61	14,079.65
<b>TOTAL</b>		<b>14,15,493.84</b>	<b>11,00,124.70</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	11	2,88,037.80	93,577.11
(ii) Intangible Assets	11A	16.75	16.58
(iii) Capital Work In Progress	12	8,55,820.68	6,53,896.43
<b>(b) Long Term Loans &amp; Advances</b>	13	16,725.76	81,279.77
		<b>11,60,600.99</b>	<b>8,28,769.89</b>
<b>(2) Current Assets</b>			
(a) Cash & Cash Equivalents	14	1,21,810.77	1,87,864.15
(b) Inventory	15	5.00	-
(c) Short Term Loans & Advances	16	58,715.08	48,505.09
(d) Other Current Assets	17	74,362.00	34,985.57
		<b>2,54,892.85</b>	<b>2,71,354.81</b>
<b>TOTAL</b>		<b>14,15,493.84</b>	<b>11,00,124.70</b>
<b>Company Information, Basis of preparation of Financial Statements and Significant Accounting Policies Notes forming part of Financial Statements</b>	<b>1 &amp; 2 3 - 35</b>		

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

R. Venkatakrishnan  
Partner  
M.No: 022224  
FRN: 008572S

Place : Chennai  
Date : 07-07-2015

For and on behalf of the Board of Directors

Pankaj Kumar Bansal, IAS  
Managing Director

R. Ramanathan  
Director

Vijaya Kanth  
Director - Finance & Chief Financial Officer

P. Andal  
Company Secretary

Place : Chennai  
Date : 07-07-2015



**CHENNAI METRO RAIL LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2015**

(₹ in Lakh)

Particulars	Note	For the year ended 31-03-2015	For the year ended 31-03-2014
<b>CONTINUING OPERATIONS</b>			
1. Revenue from operations	18	31.60	-
2. Other Income	19	11,730.74	12,734.73
3. <b>Total revenue (1+2)</b>		<b>11,762.34</b>	<b>12,734.73</b>
4. <b>Expenses</b>			
(a) Employee Benefits	20	894.15	328.85
(b) Depreciation & Amortization Expenses	11	119.09	38.60
(c) Other expenses	21	988.06	170.29
<b>Total expenses</b>		<b>2,001.30</b>	<b>537.74</b>
5. Profit / (Loss) before extraordinary items and tax (3-4)		9,761.04	12,196.99
6. Prior Period items	22	-	19.13
7. <b>Profit / (Loss) before tax (5 ± 6)</b>		<b>9,761.04</b>	<b>12,177.86</b>
8. <b>Tax expense:</b>			
(a) Current tax		3,550.39	4,143.65
(b) Deferred tax		(2.31)	(0.06)
(c) Earlier Period		-	19.22
		<b>3,548.08</b>	<b>4,162.81</b>
9. <b>Profit / (Loss) for the year transferred to Reserves &amp; Surplus</b>		<b>6,212.96</b>	<b>8,015.06</b>
<b>Company Information, Basis of Preparation of Financial Statements and Significant Accounting Policies</b>	<b>1 &amp; 2</b>		
<b>Notes forming part of Financial Statements</b>	<b>3 - 35</b>		
<b>Earnings per share (of ₹ 1,000/- each)</b>			
	<b>Note No.</b>	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
(a) Basic		16.04	23.20
(b) Diluted		14.82	20.86
<b><u>Weighted average number of Shares</u></b>			
(a) For computing Basic EPS		3,87,42,512	3,45,52,512
(b) For computing Diluted EPS		4,19,16,438	3,84,30,268

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

**R. Venkatakrishnan**  
Partner  
M.No: 022224  
FRN: 008572S

Place : Chennai  
Date : 07-07-2015

For and on behalf of the Board of Directors

**Pankaj Kumar Bansal, IAS**  
Managing Director

**R. Ramanathan**  
Director

**Vijaya Kanth**  
Director - Finance & Chief Financial Officer

**P. Andal**  
Company Secretary

Place : Chennai  
Date : 07-07-2015



**CHENNAI METRO RAIL LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2015**

(₹ in Lakh)

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss before Tax	9,761.04	12,177.86
<b>Adjustment for:-</b>		
Depreciation	119.09	38.60
Deferred Tax	(2.31)	(0.20)
<b>Operating Profit before Working Capital Changes</b>	<b>9,877.82</b>	<b>12,216.26</b>
<b>Adjustment for:-</b>		
Other Current Assets	(39,376.43)	34,279.60
Inventory	(5.00)	-
Loans and Advances	54,344.02	(4,787.02)
Provisions	835.96	6,413.16
Employee Benefits	76.86	104.97
Other Current Liabilities	33,935.66	38,214.92
<b>Net Cash from Operating Activities before tax</b>	<b>59,688.89</b>	<b>86,441.89</b>
Less : Adjustments for Tax	(3,548.08)	(4,162.81)
<b>Net Cash from Operating Activities after tax</b>	<b>56,140.81</b>	<b>82,279.08</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets	(74,325.01)	(44,168.01)
Capital Work in Progress	(2,61,033.12)	(2,24,145.12)
Other Long Term Liabilities	5,995.29	5,199.30
<b>Net Cash from Investing Activities</b>	<b>(3,29,362.83)</b>	<b>(2,63,113.83)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital & Share Application Money	7,182.27	48,174.45
Loans raised during the year	1,99,986.38	1,49,442.05
<b>Net Cash From Financing Activities</b>	<b>2,07,168.65</b>	<b>1,97,616.50</b>
<b>D. Net changes in cash &amp; cash equivalents (A+B+C)</b>	<b>(66,053.38)</b>	<b>16,781.75</b>
<b>E. Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>1,87,864.15</b>	<b>1,71,082.40</b>
<b>F. Cash &amp; Cash Equivalents (Closing Balance)*</b>	<b>1,21,810.77</b>	<b>1,87,864.15</b>
* Cash & Cash Equivalents includes an amount of ₹ 500 Lakhs (PY 1500 Lakhs) under Bank Lien for Letter of Credit and Letter of Guarantee facilities referred to Note No.14 - Cash and Bank Balances.		

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

R. Venkatakrishnan  
Partner  
M.No: 022224  
FRN: 008572S

Place : Chennai  
Date : 07-07-2015

For and on behalf of the Board of Directors

Pankaj Kumar Bansal, IAS  
Managing Director

R. Ramanathan  
Director

Vijaya Kanth  
Director - Finance & Chief Financial Officer

P. Andal  
Company Secretary

Place : Chennai  
Date : 07-07-2015





## Chennai Metro Rail Limited

# Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015

### 1. Company Information

Chennai Metro Rail Limited (CMRL), registered CIN U60100TN2007SGC065596, was incorporated under the Companies Act, 1956 on 3<sup>rd</sup> 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 Section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules 2014. These Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies, in all material respects have been consistently applied by the Company and are consistent with those of the previous year, except to the extent stated in Note 23 below :

### 2) Significant Accounting Policies

#### A. Use of Estimates

The preparation of Financial Statements, in conformity with GAAP 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.



## **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.

### **Land**

#### **i) Freehold Land from Government and Government Departments**

- a) Freehold lands received from Government of Tamil Nadu (GoTN) are in the nature of interest free subordinate debt. The same has been capitalized at the relevant Guideline value.
- b) Lands acquired from public bodies, under an arrangement of swap with GoTN, have also been capitalized at the values stipulated by the appropriate authorities.
- c) Lands acquired by the Company from various Government agencies for payment consideration have been capitalized.

#### **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. Any enhanced compensation demanded by the land owners shall only be accounted based on actual decision of the courts.

#### **iii) Land Received as Gift**

Land received as gift 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. Capital Work in Progress

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

Assets under installation or 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. The assets under installation or construction in respect of each stage of revenue operations shall be treated as completed upon the commencement of the revenue operations in respect to the particular stage.

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.

### D. Depreciation and Amortisation

i) Depreciation is charged on straight-line basis at the rates prescribed under Schedule II of the Companies Act, 2013. However, in case of the following assets, depreciation is based on the following useful lives :

Asset Group	Asset Type	Useful life
Office Equipment	Mobile Phones, Tablets etc.	3 Years
Plant & Machinery	Electronic Toe Load Measuring Device	3 Years
Plant & Machinery	Dewatering Pump and Accessories	5 years
Plant & Machinery	Oscillation Monitoring System	5 Years

- ii) Fixed Assets costing ₹ 5,000/- or less are depreciated fully in the year of purchase.
- iii) Intangible assets are amortised on straight-line method over a period of legal right or 5 years whichever is less.
- iv) Railway Lease hold lands are amortized over 70 years, from the date of receipt of Enter upon Permission in respect of the land.



## **E. Government Grant**

### **i) Government Grants relating to 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.

### **ii) Government Grants relating to non-depreciable fixed assets**

Lands received as gift /Memorandum of Understanding, without payment of financial consideration, are capitalized at the guideline value, as fixed by Government of Tamil Nadu and recognized as capital reserve

## **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. Japan International Co-operation Agency (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. Inventory

Inventory is valued at cost or net realizable value whichever is lower. Inventories are valued based on their weighted average cost.

## I. 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.

## J. Prior Period Expenses & Income

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

## K. Prepaid Items

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

## L. Revenue Recognition

- a) Income from Property Development is recognized in accordance with the terms and conditions of the contract with the licensee/lessee.
- b) Income from sale of Tender Documents for the construction works are reduced from the expenses pending capitalization.



- c) Rental Income receivable from the contractors in connection with the construction works are reduced from the expenses pending capitalization.
- d) Interest income is recognized on a time proportion basis taking into account the amount invested, the rate applicable and the contractual obligation.
  1. Interest on mobilisation & other advances to vendors on Capital Works is adjusted against the Expenses Pending Capitalization.
  2. Interest earned on short term deposits with banks is recognized as income.

#### **M. Borrowing Cost**

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

#### **N. 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.

#### **O. 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.



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

(₹ in Lakh)

Note 3 - Share Capital	31-03-2015		31-03-2014	
<b>Authorized</b>				
658,00,000 Equity Shares of ₹1,000/- each (Previous Year - 4,38,00,000 Equity Shares of ₹1,000/- each)		6,58,000.00		4,38,000.00
<b>Issued, Subscribed and Paid-up Equity Shares</b>				
<b>(Number of Shares of ₹1,000/- each)</b>		3,90,10,690		3,84,75,800
Equity Shares of ₹1,000/- each fully paid		3,90,106.90		3,84,758.00
		<b>3,90,106.90</b>		<b>3,84,758.00</b>
<b>a) Reconciliation of Equity Shares and amounts outstanding</b>				
<b>Particulars</b>	<b>31-03-2015</b>		<b>31-03-2014</b>	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	3,84,75,800	3,84,758.00	3,44,75,800	3,44,758.00
Issued during the year	5,34,890	5,348.90	40,00,000	40,000.00
At the end of the year	3,90,10,690	3,90,106.90	3,84,75,800	3,84,758.00
<b>b) Rights, preferences and restrictions attached to Shares</b>				
<b>Equity Shares</b>				
The Company has one class of equity shares, having a par value of ₹ 1,000/- 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.				
<b>c) Details of shareholders holding more than 5% shares in the Company</b>				
<b>Name of Shareholder</b>	<b>31-03-2015</b>		<b>31-03-2014</b>	
	No. of Shares	% of Holding	No. of Shares	% of Holding
The President & Nominees, Government of India	1,95,05,345	50	1,92,37,900	50
The Governor & Nominees, Government of Tamil Nadu	1,95,05,345	50	1,92,37,900	50
	3,90,10,690	100	3,84,75,800	100



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

(₹ in Lakh)

Note 4 - Reserves & Surplus	31-03-2015	31-03-2014
<b>Capital Reserve</b>		
Opening Balance	341.62	341.62
Add: Additions during the year	386.54	-
<b>Closing Balance</b>	<b>728.16</b>	<b>341.62</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	24,044.73	16,029.68
Add: Transferred during the year	6,212.96	8,015.06
Less : Adjustment for Depreciation	(9.87)	
<b>Closing Balance</b>	<b>30,247.82</b>	<b>24,044.73</b>
<b>Total</b>	<b>30,975.98</b>	<b>24,386.36</b>

Capital Reserve represent the value of lands that have been acquired without any consideration and which have been valued based on their guideline value.

Note 5 - Share Application Money Pending Allotment	31-03-2015	31-03-2014
(Advance Share Application Money)		
- From Government of India	-	-
- From Government of Tamil Nadu	31,128.82	29,295.45
<b>Total</b>	<b>31,128.82</b>	<b>29,295.45</b>

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 ₹ 1,000/- 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 - 31,12,882 (P.Y. 29,29,545) of ₹ 1,000/- each.





**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

(₹ in Lakh)

Note 6 - Long Term Borrowings	31-03-2015	31-03-2014
<b>Unsecured</b>		
<b>Term Loans from Other Parties</b>		
From Government of India against Japan International Co-operation Agency (JICA)	5,32,882.73	4,51,827.22
Subordinate Debt from Government of Tamil Nadu	2,64,100.27	84,400.00
Subordinate Debt from Govt. of India	28,745.00	28,745.00
	<b>8,25,728.00</b>	<b>5,64,972.22</b>

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 half yearly instalments over 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 31-03-2015. Accordingly, for the current year an exchange gain of ₹ 59,108.87 Lakhs (P.Y. Exchange Loss ₹ 7,245.13 Lakhs) has been recognised.

B) The Company submitted their claim with Japan International Co-operation Agency (JICA) through CAAA to an extent of ₹ 6,04,491.16 Lakhs during 2009-10 to 2014-15. Claims amounting to ₹ 5,30,459.00 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 ₹ 74,032.16 Lakhs (Previous Year ₹ 31,873.78 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. 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 ₹ 1,87,343.29 Lakhs towards the cost of R&R and Land/Land Advance in respect of which funds have been received from GOTN amounting to ₹ 1,53,322 Lakhs. Further lands have been acquired for without payment consideration amounting to ₹ 1,19,878.27 Lakhs pending alienation of the lands and which has been accounted as subordinate debt of GOTN in accordance with the MOU.

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.

Note 7 - Deferred Tax Liability	31-03-2015	31-03-2014
Deferred Tax Liability		
a) On Account of Depreciation and Amortisation	16.70	19.00
	<b>16.70</b>	<b>19.00</b>



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

(₹ in Lakh)

<b>Note 8 - Long Term Provisions</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
Provision for employee benefits	181.83	104.97
	<b>181.83</b>	<b>104.97</b>
<b>Note 9 - Other Long Term Liabilities</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
Other Payable (Net)	198.09	-
Retention Money Payable	20,311.19	14,513.99
	<b>20,509.28</b>	<b>14,513.99</b>
Other Payables represent the amount payable at their guideline value towards the land acquired under litigation net of the deposits made in respect of the same with the Courts.		
<b>Note 10 - Current Liabilities</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>a) Other Current Liabilities</b>		
Commitment charges & Interest accrued and due on borrowings	15,364.58	9,348.54
Commitment charges & Interest accrued but not due on borrowings	675.18	598.79
Advances Received	104.97	-
Outstanding Expenses	605.33	95.16
Duties & Taxes	1,373.53	415.62
Retention Money Payable	2,176.89	-
Other Payables		
i) Sundry Creditors	46,419.38	23,407.12
ii) Retention towards potential liquidated damages	3,320.27	2,192.65
iii) Retention towards potential penalties	1,337.31	1,383.89
iv) Retention towards balance works on terminated contracts	26,276.26	26,276.26
v) Retention towards performance security on terminated contracts	4,277.02	4,277.02
	<b>1,01,930.72</b>	<b>67,995.06</b>
<p>a) Commitment charges &amp; 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 ₹3,320.27 Lakhs (Previous Year - ₹2,192.65 Lakhs) and potential penalties amounting to ₹ 1,337.31 Lakhs (Previous Year - ₹1,383.89 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 31<sup>st</sup> March 2015 is not ascertained.</p>		
<b>b) Short Term Provisions</b>		
Income Tax Provision	11,918.90	11,735.44
Wealth Tax Provision	0.50	0.22
Provision for employee benefits	54.46	43.52
Provision for Land Lease Charges	2,941.75	2,300.47
	<b>14,915.61</b>	<b>14,079.65</b>



**Chennai Metro Rail Limited  
Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

(₹ in Lakh)

**Note 11 - Tangible Assets**

Tangible Assets	Gross Block				Accumulated depreciation and amortisation				Net Block		
	Balance as at 1st April 2014	Additions	Deletions	Adjustments	Balance as at 31st March 2015	Balance as at 1st April 2014	Depreciation/ amortisation expense for the year	Adjustments in retained earnings	Adjustments	Balance as at 1st April 2014	Balance as at 31st March 2015
Land	49,568.48	1,93,939.68	-	(123.23)	2,43,384.93	-	-	-	-	49,568.48	2,43,384.93
Lease Land	47,442.89	-	-	(583.90)	46,858.99	3,629.80	669.41	(1,830.81)	(1,830.81)	43,813.09	44,390.59
Furniture and Fittings	70.96	30.12	(0.12)	-	100.96	21.63	9.03	-	(0.12)	49.33	70.42
Vehicles	45.88	46.96	-	-	92.84	21.43	12.32	-	-	24.46	59.10
Office Equipments	57.43	78.54	(2.07)	-	133.90	10.21	30.55	5.01	(2.07)	47.22	90.19
Computers	127.13	25.27	-	-	152.40	53.92	60.43	4.87	-	73.22	33.19
Bicycle	0.06	-	-	-	0.06	0.06	-	-	-	-	-
Plant & Machinery	1.43	8.79	-	-	10.22	0.10	0.74	-	-	1.33	9.38
<b>Total</b>	<b>97,314.26</b>	<b>1,94,129.37</b>	<b>(2.18)</b>	<b>(707.13)</b>	<b>2,90,734.31</b>	<b>3,737.14</b>	<b>782.49</b>	<b>9.87</b>	<b>(1,833.00)</b>	<b>2,696.51</b>	<b>2,88,037.80</b>
Previous Year	49,496.82	47,819.93	2.50	-	97,314.26	59.84	3,662.08	-	15.22	49,436.99	93,577.11

**Note 11A - Intangible Assets**

Intangible Assets	Gross Block				Accumulated depreciation and amortisation				Net Block		
	Balance as at 1st April 2014	Additions	Deletions	Adjustments	Balance as at 31st March 2015	Balance as at 1st April 2014	Depreciation/ amortisation expense for the year	Adjustments in retained earnings	Adjustments	Balance as at 1st April 2014	Balance as at 31st March 2015
Computer Software	35.02	6.18	-	-	41.20	18.44	6.02	-	-	24.45	16.75
Total	35.02	6.18	-	-	41.20	18.44	6.02	-	-	24.45	16.75
Previous Year	34.93	0.09	-	-	35.02	7.63	6.79	-	4.02	27.30	16.58

- ₹ 46,858.99 Lakhs paid to Southern Railway towards enter upon permission for Railway lands has been capitalized pending finalization of lease deeds and an amount of ₹ 1,202.62 Lakhs paid towards additional compensation is accounted as an advance pending finalization of area acquired. At present there are no further demands subsisting but if there is a change in the area required, demand may arise in future. Amortisation on the railway lands has been considered over 70 years.
- The Company has capitalised the lands given by the Government of Tamil Nadu amounting to ₹ 1,19,878.27 Lakhs based on Government order at the guideline value and considered the same as a subordinate debt payable to Government of Tamil Nadu. The lands have been capitalised to the extent of the actual possession obtained. The same are subject to alienation by the appropriate authorities. Any differences in the value at the time of alienation will be accounted for at that point of time.
- Lands acquired from other Government agencies valued at ₹ 72,608.08 Lakhs have been capitalised at the guideline value pending alienation. Any variation in values at the time of alienation will be appropriately accounted for at that point of time.
- Lands valued at ₹ 1,051.49 Lakhs have been capitalised pending alienation in respect of which the payee shall be determined after litigation. Any variation in values at the time of alienation will be appropriately accounted for at that point of time.
- Land includes ₹ 728.16 Lakhs that have been acquired without any consideration and which have been valued based on their guideline value and considered as capital reserve.
- Land to an extent of 15116.89 sq. mt. valued at ₹ 31.56 Lakhs (Previous Year ₹ 19.02 Lakhs). The Company has raised a claim for reimbursement with the same from the Government of Tamil Nadu. The alienation of the lands is being finalised with the Government of Tamil Nadu.
- Fixed assets include VAT to the extent of ₹ 15116.89 sq. mt. valued at ₹ 31.56 Lakhs (Previous Year ₹ 19.02 Lakhs). The Company has raised a claim for reimbursement with the same from the Government of Tamil Nadu. 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.
- As per Accounting Standard AS - 11 Foreign Exchange Loss amounting to ₹ Nil (Previous Year - ₹ Nil) have been Capitalised during the financial year.
- As per Accounting Standard AS - 16 Borrowing Costs amounting to ₹ Nil (Previous Year - ₹ Nil) have been Capitalised during the year.
- Adjustments to cost of land represent ₹ 123.23 Lakhs on account of reduction in the awarded value of lands. Adjustments to cost of Railway land represent ₹ 583.90 Lakhs on account of reduction in the value of railway land as computed based on the demand notes raised by the Railway Departments.
- Adjustments to the accumulated depreciation represent the amortisation charged on the costs of railway land reduced and the amortisation charged over 70 year period instead of 35 year period in accordance with the accounting policy.
- During the year Furniture and Fittings and Office Equipments amounting to ₹ 0.12 Lakhs and ₹ 2.07 Lakhs respectively and which have been fully depreciated have been written off as they have retired from their active use.



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

**Note 12 - Capital Work in Progress**

(₹ in Lakh)

Particulars	As on 01-04-2014	Expenditure for the year	As on 31-03-2015
<b>Resettlement &amp; Rehabilitation Expenditure</b>	<b>12,334.23</b>	<b>785.41</b>	<b>13,119.65</b>
<b>Shifting of Utilities</b>	<b>12,484.70</b>	<b>2,183.23</b>	<b>14,667.92</b>
<b>Survey Expenses</b>	<b>174.66</b>	<b>-</b>	<b>174.66</b>
<b>Station Building</b>	<b>28,882.78</b>	<b>25,253.57</b>	<b>54,136.34</b>
<b>Procurement - Civil</b>	<b>63,397.05</b>	<b>10,478.68</b>	<b>73,875.73</b>
<b>Depot and Stabling</b>	<b>18,325.95</b>	<b>4,384.35</b>	<b>22,710.30</b>
<b>Underground - Tunnelling &amp; Stations</b>	<b>3,24,575.50</b>	<b>1,17,102.98</b>	<b>4,41,678.48</b>
<b>Permanent Way</b>	<b>16,748.69</b>	<b>15,024.53</b>	<b>31,773.22</b>
<b>Procurement - Systems</b>			
Rolling Stock	53,048.96	47,363.13	1,00,412.09
Lifts & Escalator	4,801.51	881.51	5,683.01
Automatic Fare Collection	3,028.72	1,017.72	4,046.44
Power Supply & OHE	9,700.80	3,961.54	13,662.33
Signalling & Telecommunication	21,825.23	16,491.02	38,316.24
Tunnel Ventilation System	3,162.66	473.44	3,636.11
UG - Station Air-Conditioning	2,440.07	427.10	2,867.17
	<b>98,007.94</b>	<b>70,615.46</b>	<b>1,68,623.40</b>
<b>Other Cost</b>			
General Consultancy Charges	59,179.91	7,297.79	66,477.70
Prime Consultancy Charges	4,248.07	58.72	4,306.79
Other Consultancy Charges	445.98	53.00	498.97
	<b>63,873.95</b>	<b>7,409.51</b>	<b>71,283.46</b>
Metro Headquarters	1,538.01	173.55	1,711.56
<b>Expenses pending Capitalization (Note 12A)</b>	<b>13,552.97</b>	<b>(51,487.01)</b>	<b>(37,934.04)</b>
<b>Grand Total</b>	<b>6,53,896.43</b>	<b>2,01,924.24</b>	<b>8,55,820.68</b>

- a) Expenditure pending capitalization for the year includes Foreign Exchange gain of ₹ 60,194.93 Lakhs (Previous Year Foreign Exchange loss ₹ 7,245.13 Lakhs) as per Accounting Standard AS - 11 for the financial year 2014-15.
- b) CWIP includes borrowing cost of ₹ 6,092.43 Lakhs (Previous Year ₹ 5,202.16 Lakhs) as per Accounting Standard AS - 16 for the financial year 2014-15.
- c) The Company has shifted the Administrative Offices from 25-6-2014 to the depot administration building which is still subject to completion on account of statutory clearances & commissioning of the administrative building including Operations Control Centre, Depot Control Centre, Offices and Training Centre. The total estimated value of the said facilities is ₹ 3,089.41 Lakhs. No Depreciation has been charged in respect of the same for reasons cited above.



**Chennai Metro Rail Limited**  
**Break-up of Expenses Pending Capitalisation**

(₹ in Lakh)

Note 12A	As on 01-04-2014	Expenditure for the year 31-03-2015	As on 31-03-2015
Advertisement	640.09	52.12	692.21
Books & Periodicals	12.22	0.99	13.21
Conference & Seminar/Sponsorship Expenses	162.39	29.24	191.62
Legal, Professional & Consultancy Charges	557.75	177.00	734.75
Community Interaction Programme & Meeting Expenses	18.91	10.13	29.05
Miscellaneous Expenses	19.69	0.61	20.30
Insurance	361.50	455.96	817.46
Motor Car Expenses	84.27	25.48	109.76
Outsourcing Expenses	509.28	214.84	724.11
Postage & Courier Expenses	7.68	1.61	9.29
Printing & Stationery	111.24	32.75	143.99
Rates & Taxes	151.17	0.47	151.63
Rent & Electricity Charges	4,594.63	2,345.94	6,940.57
Repairs & Maintenance	80.32	37.23	117.55
Salary, PF and Pension Contribution	4,682.81	1,837.63	6,520.45
Staff Welfare Expenses	113.91	96.06	209.97
Statutory Audit fees - Towards Audit fee	9.94	4.50	14.44
Statutory Audit fees - Towards Taxation Matter	0.86	1.27	2.13
Telephone Charges	159.69	84.22	243.90
Travelling Expenses, Conveyance & Vehicle Hire Charges	1,267.75	367.98	1,635.73
Loss / (Gain) on Exchange Fluctuation	(12,694.12)	(60,194.93)	(72,889.05)
Finance Charges	9,967.98	6,096.98	16,064.96
Interior Decoration - Office	133.42	-	133.42
Project Certification Charges	497.44	-	497.44
Amortization - Leasehold Property	3,629.80	(1,161.40)	2,468.40
Depreciation (Till 2009-10)	11.46	-	11.46
<b>TOTAL</b>	<b>15,092.06</b>	<b>(49,483.32)</b>	<b>(34,391.25)</b>
Less: Other Income		-	
Interest on Mobilization Advance	1,356.61	1,573.43	2,930.04
Interest received	13.43	-	13.43
Sale of Tender Documents	163.85	12.29	176.13
Rent of Equipment	-	354.75	354.75
Miscellaneous Income	5.21	38.19	43.40
Administration Expenses Recoveries	-	25.04	25.04
<b>Total</b>	<b>1,539.10</b>	<b>2,003.69</b>	<b>3,542.79</b>
<b>Net Expenses pending Capitalization</b>	<b>13,552.97</b>	<b>(51,487.01)</b>	<b>(37,934.04)</b>

- a) As amortisation on leasehold property has been considered over 70 years instead of 35 years adopted during the previous financial year, the excess amortisation charge of the previous year has been reversed.



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

(₹ in Lakh)

Note 13 - Long Term Loans & Advances	31-03-2015	31-03-2014
<b>Unsecured, Considered good</b>		
<b>a) Capital Advances</b>		
Land Advance	3,732.76	43,873.63
<b>b) Advances to Contractors</b>		
i) Mobilization and other Advances	10,252.07	34,827.05
ii) Material Advances	546.81	-
Refundable deposit	135.95	-
Other Advances	2,058.17	2,579.09
	<b>16,725.76</b>	<b>81,279.77</b>
a) Mobilization and other advances to contractors are covered by the Bank Guarantees and hypothecation of Plant & Machineries.		

Note 14 - Cash & Bank Balances	31-03-2015	31-03-2014
<b>a) Cash and Cash Equivalents</b>		
Cash on Hand	3.67	0.32
<b>Balances with Bank</b>		
In Current Accounts	7,495.60	30,203.38
In Deposit Accounts (with Maturities less than 3 months)	82,822.00	22,650.00
In Deposit Accounts (with Maturities more than 3 months but less than 12 months)	32,200.00	1,34,000.00
Book Overdraft	(1,210.50)	(489.55)
	<b>1,21,310.77</b>	<b>1,86,364.15</b>
<b>b) Other Bank Balances</b>		
Earmarked Short Term Deposits (with Maturities less than 3 months)	500.00	500.00
Earmarked Short Term Deposits (with Maturities more than 3 months but less than 12 months)	-	1,000.00
	<b>1,21,810.77</b>	<b>1,87,864.15</b>
Other Bank balances includes Short Term Deposits of ₹ 500 Lakhs (P.Y. ₹ 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 31<sup>st</sup> March 2015**

(₹ in Lakh)

Note 15 - Inventories	31-03-2015	31-03-2014
<b>Unsecured, Considered good</b>		
a) Stores & Spare Parts	3.41	
b) Loose Tools	1.59	
	<b>5.00</b>	

Note 16 - Short Term Loans & Advances	31-03-2015	31-03-2014
<b>Unsecured, Considered good</b>		
a) Advance Tax & TDS	13,507.30	9,479.56
b) Other Advances & Receivables	30,926.51	29,529.29
c) Pre-paid Expenses	265.30	746.97
d) VAT Recoverable from GOTN	14,015.97	8,749.27
	<b>58,715.08</b>	<b>48,505.09</b>

VAT Payments incurred amounting to ₹ 14,015.97 Lakhs (Previous Year ₹ 8,749.27 Lakhs) are reimbursable from Government of Tamil Nadu in accordance with clause 10.4 of the Memorandum of Understanding between the Government of India, Government of Tamil Nadu and the Company.

Note 17 - Other Current Assets	31-03-2015	31-03-2014
a) Deposit		
Rental Advance	-	65.70
Refundable Deposit	-	41.27
b) Interest Accrued on Deposits	329.84	3,004.81
c) Pass Through Assistance against JICA Loan	74,032.16	31,873.78
	<b>74,362.00</b>	<b>34,985.57</b>

The Company submitted their claim with Japan International Co-operation Agency (JICA) through CAAA to an extent of ₹604,491.16 Lakhs during 2009-10 to 2014-15. Claims amounting to ₹5,30,459.00 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 ₹74,032.16 Lakhs (Previous Year ₹31,873.78 Lakhs) is receivable from Ministry of Urban Development of Government of India).



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

(₹ in Lakh)

<b>Note 18 - Revenue from Operations</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
From Property Development Lease Income	31.60	-
	<b>31.60</b>	<b>-</b>

<b>Note 19 - Other Income</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
Interest on Bank Deposits	11,730.74	12,416.25
Interest on Income Tax Refund	-	299.31
Recruitment & Training Fees - O & M	-	6.16
Miscellaneous Income	-	13.00
	<b>11,730.74</b>	<b>12,734.73</b>

<b>Note 20 - Employee Benefits</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>O &amp; M Expenses</b>		
Salaries & Wages	757.51	261.78
Contribution to Provident & Other Funds	86.30	32.02
Staff Welfare Expenses	6.13	35.05
<b>Property Development Expenditure</b>		
Salaries & Wages	40.60	
Contribution to Provident & Other Funds	3.61	
	<b>894.15</b>	<b>328.85</b>





Chennai Metro Rail Limited  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2015**

(₹ in Lakh)

Note 21 - Other Expenses	31-03-2015	31-03-2014
<b>O &amp; M Expenses</b>		
Advertisement Expenses	7.45	-
Test Run Expenses	-	18.83
Legal Fees	-	1.69
Insurance Charges	14.90	9.56
Recruitment & Training Expenses	329.55	126.10
Printing & Stationery	4.56	1.25
Rent	0.57	2.95
Electricity Charges	0.22	0.02
Repairs & Maintenance	7.97	1.41
Other Expenses	0.37	
Total O & M Expenses	365.59	161.80
<b>Property Development Expenditure</b>		-
Advertisement Expenses	17.52	
Licence Fees	0.05	5.06
Legal, Professional & Consultancy Charges	7.00	
Rent	0.10	
Travelling Expenses	0.03	
Total Property Development Expenses	24.70	5.06
Interest on Income Tax	597.49	1.74
Wealth Tax	0.28	-
Fixed Assets Written Off	-	1.69
	<b>988.06</b>	<b>170.29</b>

Note 22 - Prior Period Expenses	31-03-2015	31-03-2014
Expenses	-	
Depreciation	-	20.53
Less: Income	-	
Other Income	-	(1.40)
	-	<b>19.13</b>

**23. Changes in accounting policies and their impact in the financial statements**

- a) ₹46,858.99 Lakhs have been paid towards enter upon permission for Railway Lands have been capitalized pending finalisation of lease deeds and the amortisation has been made considering a lease period of 70 years. The expenditure on amortisation is lower by ₹669.41 Lakhs in respect of the current year consequent to the change of amortisation charge is over 70 years instead of 35 years period considered during the previous year. Accordingly, the Expenses Pending Capitalisation is lower by ₹669.41 Lakhs.
- b) Lands received from State Government as a part of Interest Free Subordinate Debt and lands taken over from various Government Agencies have been capitalized at ₹1,92,486.35 Lakhs based on the enter upon permission as against pending alienation to hitherto followed. On a similar basis lands in respect of which the title is yet to be ascertained amounting to ₹1,051.49 Lakhs has also been capitalized pending alienation. Lands received free of cost from Government Departments amounting to ₹386.54 Lakhs have also been capitalized pending alienation. Consequent to the change the value of lands have increased by ₹1,93,924.38 Lakhs, Subordinate Debt have increased by ₹1,19,878.27 Lakhs. Land Advance have reduced by ₹42,732.31 Lakhs and trade payables have increased by ₹30,927.26 Lakhs and capital reserve have increased by ₹386.54 Lakhs.
- c) Due to change in estimated useful life of Office Equipment & Plant & Machineries, an additional depreciation of ₹0.72 Lakhs on Office Equipment and ₹0.73 Lakhs on Plant & Machineries have been recognized during the year.

**24. Contingent Liabilities:****1) Claims against the Company not acknowledged as debts:****a) Legal related matters**

S. No.	Particulars	FY 2014-15	FY 2013-14
1	Legal Cases	126 cases (including 4 cases towards arbitration)	185 cases (including 110 cases towards land acquisition)
2	Enhanced Compensation for the land	₹52,664 Lakhs	₹22,245 Lakhs
3.	Compensation for other claims and damages	₹71.93 Lakhs	Not Ascertained
4	Arbitration*	₹35,589.69 Lakhs (Counter claims- ₹40,441.18 Lakhs)	₹35,589.69 Lakhs (Counter claims- ₹40,441.18 Lakhs)

\* In respect of the contracts terminated, the balance work have been awarded to new contractors. Arbitration Proceedings have been initiated and all additional cost to be



incurred, on the award of the balance works to new contractors, is being claimed from the erstwhile contractors who have been terminated. An amount of ₹ 35,589.69 Lakhs has been claimed in respect of three terminated contracts in respect of which counter claims have been made amounting to ₹ 40,441.18 Lakhs against the company. In respect of one other contract in respect of which arbitration proceedings have been initiated the claims and counter claims are not ascertainable. The net amount, if any, will be accounted for on final determination of arbitration proceedings.

**b) Statutory Related Matters**

S. No.	Particulars	FY 2014-15	FY 2013-14
1	Demand from ESIC Department	₹ 11.77 Lakhs	₹ 11.77 Lakhs
2	Demand raised by Sales Tax Department for not reporting of imported goods	₹ 27.30 Lakhs	-
3	Demand from Tamil Nadu Construction Workers Welfare Board towards Cess and Interest	₹ 832 Lakhs	₹ 2,936 Lakhs
4	Demand from Income Tax Department- FY 2011-12	₹ 58.62 Lakhs	-
5	Demand of Tax deducted @ source under Chapter XVII- FY 2007-08	₹ 0.08 Lakh	-
6	Demand of Tax deducted @ source under Chapter XVII- FY 2008-09	-	₹ 59.62 Lakhs
7	Demand of Tax deducted @ source under Chapter XVII- FY 2009-10	₹ 0.16 Lakh	₹ 90.64 Lakhs
8	Demand of Tax deducted @ source under Chapter XVII- FY 2010-11	₹ 6.82 Lakhs	₹ 32.59 Lakhs
9	Demand of Tax deducted @ source under Chapter XVII- FY 2011-12	₹ 8.87 Lakhs	₹ 48.21 Lakhs
10	Demand of Tax deducted @ source under Chapter XVII- FY 2012-13	₹ 2.19 Lakhs	₹ 14.04 Lakhs
11	Demand of Tax deducted @ source under Chapter XVII- FY 2013-14	-	₹ 1,204.02 Lakhs

**c) Relief & Rehabilitation Activities: Claims anticipated in respect of Relief and Rehabilitation activities - 1,826.42 Lakhs (PY-Not Ascertained)**



## II) 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).

## III) Letters of Credit

As at the Balance Sheet date, the Company has commitments towards Letters of Credit amounting to ₹ 279.89 Lakhs on account of procurement of Depot Machineries (Previous Year ₹ 452.02 Lakhs).

## 25. Capital & Other Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (excluding any escalation as provided in the terms of the contracts) ₹5,46,910.54 Lakhs (Previous Year ₹ 6,73,415.35 Lakhs).

Adjudication proceedings was initiated against the Company during the previous year for ₹ 7,795.18 Lakhs in respect of Construction works. As decided in the adjudication proceedings, the claims have been partially decided in favour of the contractor. The amounts adjudicated in favour of contractor amounts to ₹ 833.53 Lakhs along with Interest. As agreed with the contractor, the actual liability shall be jointly determined. In addition, claims in respect of other variations have been finalized with the contractor to jointly determine the rates and quantities which could result in an estimated additional commitment of ₹1,402 Lakhs. These commitments have been included in the estimated amounts of contracts remaining to be executed.

## 26. 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 ₹ 90.47 Lakhs (Previous Year ₹362.34 Lakhs) which is included under the head Expenses pending Capitalization.

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

28. Segmental Reporting has not been included as the same is not applicable.



29. 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	From	To
1	Dr Sudhir Krishna	Chairman / Nominee Director of GOI	10/08/2011	30/06/2014
2	Shri Shankar Aggarwal	Chairman / Nominee Director of GOI	12/07/2014	31/01/2015
3	Shri Madhusudan Prasad	Chairman / Nominee Director of GOI	02/02/2015	Till date
4	Shri B S Sudhir Chandra	Director / Nominee Director of GOI	27/09/2012	05/05/2014
5	Shri Mahesh Kumar	Director / Nominee Director of GOI	05/05/2014	08/04/2015
6	Shri Sharat Sharma	Director / Nominee Director of GOI	15/04/2013	Till date
7	Shri M K Sinha	Director / Nominee Director of GOI	23/12/2013	Till date
8	Shri K K Aggarwal	Director / Nominee Director of GOI	06/02/2014	Till date
9	Shri Pankaj Kumar Bansal	Managing Director / Nominee Director of GOTN	24/12/2013	Till date
10	Shri K Shanmugam	Director / Nominee Director of GOTN	18/05/2010	Till date
11	Shri S Krishnan	Director / Nominee Director of GOTN	18/01/2011	Till date
12	Shri Rajeev Ranjan	Director / Nominee Director of GOTN	28/06/2013	Till date
13	Shri Braj Kishore Prasad	Director / Nominee Director of GOTN	22/11/2013	30/05/2014
14	Dr T Prabhakara Rao	Director / Nominee Director of GOTN	30/05/2014	27/01/2015
15	Shri Vikram Kapur	Director / Nominee Director of GOTN	27/01/2015	Till date
16	Shri L Narasim Prasad	Whole-time Director	01/02/2013	Till date
17	Shri R Ramanathan	Whole-time Director	25/02/2013	Till date
18	Smt Vijaya Kanth	Whole-time Director	19/07/2013	Till date



### 30. Remuneration to Key Managerial Personnel

1. Current Year: ₹ 88.25 Lakhs (Previous year ₹58.72 Lakhs)

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

- a) Shri Pankaj Kumar Bansal, Managing Director - ₹14.94 Lakhs (P.Y. - ₹3.77 Lakhs)
- b) Smt Vijaya Kanth, Director ₹23.94 Lakhs (PY - ₹14.51 Lakhs)
- c) Shri R.Ramanathan, Director ₹24.30 Lakhs (PY - ₹ 21.72 Lakhs)
- d) Shri L. Narasim Prasad, Director ₹25.06 Lakhs (PY - ₹18.71 Lakhs)

### 31. 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 ₹ 193.15 Lakhs towards Leave Salary payable on the basis of actuarial valuation to Company's Employees and ₹10.00 Lakhs payable to deputationists. Assumptions of actuarial valuation are as follows :

#### Privilege Leave Benefits

##### Financial Assumptions

Discount rate	- 8.00%
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)



<b>Amount to be recognized</b>	<b>Amount (₹ in Lakhs)</b>
Present value of funded obligations	Nil
Fair value of plan assets	Nil
Present value of unfunded obligations	193.15
Unrecognized past service cost	Nil
Net liability	193.15

<b>Table of Fair Value of Plan Assets</b>	<b>Amount (₹ in Lakhs)</b>
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

<b>Table showing Category of Plan Assets</b>	<b>Amount (₹ in Lakhs)</b>
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

<b>Principal Actuarial Assumptions</b>	<b>Amount (₹ in Lakhs)</b>
Discount rate as on 31-03-2015	8.00%
Expected return on plan assets at 31-03-2015	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	193.15
Plan Assets	Nil
Surplus / (Deficit)	193.15

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)	11.33
Non-current liability (Amount due over one year)	181.83

**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 ₹ 33.14 Lakhs is created as liability 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.

32. 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.

33. Debit / Credit Balances of parties are subject to confirmation and reconciliation, consequential impact thereof, if any, remains unascertained.

#### 34. Value of Imports calculated on CIF basis

Towards Import of Capital Items – ₹9,368.39 Lakhs ( P.Y. - ₹ 56,531.30 Lakhs)

#### 35. Miscellaneous

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

b) Outgo in Foreign Currency.





(₹ in Lakhs)

Details	31-03-2015	31-03-2014
a) Foreign Travel		
- Directors	1.94	0.57
- Others	8.56	21.84
b) Professional fees to General Consultants	841.63	3,964.99
c) Interest payments	Nil	Nil
d) Contract payments	69,733.22	44,427.19
e) Others	Nil	1.26

- c) Previous year figures have been regrouped or reclassified wherever necessary to make them comparable with current years 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

**R. Venkatakrishnan**  
 Partner  
 M.No: 022224  
 FRN: 008572S

Place : Chennai  
 Date : 07-07-2015

For and on behalf of the Board of Directors

**Pankaj Kumar Bansal, IAS**      **R. Ramanathan**  
 Managing Director                      Director

**Vijaya Kanth**  
 Director - Finance & Chief Financial Officer

**P. Andal**  
 Company Secretary

Place : Chennai  
 Date : 07-07-2015



**R. Venkatakrishnan & Associates**  
**Chartered Accountants**



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Chennai Metro Rail Limited.**

**Report on the Standalone Financial Statements**

We have audited the accompanying, Standalone Financial Statements of **Chennai Metro Rail Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

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

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

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

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



## R. Venkatakrishnan & Associates Chartered Accountants



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements.

- a) Note 10.b - Amount retained towards Potential Liquidated Damages amounting to ₹ 3,320.27 Lakhs (Previous Year - ₹ 2,192.65 Lakhs) and Potential Penalties amounting to ₹ 1,337.31 Lakhs (Previous year - ₹ 1,383.89 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 11.f - Land to an extent of 15,116.89 sqmt valued at ₹ 8,794.22 Lakhs have been capitalised in excess of the land extent specified in the Government Gazette Order. The alienation of the lands is being finalised with the Government of Tamil Nadu.
- c) Note 11.g - Fixed assets include VAT to the extent of ₹ 31.56 Lakhs (Previous Year ₹ 19.02 Lakhs), The Company has raised a claim for reimbursement with the same from 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) Note 12.c - The Company has shifted the Administrative Offices from 25/06/2014 to the Depot Administration Building which is still subject to completion on account of statutory clearances & commissioning. The total estimated value of the said facilities is ₹ 3,089.41 Lakhs. No Depreciation has been charged in respect of the same for reasons cited above.
- e) Note-33-Debit / Credit balances of parties are subject to confirmation and reconciliation, consequential impact thereof, if any, remains unascertained.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section of 143(5) of the Companies Act, 2013, on the basis of such checks of the books and regards of the Company as we considered appropriate and according to the information and explanations given to us, in Annexure-2 on the directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, The Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account,;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



**R. Venkatakrisnan & Associates**  
Chartered Accountants



- e) According to the information and explanations given to us, the company is a Government Company; therefore, provisions of section 164(2) of the Companies Act, 2013 are not applicable pursuant to the Gazette Notification No. GSR 463 (E) dated 05.06.2015 issued by the Government of India.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule II of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed, in Note 24 of the Financial Statements, the impact of pending litigations on its financial position.
  - ii. The Company has made provisions, as required under applicable laws or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts, The Company does not have exposure to Derivate Contracts and
  - iii. The company does not have any liability on account of Investor Education and Protection Fund.

**For R. Venkatakrisnan & Associates**  
Chartered Accountants  
Firm Registration No. : 008572S

**R. Venkatakrisnan**  
Partner  
Membership No. 022224

Place : Chennai  
Date : 07-07-2015



**R. Venkatakrishnan & Associates**  
Chartered Accountants



### Annexure - 1 to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2015, we report that:

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 records of fixed assets. The same has not been updated with all the assets in the possession of the Company.**
  - (b) Fixed assets have been physically verified by the management at reasonable intervals; **some discrepancies have been observed on physical verification, in the absence of quantified monetary value, we are unable to comment on the materiality of such discrepancies.**
2. (a) Physical verification of inventory is reported to have been made at reasonable intervals.
  - (b) The procedure of physical verification of inventory followed by the management is reasonable in relation to the size of the company and nature of its business.
  - (c) The Company maintains proper records of inventory. No significant discrepancies were reported on verification between the physical balance and book balance.
3. 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 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii (b) of the order 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 inventories and sale of services. **Review of Internal Audit Reports indicates few instances of deviation from the policies in respect of the approval of payment made to the contractors that forms part of Capital Work in Progress.**
5. 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 accepted any deposits from the public. Consequently, the provisions of clauses v of the order are not applicable to the Company.
6. As per the rules made by the Central Government with regard to maintenance of Cost records under Sec. 148 of the Companies Act, the Company is not required to maintain the Cost records.
7. (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, Customs Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been, with delays in a few instances, regularly deposited with the appropriate authorities.



**R. Venkatakrishnan & Associates**  
Chartered Accountants



- (b) According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2015 for a period of more than six months from the date they became payable with exception of the following :

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)	Period to Which the amount relates
Employee State Insurance Act, 1948	Employee State Insurance Charges	Yet to be quantified by the Company	April 2013- August 2013
Income Tax Act, 1961	Income Tax	0.06	FY 2009-10
Income Tax Act, 1961	Income Tax (TDS covered under Chapter XVII)	0.20	FY 2009-10
Income Tax Act, 1961	Income Tax (TDS covered under Chapter XVII)	6.82	FY 2010-11
Income Tax Act, 1961	Income Tax (TDS covered under Chapter XVII)	8.87	FY 2011-12
Income Tax Act, 1961	Income Tax (TDS covered under Chapter XVII)	2.29	FY 2012-13
Tamil Nadu VAT Act, 2006	Value Added Tax	27.29	FY 2014-15
Tamil Nadu Construction Workers Welfare Board	Labour Cess	832.00	Notice received during FY 2013-14

- (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 are few disputes as 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
Income Tax Act 1961	Income Tax	3,441.70	3,383.09	FY 2011-12	Income Tax Department

8. 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.
9. The Company has not accepted any deposits/loans from banks or any other financial institutions or debenture holders. Hence clause (ix) Companies (Auditor's Report) Order, 2015 is not applicable to the Company.



10. 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.
11. The Company has obtained term loans in the form of development assistance from an External Development Organization and the Governments of India and 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.
12. 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 : 07-07-2015**

**R. Venkatakrishnan**  
**Partner**  
**Membership No. 022224**  
**Firm Registration No. : 008572S**



**Annexure - 2 to the Independent Auditor's Report**

[Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Chennai Metro Rail Limited ("the Corporation") on the standalone financial statements for the year then ended March 31, 2015]

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Chennai Metro Rail Limited for the year 2014-15 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

According to the information and explanations given to us we report as under:

No.	Particulars	Remarks									
1.	If the Company has been selected for Disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including committed and General Reserve) may be examined including the mode & present stage of Disinvestment process.	The same is Not Applicable to the Company									
2.	Whether there are any cases of waiver / write off of debts / Loans / Interest etc. If yes, the reasons therefore and the amount involved.	The same is Not Applicable to the Company									
3.	Whether proper records are maintained for Inventories lying with third parties & Assets received as Gift from Government or other authorities?	<p>As per the information and explanations provided to us and on the basis of our audit observation there are no Inventories lying with the third parties during the Audit Period.</p> <p>As per the information and explanations provided to us and on the basis of our audit observation the Company is maintaining adequate records for the lands that were received as Gift from the Government. As on the date of Balance Sheet the value of Gift Land amounted to ₹ 728.15 Lakhs. The particulars of the land capitalized are as follows :</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Particulars</th> <th>Extent</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Ozone Land, Block 27, Koyambedu Village</td> <td>700 sqmt</td> </tr> <tr> <td>2.</td> <td>AG Office, Anna Salai, Teynampet</td> <td>342 sqmt</td> </tr> </tbody> </table> <p>Land received as gift is recognized as capital reserve and are capitalized at the Guideline value as fixed by the Government of Tamil Nadu.</p>	No.	Particulars	Extent	1.	Ozone Land, Block 27, Koyambedu Village	700 sqmt	2.	AG Office, Anna Salai, Teynampet	342 sqmt
No.	Particulars	Extent									
1.	Ozone Land, Block 27, Koyambedu Village	700 sqmt									
2.	AG Office, Anna Salai, Teynampet	342 sqmt									




**R. Venkatakrishnan & Associates**  
 Chartered Accountants


No.	Particulars	Remarks																																																																																									
4.	Age wise Analysis of pending legal / arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases.	<p><u>Age wise Analysis</u></p> <p>Age wise analyses of the various cases pending are included in the table as below :</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Writ Petitions</td> <td></td> <td></td> <td>1</td> <td>6</td> <td>13</td> <td>11</td> <td>12</td> <td>2</td> <td>45</td> </tr> <tr> <td>Writ Appeals</td> <td></td> <td></td> <td></td> <td>1</td> <td>3</td> <td>1</td> <td></td> <td>15</td> <td>20</td> </tr> <tr> <td>Suits</td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>1</td> <td>1</td> <td>5</td> <td>1</td> <td>14</td> </tr> <tr> <td>Special Leave Petition</td> <td>2</td> <td></td> <td></td> <td></td> <td></td> <td>3</td> <td></td> <td></td> <td>5</td> </tr> <tr> <td>LAOP</td> <td></td> <td></td> <td></td> <td></td> <td>36</td> <td>70</td> <td>16</td> <td></td> <td>122</td> </tr> <tr> <td>Arbitration</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>3</td> <td>1</td> <td>4</td> </tr> <tr> <td><b>Total</b></td> <td><b>2</b></td> <td><b>1</b></td> <td><b>2</b></td> <td><b>10</b></td> <td><b>53</b></td> <td><b>86</b></td> <td><b>36</b></td> <td><b>19</b></td> <td><b>210</b></td> </tr> </tbody> </table> <p><u>Reasons for pendency</u></p> <p>Courts/Arbitrators are required to dispose of the cases as per procedure prescribed under law. Parties need to be given reasonable opportunity of being heard. Further, law provides appeal before higher courts. Reasons for pendency vary from case to case. The cases are civil in nature and associated with the project.</p> <p><u>Existence / Effectiveness of a monitoring mechanism for expenditure on all legal cases (Foreign / Local)</u></p> <p>The expenditure for the legal cases is made as per the Administrative Instruction evolved and issued. In the case deviation / exception from the guidelines the approval of the Managing Director is obtained.</p> <p>There are no foreign cases, against or suit filed by the Company, pending.</p>										Particulars	2008	2009	2010	2011	2012	2013	2014	2015	Total	Writ Petitions			1	6	13	11	12	2	45	Writ Appeals				1	3	1		15	20	Suits		1	2	3	1	1	5	1	14	Special Leave Petition	2					3			5	LAOP					36	70	16		122	Arbitration							3	1	4	<b>Total</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>53</b>	<b>86</b>	<b>36</b>	<b>19</b>	<b>210</b>
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Place : Chennai  
 Date : 07-07-2015

**R. Venkatakrishnan**  
 Partner  
 Membership No. 022224  
 Firm Registration No. : 008572S



सत्यमेव जयते

## 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.**

दिनांक/ Date : 27/08/2015

No. PDCA/CA III (CORD)/CMRL A/cs 2014-15/2-49/2015-16/134

To

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

Sir,

Sub :- Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of **Chennai Metro Rail Limited, Chennai**, for the year ended 31<sup>st</sup> March 2015.

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I forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of **Chennai Metro Rail Limited, Chennai** for the year ended 31<sup>st</sup> March 2015.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-

(G. SUDHARMINI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &  
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI.

Encl. : As above

इंडियन आईल भवन, स्तर - 2, 139, महात्मा गाँधी मार्ग, चेन्नै - ६०० ०३४

Indian Oil Bhavan, Level-2, 139, Mahatma Gandhi Road, Chennai - 600 034

Tel : 044-28330147 Fax: 044-28330142/145 e-mail : deputydirector.insurance@gmail.com  
[mabchennai@cag.gov.in](mailto:mabchennai@cag.gov.in)



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF CHENNAI METRO RAIL LIMITED, CHENNAI FOR THE YEAR  
ENDED 31<sup>st</sup> MARCH 2015**

The preparation of financial statements of **Chennai Metro Rail Limited, Chennai** for the year ended 31<sup>st</sup> March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07-07-2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **Chennai Metro Rail Limited, Chennai** for the year ended 31<sup>st</sup> March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

Place : Chennai  
Date : 27.08.2015



**FORM NO. MGT - 11**

**Proxy Form**

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

**CIN** : **U60100TN2007SGC065596**  
**Name of the Company** : **CHENNAI METRO RAIL LIMITED**  
**Registered Office** : **CHENNAI METRO RAIL LIMITED,  
CMRL Depot, Admin Building,  
Poonamalle High Road, Koyambedu,  
CHENNAI- 600 107.**

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **8<sup>th</sup> Annual General Meeting** to be held on **Tuesday, the 22<sup>nd</sup> of September, 2015 at 11.30 AM** at the **Registered Office of the Company at CMRL Depot, Admin Building, Poonamallee High Road, Koyambedu, Chennai - 600 107** and at any adjournment thereof in respect of such resolutions as are indicated below :



**Ordinary Business**

1. To adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015, Statement of Income and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015 together with the Comments of the Comptroller and Auditor General of India.
2. To fix remuneration of Statutory Auditors for the Financial Year 2015-16.

**Special Business**

1. Increasing the Number of Directors of the Company from 14 to 16 and thus altering the Articles of association.

Signed ..... day of ..... 2015

Signature of Shareholder :

Signature of Proxy holder (s) :



**Note :**

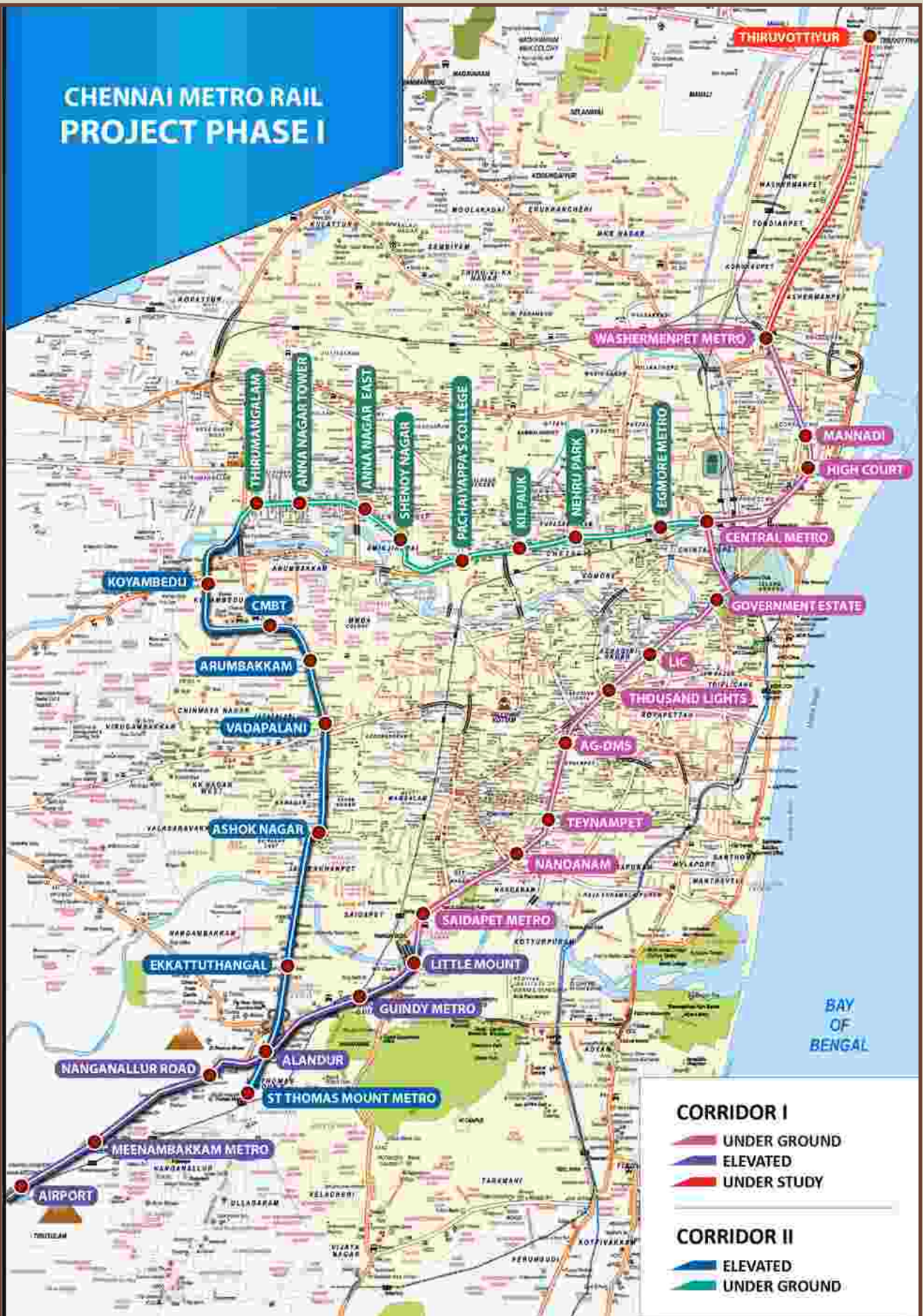
This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.







# CHENNAI METRO RAIL PROJECT PHASE I







Ticket Vending Machine



Automatic Fare Collection Gates



Metro Train at the Station



Metro Train at the Station





## CHENNAI METRO RAIL LIMITED

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