



# Contents



## CHENNAI METRO RAIL LIMITED

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

### 13<sup>th</sup> ANNUAL REPORT 2019-20

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## Vision

Moving People, Sustaining Growth.



## Mission

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



## Core Values

### Concern for Customers

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



## Integrity

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



## Sustainability

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



## Responsibility

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



## Creativity & Innovation

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



## BOARD OF DIRECTORS

Shri Durga Shanker Mishra, IAS	Chairman, CMRL & Secretary to Govt. of India, MoHUA
Shri Pradeep Yadav, IAS (From 16-03-2020)	Managing Director
Shri Pankaj Kumar Bansal, IAS (Till 16-03-2020)	Managing Director
Shri Jaideep (From 09-08-2019)	Director, CMRL & OSD (UT), MoHUA
Shri Sunil Mathur	Director, CMRL & Director (Rolling Stock & Systems), MAHA Metro
Shri Radhakrishna Reddy	Director, CMRL & Director (Projects & Planning), BMRCL
Shri S Krishnan, IAS	Director, CMRL & Addl. Chief Secretary to GoTN, Finance Department
Shri M A Siddique, IAS (From 23-12-2019)	Director, CMRL & Pr. Secy to GoTN, Special Initiatives Department
Shri A Karthik, IAS	Director, CMRL & Pr. Secretary to GoTN, Highways & Minor Ports Dept.
Shri G Prakash, IAS (From 05-07-2019)	Director, CMRL & Commissioner, Greater Chennai Corporation
Dr T V Somanathan, IAS (From 05-07-2019 to 23-12-2019)	Director, CMRL & Addl. Chief Secretary to GoTN, Special Initiatives Department
Shri S K Prabakar, IAS (From 05-07-2019 – 30-01-2020)	Director, CMRL & Pr. Secretary to GoTN, Highways & Minor Ports Dept.
Smt Usha Sankar	Independent Director
Smt Uma R Krishnan	Independent Director
Smt Sujatha Jayaraj	Director (Finance) & Chief Financial Officer
Shri Rajeev Narayan Dwivedi	Director (Projects)
Shri Rajesh Chaturvedi	Director (Systems & Operations)

### Company Secretary

Smt Andal P

### Statutory Auditor

M/s Ganesan & Company

### Secretarial Auditor

M/s LB & Co.

### Internal Auditor

M/s. Varma & Varma

### Bankers

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

### REGISTERED OFFICE

CHENNAI METRO RAIL LIMITED

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



## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of **CHENNAI METRO RAIL LIMITED** will be held on 24<sup>th</sup> day of December, 2020 at 11.30AM through video conferencing or any other Audio Visual means to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2020, the report of the Directors and the Statutory Auditors together with the Comments of the Comptroller and Auditor General of India under Section 143 (6) of the Companies Act, 2013 and pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Audited Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit & Loss Account and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2020 together with the Comments of the Comptroller and Auditor General of India under Section 143 (6) of the Companies Act, 2013, Reports of the Directors and the Auditors thereon be and the same are hereby received, considered and adopted".

2. To fix remuneration of Auditors for the Financial Year 2020-21 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 2020-21".

### SPECIAL BUSINESS:

3. Appointment of Shri Rajesh Chaturvedi (DIN:08920648) as Director (Systems & Operations) of the Company

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

"RESOLVED THAT pursuant to Section 196, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act and the Rules made thereunder, Shri Rajesh Chaturvedi (DIN:08920648) be and is hereby appointed as Director (Systems & Operations) of the Company for a period of five years or till the age of superannuation (62 years) whichever is earlier with effect from 15-10-2020.

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

Place : Chennai  
Date : 21-12-2020

**Andal P  
Company Secretary**

**Notes:**

1. In view of the outbreak of COVID-19 pandemic, social distancing measures are a pre-requisite and in terms of Ministry of Corporate Affairs ("MCA") Circular No.20/2020 dt. 05-05-2020 read with Circular No.14/2020 dt 08-04-2020 and Circular No.17/2020 dt. 13-04-2020 (MCA circulars), the Annual General Meeting is being conducted through video conference ("VC") / Other Audio Visual Means ("OAVM"). The deemed venue for the AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is held through VC /OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be able available for the AGM and hence the Proxy Form and Attendance slip are not annexed to this notice.
3. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business at Item No. 3 set out above is annexed hereto.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013  
IN RESPECT OF ITEM NO.3****ITEM NO.3**

Shri L Narasim Prasad, ceased to be Director (Systems & Operations) of the Company since 31-01-2019. A Board Sub-Committee was constituted for selection of Director (Systems & Operations). The Committee interviewed the applicant candidates and recommended Shri Rajesh Chaturvedi to the post of Director (Systems & Operations). The Board approved the appointment of Shri Rajesh Chaturvedi as Director (S&O) vide resolution dt 13-08-2020.

The Board recommends the resolution at Item No.3 for approval by the Shareholders.

None of the Directors except Shri Rajesh Chaturvedi is interested in the Resolution listed at Item No.3 to the Notice.



## CHAIRMAN's MESSAGE

Dear Shareholders,

It gives me immense pleasure in extending a warm welcome to all of you to the 13<sup>th</sup> Annual General Meeting of the Company. The Directors' Report and the Audited Annual Accounts for the Financial Year 2019-20 along with the Statutory Auditor's Report along with the comments of the Comptroller and Auditor General of India thereon are circulated to all the Members.

The entire Phase I of the project covering 45 Kms is operational since 10-02-2019. The average ridership per day had steadily increased to 94,700 during the year under review. The suspension of operational services due to COVID-19 pandemic have severely affected the operations and the revenue of the company. After suspension of services on 22<sup>nd</sup> March, 2020, the operations were resumed from 7<sup>th</sup> September, 2020 duly following the Standard Operating Procedures of MoHUA. About 19.21 lakh passengers have traveled in the Metro from 7<sup>th</sup> September to 30<sup>th</sup> November, 2020. Several measures of last mile connectivity like Howdy bikes, Fly bikes, Zoom cars, etc have also implemented in phases to improve ridership.

The civil & system works of Phase-I Extension from Washermenpet to Wimco Nagar covering a distance of 9.051 Km at a total project cost of ₹ 3770 crore are in the advanced stages of completion and the revenue operations are planned to be commenced in January/February, 2021.

The Government of Tamil Nadu (GoTN) has accorded approval for implementation of three (3) Metro Rail Corridors for a length of 118.9 kms under Phase-II of the Chennai Metro Rail project and has recommended for approval of GoI for funding and loan assistance from Multilateral banks. JICA loan has been effectuated and the funding arrangements with ADB, AIIB and NDB are in advanced stages of finalisation. The Hon'ble Union Minister of Home Affairs, Shri Amit Shah laid the Foundation Stone for Phase-II on 21<sup>st</sup> November, 2020 at Kalaivanar Arangam, Chennai in the presence of the Hon'ble Chief Minister of Tamil Nadu, Shri Edappadi K Palaniswami.

The company, with its constant endeavour to enhance IT controls, has successfully implemented Finance ERP, Oddo, in the month of July 2019. Statutory audit for the Financial Year 2019-20 was also completed successfully in new Finance ERP.

Even from the early stages, the Company has been constantly pursuing several non-fare revenue initiatives which include advertisements in metro stations & trains, land parcel development, Retail kiosks, etc.



The Company has bagged several awards, namely, National Project Excellence Award - 2019 by PMA- India for Phase-I, Best Urban Mass Transit Project Award, FIST Award 2020, Tamil Nadu Best Employer Brand Award 2020. In addition, the International Award 2020 for Safety from World Safety Organisation has been received by the Company for maintaining safety standards to the international level.

The Company has taken numerous steps in conservation and optimum use of energy. As on date, 5.6 MWp Roof Top Solar Power Plant has been installed as its drive to promote renewable energy generation in different premises namely the sheds of Metro Rail Depot at Koyambedu and few elevated & underground stations. Also, installation of 2.4 MWp Solar Power plant is under progress.

I would like to thank the citizens of Chennai for their continued patronage and encouragement, which enables the company to move forward.

I sincerely acknowledge the constant support provided by various departments of Government of India, Government of Tamil Nadu, Japan International Co-operation Agency (JICA), the Comptroller and Auditor General of India (CAG) and all the public authorities / agencies, contractors, all through the year for the implementation of the project.

I place on record the unstinted support of my colleague Board members for exercising skill and diligence in carrying out the functions of the company.

I truly appreciate the entire CMRL team for the unwavering dedication, steadfast commitment and endeavour towards meeting the demands of the commuters of Chennai Metro.

**Durga Shanker Mishra, IAS**  
**Chairman**



## REPORT OF THE DIRECTORS

Your Board of Directors are pleased to present the Company's 13<sup>th</sup> Annual Report along with the Audited Statement of Accounts for the financial year ended March 31, 2020 and comments of the Comptroller and Auditor General of India, under Section 143(6) of the Companies Act, 2013.

### Financial Highlights:

(₹ in Lakhs)

Particulars	FY 2019-20	FY 2018-19
<b>Gross Income</b>		
Fare Box	11,925.20	6,194.84
Parking Fees & Feeder service	872.18	467.19
Income from Property Development	3,729.00	1,886.71
Other income	12,192.26	9,786.41
Operating Expenses	14,957.94	10,569.50
Employee benefits expense	4,721.96	4,652.76
Finance Charges	12,951.87	8,349.11
Depreciation and Amortization Expense	41,974.35	32,133.20
Other Expenses	6,632.38	4837.39
Net Profit / (Loss) before Tax	(52,519.85)	(42,206.81)

### Share Capital

The Authorised Share Capital of the Company is ₹ 8,000 crore. In the FY 2019-20, 86,000 Equity shares each were allotted to the Government of India and Government of Tamil Nadu. The Issued, Subscribed and Paid-up Capital of the Company as on 31<sup>st</sup> March, 2020 is ₹ 5,396 crore. As on 31-03-2020, ₹ 668 crore of share application money is pending allotment.





## Project Highlights of Phase I

Details of Corridors in Phase I and Phase I Extension				
Details	Phase I-Corridor 1	Phase I-Corridor 2	Phase I Extension	Total
	Washermanpet to Airport	Central to St. Thomas Mount	Washermanpet to Wimco Nagar	
Underground length	14.389 Km	10.146 Km	2.78 Km	27.255 Km
Elevated length	8.613 Km	11.372 Km	6.10 Km	26.085 Km
Total length	22.942 Km	21.518 Km	8.88 Km	53.340 Km
Underground stations	Washermanpet, Mannadi, High Court, Central Metro, Govt. Estate, LIC, Thousand Lights, AG-DMS, Teynampet, Nandanam and Saidapet Metro (11 Stations)	Egmore Metro, Nehru Park, Kilpauk (KMC), Pachaiyappa's College, Shenoy Nagar, Annanagar East, Annanagar Tower and Thirumangalam (8 Stations)	Sir Thyagaraja College, Korukkupet (2 Stations)	21 Stations
Elevated stations	Little Mount, Guindy Metro, Alandur, Nanganallur Road, Meenambakkam Metro, Airport.(6 Stations)	St.Thomas Mt., Ekkattuthangal, Ashok Nagar, Vadapalani, Arumbakkam, CMBT, Koyambedu (7 Stations)	Tondiarpet, Thangal, Toll Gate, Gowri Ashram, Thiruvottiyur, Wimco Nagar (6 Stations)	19 Stations



## PHASE - I - COMISSIONED



## PHASE 1 EXTENSION - ALIGNMENT ROUTE MAP

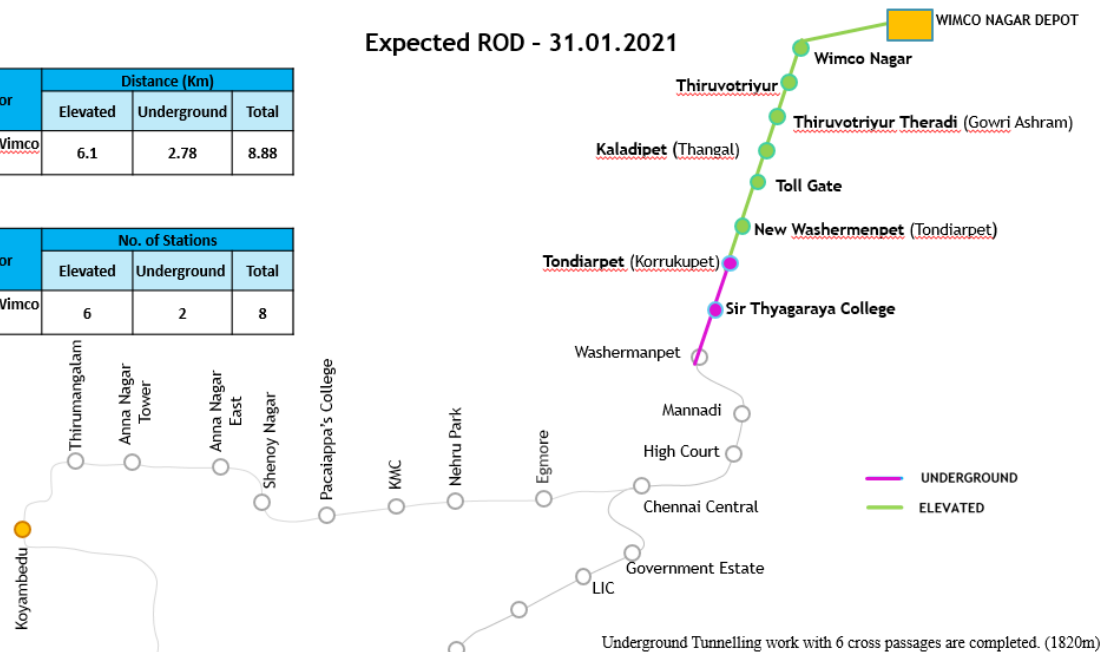
### ROUTE DETAILS

Name of Corridor	Distance (Km)		
	Elevated	Underground	Total
Washermenpet to Wimco Nagar	6.1	2.78	8.88

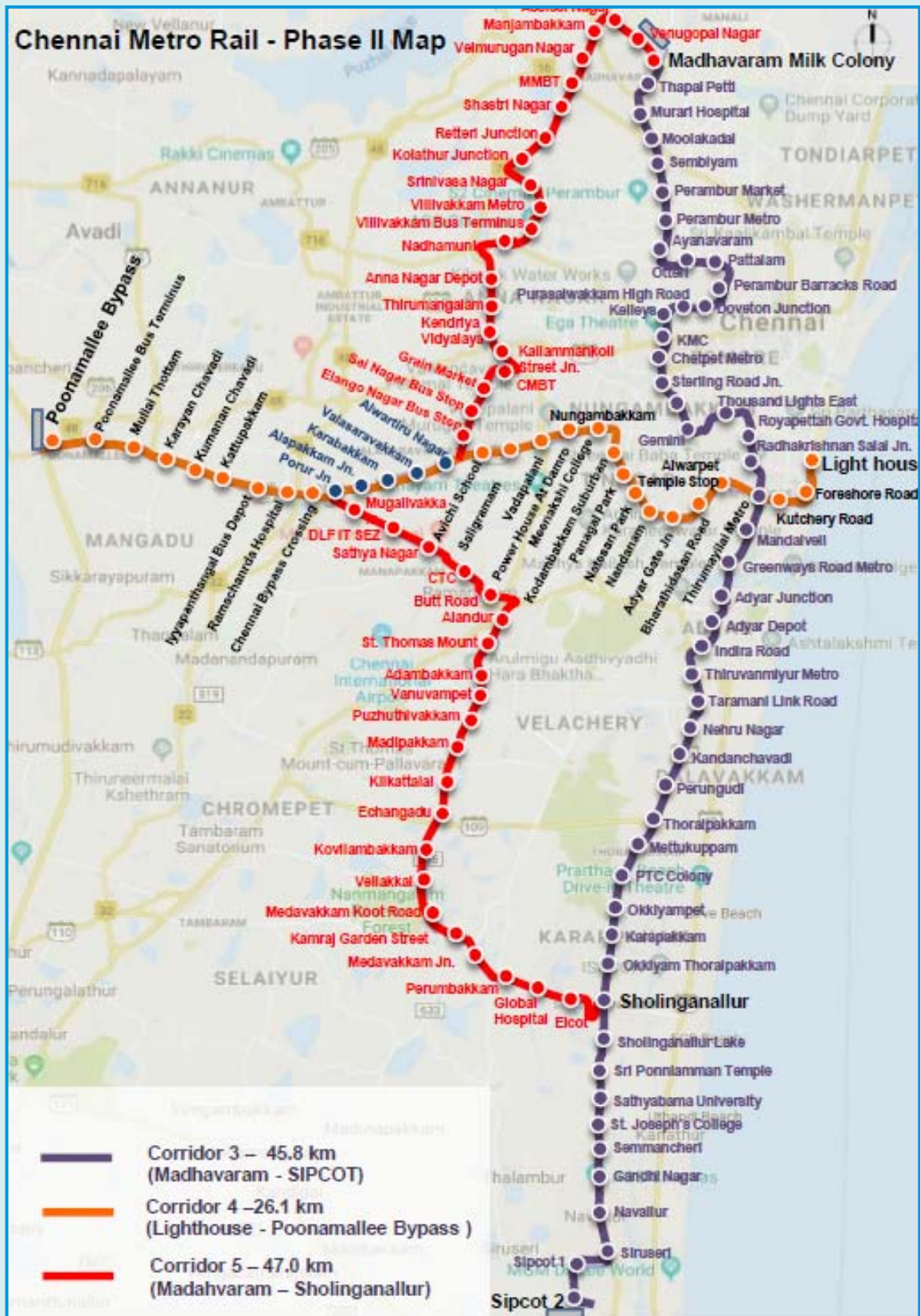
### STATION DETAILS

Name of Corridor	No. of Stations		
	Elevated	Underground	Total
Washermenpet to Wimco Nagar	6	2	8

Expected ROD - 31.01.2021



## PROJECT MAP – PHASE II



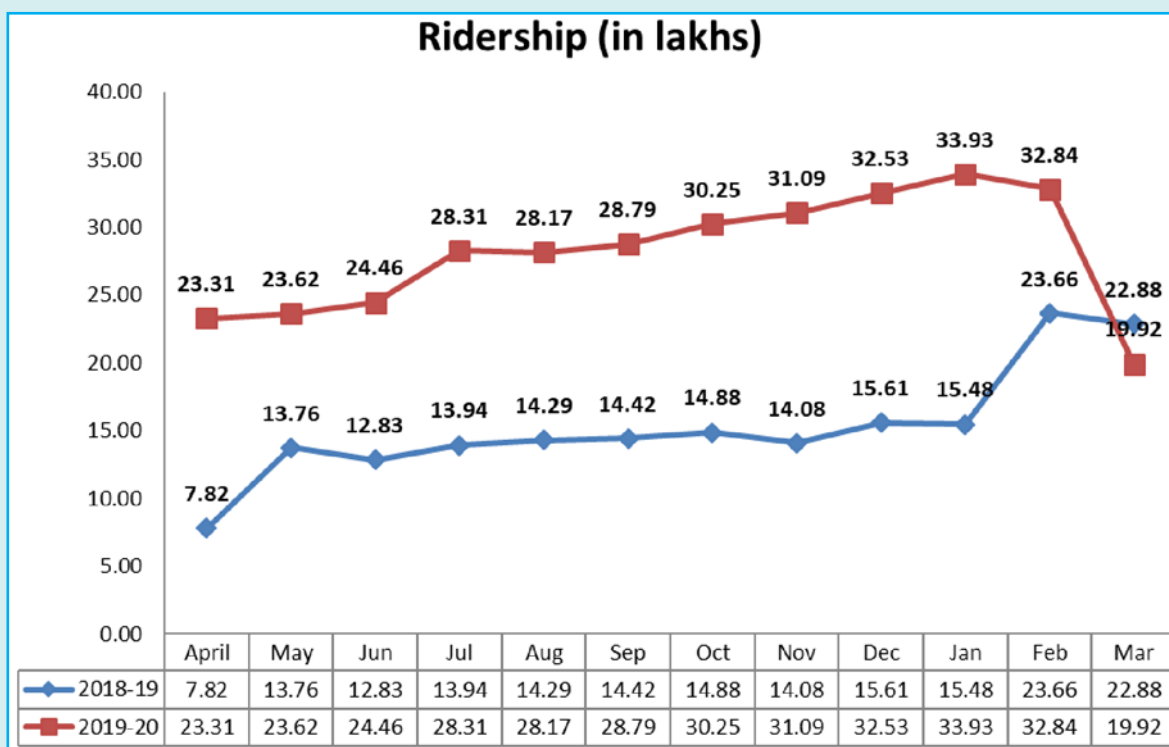


## Commencement of Operations of Phase – I

With the commencement of operations of the final stretch from AG-DMS to Washermanpet on 10th February, 2019, the entire 45 kms of the Phase – I of the Chennai Metro Rail Project is functional.

### The highlights of the operations are as given below:

The average passenger flow per day in the FY 2018-19 was 81,500. During the FY 2019-20 the average passenger flow per day increased to 94,700 passengers. The total ridership during the FY 2018-19 was 183.64 lakhs which improved to 337.22 lakhs in the FY 2019-20. Due to the COVID-19 pandemic, the services were suspended since 22nd March, 2020 until further orders by the Government of India. As per the instructions by the Government of India, services were resumed from 07-09-2020 by following the Standard Operating Procedures.



## Physical Progress of the Phase – I Extension project

The works of the Phase I Extension project covering a length of 8.88 Km from Washermenpet to Wimco Nagar are in progress and is expected to be commissioned by January 2021



1. **Underground section:** The entire tunnel works of the section is completed, while the station works are in progress. Track works and E&M works are substantially completed.
  2. **Elevated Section:** Viaduct construction and Track work for the main line is completed. Work is in progress for the 6 nos. of the Elevated stations and expected to be completed by December 2020. Works in respect of the Elevated Depot at Wimco Nagar are in fast pace of progress.
  3. **Progress of System Contract packages:**
    - ❖ **Signaling:** Field works in progress, signaling in progress
    - ❖ **Telecom:** Communication Backbone work is initiated. FAT (Factory Acceptance Test) completed for 3 systems. Tetra LCX tunnel cabling completed. Station cabling started, CER installation in progress.
    - ❖ **PSD:** All materials are delivered at the site and works are under progress.
    - ❖ **AFC:** Equipments for 8 stations are delivered. Cabling works are in progress.
    - ❖ **TVS & VAC:** Procurement for major equipment is completed. Installation Work is in Progress for STC, STR
    - ❖ **Lift & Escalators:** 28/36 Escalators delivered, Installation work is in progress. Lift works are also in progress
    - ❖ **Rolling stock:** All 10 trains delivery received at depot. Rolling stock commissioning is completed. Signalling commissioning under progress.
    - ❖ **Traction Power:** 1. All Rail and bracket installation work completed from SWA to STC and STC to STR except station area STC and STR.
2. Catenary/Contact wire work under progress in elevated section

## PHASE – II

Government of Tamil Nadu (GoTN) has accorded approval for implementation of three Metro Rail corridors for a length of 118.9 Km under Phase II of Chennai Metro Rail Project

GoTN recommended the same to Government of India for Central Government funding and also loan assistance from Bilateral /Multilateral agencies.

Funding for a portion of Chennai Metro Phase II (i.e. 52.01 Km, i.e. Madhavaram – Sholinganallur of Corridor 3 and Madhavaram – CMBT of Corridor 5) has been tied up with JICA and the loan has been effectuated





The screening committee of DEA has accorded approval for funding of entire Corridor-4 and posed for funding to four different multilateral banks i.e ADB, AIIB, and NDB.

Subsequently, CMRL submitted the Preliminary Project Reports (PPRs) to DEA through GoTN for the balance portion of Phase II (i.e. Section of C3 from Sholinganallur to SIPCOT and balance portion of Corridor 5 from CMBT to Sholinganallur – 40.1 Km) for funding from Multilateral agencies. The same is also in the advanced stage of approval by DEA

### Financial Highlights for the year 2019-20 Phase I and Phase I Extension

(Figures in INR Crore)

Details	Phase - I **	Phase- I Extension	Phase - I	Phase- I Extension
<b>Equity</b>	<b>Pattern of Funding</b>		<b>Total expenses As on 31-03-2020</b>	
GOI	3,413.20	508.00	2,190.00	438.89
GOTN	3,413.20	508.00	2,190.00	438.89
<b>Subordinate Debt</b>				
GOI	730.00	205.00	730.00	57.91
GOTN	2,177.60	203.00	3,621.65	406.62
GOTN - Taxes	-	205.00	-	57.91
<b>Senior term debt</b>				
GOI PTA	8,646.00	2,141.00	8,646.00	1,127.51
<b>Total</b>	<b>18,380.00</b>	<b>3,770.00</b>	<b>17,377.65</b>	<b>2,527.73</b>

\*\* The Revised Cost Estimate of Phase – I project amounting to ₹ 18,380 crore is approved by the Government of Tamil Nadu and the approval of Government of India is awaited.

The total funds received upto 31<sup>st</sup> March, 2020 is ₹ 17,258.22 crore and ₹ 3,910.27 crore for the Phase – I and Phase – I Extension projects respectively.

### Awards & Accolades

- IGBC (The Indian Green Building Council)** Platinum Rating Award received for entire Phase I stations for designing metro stations in a most environmental friendly manner with minimal energy footprint.
- NATIONAL PROJECT EXCELLENCE AWARD:** Received award in 2019 from PMA-India summit for successful completion and commencement of passenger services for the phase 1 project. CMRL has been presented the award for executing the project in an extremely



challenging condition with marvellous engineering practices, keeping public safety always as a priority.

3. **BEST URBAN MASS TRANSIT PROJECT AWARD:** Received from the Ministry of Housing and Urban Affairs. The award was conferred on CMRL for proactive land use and transport integration by connecting all the major transport hub in the city with the metro. Furthermore, for the initiatives towards better commuter mobility by introducing skywalk, foot over bridges, last mile connectivity & feeder services.
4. **FIST 2020 AWARD:** Received the prestigious FIST Award by the Fire & Security Association of India(FSAI). The award recognizes extraordinary contribution of organisation and individuals in the field of security, safety, firefighting and emergency response & maintenance practices.

#### **BEST PRACTICE AND INNOVATION CARRIED OUT IN PHASE1 EXTENSION:**

1. **Reduction in Station Box size:** One of the major changes that helped in reduction in size of station is the redesign of the tunnel ventilation system. The arrangement of vertical fans, as against the conventional horizontal fans as proposed in Phase 1.

##### **Positive design changes implemented:**

- System rooms have also been distributed to platform level, concourse level and ancillary building at street level.
- Arrangement of vertical fans, as against the horizontal fans as proposed in Phase 1.
- The length of the station box for underground station has been reduced to 150m from 230m.

2. **Innovation in Elevated Depot at Wimco Nagar**

- Ballast less track depot
- 4 level Car parking + Deck level + 2 level parking+ 8 level commercial building for future development
- Total height of the building – 60m for property development
- Sewage Treatment plant proposed for future PD area
- Depot consists of 16 tracks – 12 for stabling, 3 for inspection, 1 for emergency repair.

3. **Auto Launching System for Erection of "U" Girder**

- With the advent of technology, "U" Girders are erected using Auto Launching System Technics. This method is adopted first time in India. The launching gantries moves on top of the super-structure to carry forward the construction at ease and speed round the clock. The benefits of this method are as follows:



- Time consumed for erection of each span is minimized.
- The entire span is with one single element result in more durability
- Economical design of Girders (Low weight precast elements)
- The present adopted method is with end feeding where by space is required only at the loading location for positioning the trailer.
- Since launcher moves at viaduct level, obligatory spans can be bridged with ease without disturbing road traffic.
- No requirement of parapet walls.
- Side walls of the U girders acts as Anti crash barrier for the train

### **Automated Parking Management System – CMRL Travel Card for Parking payment integration**

The Key Features of the system are as follows:

- CMRL Travel Card for collecting Parking Fares
- Daily and Monthly Pass issuances
- Accurate fare calculation
- Multi device operation (entry and exit can be on different devices)
- Pay also using Bank card
- Online revenue reports
- Real-time parking availability & Monitoring
- Dynamic tariff plan allocation
- Customer Receipts

### **Measures taken to address the Covid-19 scenario/ challenge**

The Company had come up with an innovative way towards contact less operations amid the spread of coronavirus.

### **Operation & Maintenance**

1. Installation of the foot-operated switches in all lifts in all 32 metro stations including headquarters office at Koyambedu
2. The travel card readers have been installed at all the 32 metro stations for passengers to tap their smart cards for top-up, check balance or view travel history which prevents people from queuing up at ticket counters.





3. The contactless QR ticketing solution, eliminates human interference and allows seamless passage throughout the journey. It is beneficial for passengers and the company as no staff is involved. Around 850 people are using QR ticketing solution every day
4. Foot operated tap to avoid hand contact with the tap were installed at all the metro stations

#### **Safety Arrangements at Metro Stations:**

- Thermal Scanning of all Passengers at Entry level will be conducted.
- Symptomatic passengers or those having high temperature will not be allowed to use metro Train Services.
- Social distancing sticker markings are placed at all Passenger moving / waiting areas at Station premises.
- Passengers are advised to stand on alternate steps in the escalators
- Hand sanitizer – Foot press / contactless dispenser with hand sanitizer has been arranged at the entry for all passengers.
- In order to ensure safety of passengers, Air-Conditioning in trains and stations shall be run following protocols prescribed by CPWD / ISHRAE (Indian Society for Refrigeration and Air-Conditioning).
- Passengers are encouraged to use Aarogya Setu App at the time of entry into the station.
- Social distancing and mandatory thermal scanning are being carried out at site.

#### **OODU-ERP:**

CMRL was working with Tally, an accounting software, for its accounting transactions process until June 2019. Effective 4<sup>th</sup> July 2019, CMRL has moved to OODU, a suite of open source business applications, with Accounting module in Phase I of implementation. All the opening balances of 1<sup>st</sup> April 2019 and the transactions in the financial year 2019\_20 up to 3<sup>rd</sup> July 2019 were completely mapped to their respective Chart of Accounts (CoA), Partners (Customer/Vendor/Employees), Analytical accounts (Projects/Department/stations) and Analytical tags (Phase I, Phase I Ext and Phase II) and loaded in ERP.

Moreover, CMRL has exclusive customization module named H2H (Host to Host) where the Odoo accounting application is interfaced with Bank portal for generating the payment to vendor. This has reduced the administration time for uploading data in bank portal. This is also a great step towards security control where the payments processed in ERP straightaway placed in bank authorization portal through a FTP folder without any manual intervention.



CMRL has better control on the application through various work flow's like creator / Approver in accounting entries with detailed responsibilities at user level. Easy drill down of various reports in OODU has given a fillip to the MIS reporting. CMRL also has plans to migrate to the integrated Odoo Apps for various other functions like HR module and Work order module to achieve integrates solution.

### **Non-Fare Box Revenue**

During the year under review, the Non-Fare Box Revenue is at Rs. 37 crore. With the constant efforts taken and strategies adopted, the non-fare box revenue is likely to increase in the coming years.

### **Solar Power**

The Solar Plant Projects are executed under Zero Capital Investment by CMRL and based on RESCO Model under Solar Energy Corporation of India (SECI) Scheme payable on Monthly Tariffs. The generated solar power is utilized for own demands. With the installation of 330 kWp Roof Top Solar Power plant at the Egmore Metro Station, the total capacity of solar Power plants in the metro stations and the Koyambedu Depot stands at 5.83 MW. Commissioning up to 8MW Solar Power points are planned by 2020, which will save up to ₹ 2.54 crore towards energy cost.

### **Discounted Fare on Metro Travel cards**

In a view to increase the footfall during the weekends and public holidays, 50% discounted fare on metro travel tickets on all Sundays and Public holidays was introduced from 27<sup>th</sup> October 2019.

### **Educational Trips to Government School Students**

CMRL has been undertaking monthly educational trips from Central Metro to Airport, AG-DMS to Airport and Washermanpet to Airport for the students of government and government aided schools in other districts. During the year 2019-20, a total of 26,504 students have travelled in the metro.

### **Social Welfare Activities**

- ❖ International Women's Day activities at Metro stations by conducting free medical camps and "Parai Performance" in the Washermanpet Metro Station.
- ❖ Free Entertainment services in Metro trains by Sugar Box and Electric Bike services by Flyy
- ❖ Conduct of general medical health camps at Metro Stations
- ❖ Sketchers Performance Chennai Marathon was conducted for a social cause and restoration of Kazhpathur lake in OMR on 05-01-2020. A number of 32,000 participants took part in the event.



- ❖ CMRL Metro Pongal Cultural Festival was conducted in collaboration with South Zone Cultural Centre, Thanjavur from 9<sup>th</sup> to 11<sup>th</sup> January, 2020.
- ❖ 260 Differently Abled students traveled in metro train on account of the International Day for Differently-Abled on 02-12-2019.
- ❖ Metro Music Edit 2019 – Conduct of several events with performers across Chennai was conducted to celebrate Music and Art Forms from 10th December, 2019 to 1<sup>st</sup> January, 2020.
- ❖ International Yoga Day Celebrations at Metro stations from 20<sup>th</sup> to 23<sup>rd</sup> June, 2019.

## RESERVATION POLICY

Rules of reservation are being followed for recruitment of candidates for permanent posts.

## BOARD OF DIRECTORS

As on March 31, 2020, the Company has 13 Directors on the Board of which 4 Directors are nominated by Government of India including the Chairman, 5 Directors Nominated by Government of Tamil Nadu including the Managing Director, and 2 Functional Directors. Apart from the Nominee Directors, the Board has appointed 2 Independent Directors, expert in the fields of Finance and General Management.

## AUDIT COMMITTEE

The Audit Committee constituted by the Board presently comprises the following Directors:

- |  |                             |
|--|-----------------------------|
| 1. Shri S Krishnan, IAS (DIN 03439632) | - Chairman of the Committee |
| 2. Smt Uma R Krishnan (DIN 00370425)   | - Member                    |
| 3. Smt Usha Sankar (DIN 06998746)      | - Member                    |
| 4. Shri Jaideep, (DIN 08558063)        | - Permanent Invitee         |

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee constituted by the Board presently comprises the following Directors:

- |   |                     |
|---|---------------------|
| 1. Shri M A Siddique, IAS (DIN 07955771)  | - Chairman          |
| 2. Shri Sunil Mathur (DIN 07434150)       | - Member            |
| 3. Smt Uma R Krishnan (DIN 00370425)      | - Member            |
| 4. Smt Usha Sankar (DIN 06998746)         | - Member            |
| 5. Shri Pradeep Yadav, IAS (DIN 06565423) | - Permanent Invitee |

**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. Shri Pradeep Yadav, IAS (DIN 06565423)     | - Chairman of the Committee |
| 2. Smt Sujatha Jayaraj (DIN 07531722)         | - Member                    |
| 3. Shri Rajeev Narayan Dwivedi (DIN 07554468) | - Member                    |
| 4. Shri Rajesh Chaturvedi (DIN 08920648)      | - Member                    |
| 5. Smt Uma R Krishnan (DIN 00370425)          | - Member                    |
| 6. Smt Usha Sankar (DIN 06998746)             | - Member                    |

The CSR policy as approved by the CSR committee is placed in the website of the company. Since the company is not earning profits, no amount is spent towards Corporate Social Responsibility.

**MEETINGS OF THE BOARD AND ITS COMMITTEES**

In accordance with Section 173 of the Companies Act, 2013, during the financial year 2019-20, the Board of Directors had 3 Board Meetings and 9 Sub-Committee Meetings. The details of these meetings are as follows:

Description	No. of Meetings	Dates of Meetings
Board	3	19-07-2019, 30-08-2019 & 20-12-2019
Audit Committee	3	25-06-2019, 13-08-2019 & 29-11-2019
Nomination & Remuneration Committee	1	29-11-2019
O & M Committee	1	17-10-2019
Project Management Review Committee	4	27-06-2019, 01-10-2019, 07-11-2019 & 07-02-2020

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

Shri Pradeep Yadav, IAS (DIN 06565423) is appointed the Managing Director of CMRL with effect from 16-03-2020 vice Shri Pankaj Kumar Bansal, IAS.

Shri Jaideep (DIN 08558063) is appointed as a Nominee Director in the Board of CMRL with effect from 09-08-2019.



Shri Mukund Kumar Sinha (DIN 06774923) ceased to be a Nominee Director with effect from 06-12-2019.

Shri K Shanmugam, IAS (DIN 00794191), the then Additional Chief Secretary to Government, Finance Department, Government of Tamil Nadu, ceased to be a Nominee Director with effect from 05-07-2019 due to his re-designation.

Dr T.V Somanathan, IAS, (DIN: 01667284) Additional Chief Secretary to Government, Special Initiatives Department, Government of Tamil Nadu was appointed in the Board of CMRL with effect from 05-07-2019 on ex-officio basis.

Shri M A Siddique, IAS (DIN: 07955771) Principal Secretary to Government, Special Initiatives Department, Government of Tamil Nadu is appointed in the Board with effect from 23-12-2019 on ex-officio basis vice Dr T V Somanathan, IAS.

Shri S.K. Prabakar, IAS, (DIN 01238040) Principal Secretary to Government, Highways and Minor Ports Department, Government of Tamil Nadu is appointed as a Nominee Director on ex-officio basis, vice Dr. Rajeev Ranjan, IAS, (DIN 01806973) with effect from 05-07-2019.

Shri A Karthik, IAS (DIN 03601436), Principal Secretary to Government, Highways and Minor Ports Department, Government of Tamil Nadu is appointed as a Nominee Director on ex-officio basis with effect from 30-01-2020 vice Shri S K Prabakar, IAS

Shri Rajesh Chaturvedi (DIN 08920648) is appointed as the Director (Systems & Operations) of the Company with effect from 15-10-2020.

#### KEY MANAGERIAL PERSONNEL:

Your Company has the following Key Managerial Personnel as on the date of the Annual General Meeting:

Name	Designation
Shri Pradeep Yadav, IAS	Managing Director
Smt Sujatha Jayaraj	Director (Finance) & Chief Financial Officer
Shri Rajeev Narayan Dwivedi	Director (Projects)
Shri Rajesh Chaturvedi	Director (Systems & Operations)
Mrs Andal P	Company Secretary

#### HIGH POWER COMMITTEE (HPC)

The HPC under the Chairmanship of Chief Secretary, Government of Tamil Nadu, has met in periodic intervals and 20 meetings have been held so far. The HPC met on 6<sup>th</sup> February, 2020 during the FY 2019-20.



## STATUTORY AUDITORS

The Comptroller and Auditor General of India, New Delhi, has appointed M/s Ganesan and Company, Chartered Accountants, Chennai, as Statutory Auditors of the Company for the Financial Year 2019-20 the same is placed in the 60<sup>th</sup> Board of Directors Meeting held on 20<sup>th</sup> December, 2019. The report of the Statutory Auditors is annexed herewith.

## SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. LB & Co, Practicing Company Secretaries, are appointed as the Secretarial Auditor of the Company for the FY 2019-20. The report of the Secretarial Auditors is annexed herewith. The Secretarial Audit Report does not contain any qualification or adverse remark.

## INTERNAL AUDITOR

M/s. Varma & Varma, Chartered Accountants, are appointed as the internal auditors, for the Financial Years 2020-21 and 2021-22 to conduct internal audit of the Company. The functioning of internal auditors of the Company and their reports are reviewed by the Audit Committee from time to time.

## PERFORMANCE AUDIT BY CAG – PHASE - I

The C&AG conducted the performance audit of the Chennai Metro Rail Project Phase – I from July 2019. The Entry & Exit Conferences were conducted on 8<sup>th</sup> July, 2019 and 20<sup>th</sup> February, 2020. The final replies to the observations made by the audit are submitted on 17-07-2020. The Audit Committee reviewed the observations and replies to the audit observations.

## INTERNAL FINANCIAL CONTROLS

Effective internal control systems have been put in place for monitoring the implementation of projects including periodic reviews of the physical and financial progress, evaluation of efficiency of cost control measures based on inputs of both the Technical and Finance Departments.

In the period under review, an External Independent Audit (EIA) firm was appointed to evaluate the effectiveness, efficiency and appropriateness of the Internal Controls system along with flow of transactions. A detailed and elaborate study was carried out by the external EIA on 14 departments of the company during the FY 2019-20.

Review of the progress was conducted by the EIA and reports thereon are submitted. The Company has laid down and developed a framework of internal financial controls, with reference to financial statements and reporting and such controls are adequate and operating effectively. A system of internal control as examined by the external firm ensures the efficacy of control systems and the accountability by the Company. The reports of the external independent auditors will be





periodically reviewed and placed before the Audit Committee of the Board of Directors and implementation of recommendations are monitored.

### STATUTORY DISCLOSURES:

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

The company is deploying Air Cooled Variable Refrigerant flow (VRF) outdoor units along with Air Handling Units (AHUs) instead of water cooled chillers system for the following main reasons in Phase 1 extension project.

- Energy efficient system especially in part loads.
- Usage of water and associated water treatment system and chemicals are fully eliminated in Air conditioning system.
- There is no requirement of closed room and dedicated space for VRF outdoor units and the same shall be installed above station entry structure, vent shaft and ancillary building terrace. Hence, land acquisition and capital cost of civil system is reduced.

### FOREIGN EXCHANGE EARNINGS & OUTGO

₹ in Crores

1. Total Foreign Exchange Earned	Nil	(Prev. Year - Nil)
2. Total Foreign Exchange Used	113.09	(Prev. Year - 129.22)

### SUBSIDIARIES & ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Associate Companies as at the end of the financial year under review as also on the date of this report.

### PUBLIC DEPOSITS

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

### PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEE

During the year under review, the company has not

- a) given any loan to any person or other body corporate
- b) given any guarantee or provided security in connection with any loan to any other body corporate or person; and
- c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under Section 186 of the Companies Act, 2013



## DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) In the preparation of accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 2) Such accounting policies as mentioned in the Notes to the Financial Statement are selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit/loss of the company for that period.
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the annual accounts on a going concern basis.
- 5) The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and the systems were adequate and operating effectively.
- 6) The Directors have laid down internal financial controls to be followed by the Company and that such controls are operating effectively and reviewed periodically.
- 7) Necessary declaration with respect of independence is received from the Independent Directors of the Company.
- 8) Independent Directors have complied with the code for Independent Directors prescribed in Schedule IV to the Act.

## 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 31-03-2020 in Form MGT 9 is placed as ANNEXURE.

## COMMENTS OF THE BOARD ON THE STATUTORY AUDITORS' OBSERVATION:

### A. Qualified Opinion

#### Deviation from Accounting Standard:

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





clause 14.16 of the Memorandum of Understanding between Government of India, Government of Tamil Nadu and Chennai Metro Rail Limited dated 15-02-2011, the debt servicing liability of the company with regard to the JICA loan portion shall be reckoned based on JICA's repayment schedule received from JICA in rupee terms along with exchange rate fluctuation of loan liability. The company determines the current maturity portion of the loan by applying the closing rate on the installment payable as per JICA's repayment schedule without recognizing any exchange fluctuation.

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

#### **Management Note on observation of both Ind AS 21 & Ind AS 23:**

*Metro companies like CMRL have been funded from Official Development Assistance (ODA) loan of the extent of 60% of the project cost which is Sovereign loan and the tenor of the loan is also for the longer period of 30 years and hence it is decided to account the forex fluctuation as and when the demand is raised by Gol. The policy decision regarding the accounting treatment of forex fluctuation on JICA loan was examined during the year 2015-16 as the company started its first commercial operation and it was decided to account the forex fluctuation only at the time when CMRL receives a demand from Gol. The same has been consistently disclosed in the financial statement since FY 2015-16. As per the accounting standard, the forex fluctuation shall have severe impact on the P&L of the company or on the PPE (Capital Assets) considering the large quantum of forex loan. On accounting forex fluctuation in P&L account, the profitability of the company reflects unrealised loss/profit and on the other hand if it is capitalised, the Capital assets do not reflect the fair market value. In both the accounting treatment, the books of accounts do not reflect true and fair view. The metro companies in commercial operation having similar financial arrangements follow the same accounting practice as followed by CMRL. CMRL has also taken up the matter seeking exemption from the applicability of the said accounting standard from the Ministry of Corporate Affairs through MoHUA and the same is under review by the ministry. The policy decision regarding the accounting treatment of forex fluctuation on JICA loan was taken by Audit Committee after detailed deliberation. This is the conscious decision taken by the management as explained above.*

#### **B. Emphasis of Matters:**

##### **Statutory Auditor's observation:**

1. The Company has changed its accounting policy during the year to recognize the deferred Tax Asset (DTA) resulting from unabsorbed losses capable of reversing taxable timing differences resulting in de-recognition of the entire Deferred Tax Liability of ₹ 29,340 Lakhs created upto 01.04.2018 and of ₹ 29,239.42 lakhs created thereafter (Refer Note No.20).



**Management note:** Deferred tax assets and liabilities can be set-off when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Moreover, the tax losses on account of unabsorbed depreciation shall be available for set-off for unlimited period and hence the Deferred Tax Asset (DTA) on the unabsorbed depreciation is to be considered for realistic presentation. Based on this, and by applying prudence, the policy put in place in the earlier years is revised as under. With this change in the policy, the cumulative Deferred Tax Asset (DTA) on the unabsorbed depreciation being higher than the cumulative Deferred Tax Liability (DTL), the company has not recognized any DTL as on the date of balance sheet.

2. The COVID 19 pandemic has led to significant disruptions for business. The Company's commercial operations were stalled even after the year end. Such disruptions had resulted in loss of / fall in revenue and necessitated reliance by the management for financial reporting on internal and external information, third party confirmation of balances, periodic assessments at appropriate intervals and other documentary evidences (to the extent available): (a) in the estimation and accounting of liability (including towards project assets); and (b) in considering the appropriateness of the carrying amounts of assets (including recoverability in respect of receivables). The uncertainties on the outcome of the pandemic are dependent on the circumstances as they evolve in the subsequent periods. (Refer Note:43)

**Management note:** COVID19 has posed stiff challenges on ground in terms of assessing the financial aspects relating to the business. However, the management took close view of all these and incorporated the required treatments in the financials for the year ended 31 Mar 2020. Management understands that the impact of any unconsidered items relating to COVID19 to be immaterial.

## 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 and keeping in view the underlying principles of Corporate Governance, your Directors place a "Corporate Governance Report" as annexure to the Members of the Company.

## SECRETARIAL STANDARDS OF ICSI

The Company is complying with the 'SS-1' Secretarial Standard on Meetings of the Board of Directors and 'SS-2' Secretarial Standard on General Meetings.

## RISK MANAGEMENT POLICY, VIGIL MECHANISM AND WHISTLE BOWLER POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. The Risk Management Committee is constituted with the three Functional Directors and Heads of the Departments. Major risks identified by the businesses and



functions are systematically addressed through mitigating actions on a continuing basis and are discussed at the meetings of the Risk Management Committee constituted by the Managing Director. The company has a policy for Risk Management and the Risk Management framework is being implemented by the Risk Officer.

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

### **SAFETY & WELL BEING OF WOMEN**

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

### **RELATED PARTY TRANSACTIONS**

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

### **ACKNOWLEDGEMENT**

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

The Board of Directors expresses its thanks to their Bankers, office of the Comptroller & Auditor General of India, Statutory Auditors, Internal Auditors, Secretarial Auditors and various other Stakeholders connected with the affairs of the Company. The Board places on record the appreciation to the Employees for their continued support and co-operation.

**For and on behalf of the Board**

Place : Chennai  
Date : 22-12-2020

**Durga Shanker Mishra**  
**Chairman**



## CORPORATE GOVERNANCE REPORT

Corporate Governance denotes the system of rules, practices and procedures by which a company is governed. The Company has adopted the best corporate governance practices and its adherence to integrity, governance, transparency and best business practices are extremely high. In the execution of its roles, the Company is guided by various statutory enactments applicable to it, especially, Companies Act, 2013, CVC Guidelines, Accounting and Secretarial Standards, procurement guidelines of funding agencies, regulations prescribed by different regulatory authorities. In addition, all the applicable statutes governing the functioning of the Company in respect of Safety, Health, Environment, Welfare of the employees as well as those engaged through contractors are also being complied with.

### 1. BOARD OF DIRECTORS

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

#### Constitution of the Board

CMRL is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. Presently, 50% of the total issued share capital is held by Government of India and the other 50% by Government of Tamil Nadu. Both the Governments have the right to nominate five Directors each on the Board. The Directors so appointed 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 (Housing and Urban Affairs), 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, 2020, the Company has 13 Directors on the Board of which 4 directors are nominated by Government of India including the Chairman, 5 Directors Nominated by Government of Tamil Nadu including the Managing Director, and 2 Functional Directors. The nominee directors are Senior Officials of the Government of India and Government of Tamil Nadu having considerable experience and expertise across a range of disciplines, including general management, construction, project management, design, business strategy, finance etc. Apart from the nominee Directors, the Board has appointed two Independent Directors, experts in the fields of Finance and General Management.

**Composition of the Board as on 31-03-2020**

S.No	Name of the Director	Designation
1.	Shri Durga Shanker Mishra, IAS	Chairman / Nominee Director
2.	Shri Jaideep	Nominee Director
3.	Shri Radhakrishna Reddy	Nominee Director
4.	Shri Sunil Mathur	Nominee Director
5.	Shri Pradeep Yadav, IAS	Managing Director / Nominee Director
6.	Shri S Krishnan, IAS	Nominee Director
7.	Shri M A Siddique, IAS	Nominee Director
8.	Shri A Karthik, IAS	Nominee Director
9.	Shri G Prakash, IAS	Nominee Director
10.	Smt Uma R Krishnan	Independent Director
11.	Smt Usha Sankar	Independent Director
12.	Smt Sujatha Jayaraj	Director (Finance)
13.	Shri Rajeev Narayan Dwivedi	Director (Projects)

**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 project / matters 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 / Committee. 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, approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the next meeting. To address specific urgent needs, meetings at times, are also being called at shorter notice.
- ii) The detailed notes on the items to be discussed at the Board / Committee meeting are prepared by Head of the Departments and submitted to concerned Functional Directors for obtaining approval by the Managing Director. Agenda notes normally classified as follows-
  - a. Regular agenda items
    - i. Grant of Leave of Absence
    - ii. Confirmation of the Minutes of the previous Board meeting
    - iii. Action taken report on the Minutes of the previous/earlier meetings
    - iv. Progress Report of the Project
  - b. Agenda Items for approval of the Board
  - c. Agenda items for information of the Board
- iii) Duly approved Agenda notes are circulated in advance to enable Directors to take an informed decision.
- iv) Where it is not desirable to attach any document or if the agenda is of a sensitive nature, the same is placed on the table at the meeting with the approval of the Managing Director. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are taken up for discussion with permission of the Chair of the Board.
- v) The meetings are usually held either at the Company's Registered Office or at the Conference Hall at Secretariat, Fort. St George, Chennai 600 009 or at the Office of the Chairman and Secretary (HUA), Ministry of Housing and Urban Affairs, New Delhi. During the financial year ended 31<sup>st</sup> March 2020, 3 Board meetings and 9 Committee Meetings were held.





- vi) At the request of the directors, meeting are also conducted through video conferencing, wherever permitted by the Companies Act, 2013.
- vii) The Members of the Board have complete access to all information of the Company.
- viii) The Board meetings are conducted in line with the applicable Secretarial Standards.

**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. The Heads of the Departments are also called in to brief the Board and make presentation wherever required.

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

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

**e) Post Meeting follow-up mechanism**

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

**f) Compliance**

Every Functional Director/Head of the Department while preparing agenda notes ensures adherence to all the applicable provisions of law, rules, guidelines, etc. The Compliance Certificate based on the reports received from the departments are placed before the Board in each meeting.

During the financial year 2019-20, Three (3) Board Meetings were held on 19-07-2019, 30-08-2019 and 20-12-2019.



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

Sl. No.	Directors	Director Identification Number (DIN)	Board Meetings held during respective tenures of Directors	No .of Board Meeting attended	Attendance at the last AGM held on 27-09-2019
i.	Shri Durga Shanker Mishra, IAS	02944212	3	3	Present
ii.	Shri Pankaj Kumar Bansal, IAS	05197128	3	3	Present
iii.	Shri Mukund Kumar Sinha	06774923	2	-	-
iv.	Shri Jaideep	08558063	2	2	Present
v.	Shri Vijay Kumar Dhir	06891176	1	-	-
vi.	Shri Radhakrishna Reddy	08436314	2	1	-
vii.	Shri Sunil Mathur	07434150	3	1	-
viii.	Shri Dimpy Garg	08179201	1	-	-
ix.	Shri S Krishnan, IAS	03439632	3	2	-
x.	Shri S K Prabakar, IAS	01238040	3	1	-
xi.	Dr T V Somanathan, IAS	01667284	3	1	-
xii.	Shri G Prakash, IAS	03370655	3	-	-
xiii.	Smt Sujatha Jayaraj	07531722	3	3	Present
xiv.	Shri Rajeev Narayan Dwivedi	07554468	3	2	-
xv.	Smt Uma R Krishnan	00370425	3	3	-
xvi.	Smt Usha Sankar	06998746	3	2	-





### 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) are followed. Matters, which are beyond the delegated powers of the Managing Director, are being brought before the Board / respective Sub-Committee and the same inter alia includes the following:

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

## 2. COMMITTEES OF BOARD OF DIRECTORS

The Board has established the following Committees

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



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

**I. Audit Committee**

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

**ii. Nomination and Remuneration Committee**

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

**iii. 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

**iv. 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

**v) 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

**vi) Corporate Social Responsibility Committee**

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

**2.1 AUDIT COMMITTEE**

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

**2.2 CONSTITUTION**

The Board, in its 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 which was re constituted on 28<sup>th</sup> January 2014 in the 28<sup>th</sup> Board Meeting.



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

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

1. Shri S Krishnan, IAS (DIN 03439632) - Chairman of the Committee
2. Smt Uma R Krishnan (DIN 00370425) - Member
3. Smt Usha Sankar (DIN 06998746) - Member

Shri Jaideep, Officer on Special Duty and Joint Secretary, MoHUA is a permanent invitee. Managing Director, Whole-Time Directors, Statutory Auditors, Secretarial 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 1/3<sup>rd</sup> 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 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

Three (3) Meetings of the Audit Committee was held during the Financial Year.

Directors	Audit Committee Meetings held during respective tenures of Directors	No. of Audit Committee Meetings attended
Shri K Shanmugam, IAS (DIN 00794191)	1	1
Shri S Krishnan, IAS (DIN 03439632)	2	2
Smt Uma R Krishnan (DIN 00370425)	3	3
Smt Usha Sankar (DIN 06998746)	3	2

## ANNUAL GENERAL MEETING

Date, time and location where the 12<sup>th</sup> Annual General Meeting was held, is as under:

Date and time	27 <sup>th</sup> September, 2019 at 1430 hrs
Venue	Registered office of the Company at Koyambedu, Chennai
Specified Resolution (s) passed	<b>Ordinary Resolution</b> <ul style="list-style-type: none"> <li>✓ Approval of Accounts, Directors' Report and Auditors' Report</li> <li>✓ Fixing the remuneration of the Auditors of the company for the financial year 2019-20</li> </ul>

## COMPANY'S WEBSITE

The company's website is [www.chennai-metro-rail.org](http://www.chennai-metro-rail.org) all major information pertaining to Company including project, contracts, job, recruitment process and results etc. are given on the website. The Company has also created a Facebook page [www.facebook.com/chennai-metro-rail](https://www.facebook.com/chennai-metro-rail) to update public on a daily basis on progress achieved.

### Registered Office :

Chennai Metro Rail Limited  
CIN U60100TN2007SGC065596  
CMRL Depot, Admin Building,  
Poonamallee High Road,  
Koyambedu , Chennai 600 107



## ANNUAL REPORT ON CSR ACTIVITIES

S.No.	Particulars	Remarks					
1.	A brief Outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the website link to the CSR Policy and Projects or Programs.	The CSR Policy of the company was formulated on May 2017.					
2.	The Composition of the CSR Committee:	Shri Pradeep Yadav - <b>Chairman</b> <b>Members:</b> Smt Sujatha Jayaraj Director (Finance) Shri Rajeev Narayan Dwivedi - Director (Projects) Shri Rajesh Chaturvedi - Director (S&O) Smt. Uma R Krishnan-Independent Dir Smt. Usha Sankar - Independent Dir					
3.	Average net profit of the company for the last three financial Years- Operational profits	-					
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	-					
5.	Details of the CSR spent during the Financial Year: a) Total amount to be spent for the financial Year b) Amount unspent (if any) c) Manner in which amount spent during the financial year is detailed below:	NIL					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activities identified	Sector in which the project is covered	Projects or Program	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 31-03-2020**

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

**I. REGISTRATION & OTHER DETAILS:**

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

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

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

S. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Metro Railways	99532124	72.12%
2	Property Management Services	99722120	22.42%



### 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
	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 <sup>st</sup> March 2019)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March 2020)				% 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.	-	26937000	26937000	50%	-	26980000	26980000	50%	0.16%
c) State Govt.(s)	-	26937000	26937000	50%		26980000	26980000	50%	0.16%
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	-	53874000	53874000	100%		53960000	53960000	100%	0.16%





Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 <sup>st</sup> March 2019)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March 2020)				% 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) FIIs									
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 ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Non-Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - DR									
<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>	-	53874000	53874000	100%	-	53960000	53960000	100%	0.16%



**(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	26937000	50%	-	26980000	50%	-	0.16%
2	Govt. of Tamil Nadu & Nominees	26937000	50%	-	26980000	50%	-	0.16%

**(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		53874000	100%	53874000	100%
Date wise Increase / Decrease in Promoters Shareholding during the year; Reasons for increase : Due to allotment	19-07-2019	86000	0.002%	53960000	100%
At the end of the year		53960000	100%	53874000	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	0.00061%	330	0.00061%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	100	0.00%	-	-
	At the end of the year	230	0.00061%	230	0.00061%

**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 including Commitment charges and Front-end Fee	-	12,12,167.07	-	12,12,167.07
ii) Interest due but not paid	-	25,458.28	-	25,458.28
iii) Interest accrued but not due	-	3,636.42	-	3,636.42
<b>Total (i+ii+iii)</b>		<b>12,41,261.77</b>		<b>12,41,261.77</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	88,743.62	-	88,743.62
* Reductions		-		-
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount including Commitment charges and Front-end fee	-	12,89,058.48	-	12,89,058.48
ii) Interest due but not paid	-	39,673.68	-	39,673.68
iii) Interest accrued but not due	-	1,273.22	-	1,273.22
<b>Total (i+ii+iii)</b>		<b>13,30,005.39</b>		<b>13,30,005.39</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Pankaj Kumar Bansal, MD	Shri Pradeep Yadav, IAS MD	Smt. Sujatha Jayaraj, Director (Finance)	Shri. Rajeev Narayan Dwivedi, Director (Projects)	
1.	Gross salary (₹ in Lakhs)	35.99	1.50	48.03	48.03	133.55
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify...					
5.	Others, please specify	-	-	-	-	-
	<b>Total (A) (in Lakhs)</b>	<b>35.99</b>	<b>1.50</b>	<b>48.03</b>	<b>48.03</b>	<b>133.55</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
		Smt Uma R Krishnan	Smt Usha Sankar			
1	Independent Directors					
	Fee for attending board committee meetings - in Rupees.	1,40,000	1,00,000			2,40,000
	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	1,40,000	1,00,000			2,40,000
	Overall Ceiling as per the Act					



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

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary (in lakhs)	-	15.55	48.03	63.58
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	Others specify...		-	-	-
5	Others, please specify- EPF		-	-	-
	<b>Total</b>		<b>15.55</b>	<b>48.03</b>	<b>63.58</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-		



## LB & Co

Company Secretaries

**Head Off:** 2<sup>nd</sup> Floor, No.36/98, Halls Road, Kilpauk, Chennai - 600 010.

Landline: +91 044-45510091; Mobile : +91-99625 1540;

E-mail : [lalitha.companysecretary@gmail.com](mailto:lalitha.companysecretary@gmail.com) / [lbandco.cs@gmail.com](mailto:lbandco.cs@gmail.com)

**Branch off:** No.13, 14<sup>th</sup> Street, Nanganallur, Chennai - 600 061.

### Form MR-3

## Secretarial Audit Report

(For the financial year ended 31<sup>st</sup> March, 2020)

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

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

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

Based on our verification of the **M/s Chennai Metro Rail Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, "the Company" has during the audit period ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that "the Company" has proper Board-processes and compliance-mechanism in place to an extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Chennai Metro Rail Limited ("the Company")** for the period ended on 31<sup>st</sup> March, 2020 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'

During the period under review "the Company" has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above.



## LB & Co

### Company Secretaries

**Head Off:** 2<sup>nd</sup> Floor, No.36/98, Halls Road, Kilpauk, Chennai - 600 010.

Landline: +91 044-45510091; Mobile : +91-99625 1540;

E-mail : [lalitha.companysecretary@gmail.com](mailto:lalitha.companysecretary@gmail.com) / [lbandco.cs@gmail.com](mailto:lbandco.cs@gmail.com)

**Branch off:** No.13, 14<sup>th</sup> Street, Nanganallur, Chennai - 600 061.

#### We further report that

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

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

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

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

CS Lalitha S  
Partner  
M.No.235695  
CP No.2666  
UDIN: F004464B001504578





## LB & Co

### Company Secretaries

**Head Off:** 2<sup>nd</sup> Floor, No.36/98, Halls Road, Kilpauk, Chennai - 600 010.

Landline: +91 044-45510091; Mobile : +91-99625 1540;

E-mail : [lalitha.companysecretary@gmail.com](mailto:lalitha.companysecretary@gmail.com) / [lbandco.cs@gmail.com](mailto:lbandco.cs@gmail.com)

**Branch off:** No.13, 14<sup>th</sup> Street, Nanganallur, Chennai - 600 061.

### Annexure-A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

CS Lalitha S  
Partner  
M.No.235695  
CP No.2666  
UDIN: F004464B001504578



# CHENNAI METRO RAIL LIMITED BALANCE SHEET AS AT 31<sup>st</sup> March, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
Property, Plant and Equipment	2	18,00,131.65	18,08,304.49
Capital Work-in-progress	3	2,48,785.70	1,57,226.17
Intangible Assets	4	41,086.26	41,745.77
Intangible Assets under development	5	128.24	140.43
Financial Assets			
(i) Other Financial Assets	6	15,113.42	16,371.29
Other Non-Current Assets	7	30,300.51	25,227.51
<b>(2) Current assets</b>			
Inventories	8	720.51	564.01
Financial Assets			
(i) Trade Receivables	9	1,459.12	1,654.34
(ii) Cash and cash equivalents	10	1,11,967.45	1,92,524.07
(iii) Other Bank balances	11	67,000.00	902.55
(iv) Other Financial Assets	12	11,986.99	11,786.94
Current Tax Assets (Net)	13	746.48	625.66
Other Current Assets	14	2,659.66	3,157.23
<b>Total Assets</b>		<b>23,32,086.00</b>	<b>22,60,230.46</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	15	5,39,600.00	5,38,740.00
Other Equity	16	(29,591.97)	23,982.23
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	17	12,47,637.98	11,94,184.21
(ii) Other Financial Liabilities	18	3,932.71	1,324.27
Provisions	19	828.70	659.09
Deferred Tax Liabilities (Net)	20	-	-
Other Non-Current Liabilities	21	2,88,381.99	2,72,384.18
<b>(2) Current liabilities</b>			
Financial Liabilities			
(i) Trade Payables	22		
Total outstanding dues of micro enterprises & small enterprises		41.48	8.64
Total outstanding dues of creditors other than micro enterprises & small enterprises		1,005.36	6,194.59
(ii) Other Financial Liabilities	23	2,35,828.68	1,51,427.08
Other Current Liabilities	24	44,277.54	71,223.36
Provisions	25	143.53	102.83
<b>Total Equity and Liabilities</b>		<b>23,32,086.00</b>	<b>22,60,230.46</b>
Significant Accounting Policies & Estimates	1		
Other Notes to the Financial Statements	2 to 46		

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

For and on behalf of the Board of Directors

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

Pradeep Yadav, IAS  
Managing Director  
(DIN: 06565423)

Rajeev Narayan Dwivedi  
Director  
(DIN: 07554468)

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

Place : Chennai  
Date : 20.12.2020

Place : Chennai  
Date : 19.12.2020

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



**CHENNAI METRO RAIL LIMITED**  
**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> Mar 2020	For the year ended 31 <sup>st</sup> Mar 2019
Revenue from operations	26	16,526.39	8,548.74
Other income	27	12,192.26	9,786.41
<b>I. Total Income</b>		<b>28,718.65</b>	<b>18,335.15</b>
<b>Expenses:</b>			
Operating expenses	28	14,957.94	10,569.50
Employee benefits expense	29	4,721.96	4,652.76
Finance costs	30	12,951.87	8,349.11
Depreciation and amortization expense	2, 4 & 32	41,974.35	32,133.20
Other expenses	31	6,632.38	4,837.39
<b>II. Total Expenses</b>		<b>81,238.50</b>	<b>60,541.96</b>
<b>III. (Loss) before tax (I - II)</b>		<b>(52,519.85)</b>	<b>(42,206.81)</b>
<b>IV. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax	20	-	-
<b>V. (Loss) for the Year (III - IV)</b>		<b>(52,519.85)</b>	<b>(42,206.81)</b>
<b>VI. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement gain/(loss) of defined benefit obligations - Gratuity		(194.35)	(28.70)
		(194.35)	(28.70)
<b>Total Comprehensive Income for the period (V+ VI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(52,714.21)</b>	<b>(42,235.50)</b>
<b>Earnings per equity share:</b>	33		
Equity Shares of Par value ₹ 1,000/- each			
- Basic (₹)		(97.38)	(82.45)
- Diluted (₹)		(86.61)	(75.07)
Significant Accounting Policies & Estimates	1		
Other Notes to the Financial Statements	2 to 46		

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

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

Pradeep Yadav, IAS  
Managing Director  
(DIN: 06565423)

For and on behalf of the Board of Directors

Rajeev Narayan Dwivedi  
Director  
(DIN: 07554468)

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

Place : Chennai  
Date : 20.12.2020

Place : Chennai  
Date : 19.12.2020

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



## CHENNAI METRO RAIL LIMITED

### Cash Flow Statement for the year ended 31<sup>st</sup> March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> Mar 2020		For the year ended 31 <sup>st</sup> Mar 2019	
<b>A. Cashflow from operating Activities</b>				
<b>Inflow:</b>				
Farebox Revenue	13,512.10		7,053.64	
Non Farebox Revenue	3,876.90		2,817.83	
Other Income	1,470.75		66.53	
Recovery of misappropriated funds	8.00		-	
<b>Sub-Total (A1)</b>		<b>18,867.75</b>		<b>9,937.99</b>
<b>Outflow:</b>				
Operating Expenses	15,637.47		10,756.53	
Employee benefit expenses	4,407.15		4,712.32	
Finance Costs	116.43		33.27	
Other Expenses	4,244.50		4,273.62	
Payment of Statutory Liabilities	1,560.51		663.71	
Misappropriation of Funds	-		23.53	
<b>Sub-Total (A2)</b>		<b>25,966.06</b>		<b>20,462.98</b>
<b>Net cashflow from operating activities (A1-A2)</b>		<b>(7,098.31)</b>		<b>(10,524.99)</b>
<b>B. Cashflow from Investing Activities</b>				
<b>Inflow:</b>				
Proceeds from Sale of Property, Plant & Equipment	0.13		0.05	
Receipt of Government Grant	5,764.00		5,764.00	
Interest Income	3,968.54		5,582.77	
Miscellaneous Receipts	15.21		7.09	
<b>Sub-Total (B1)</b>		<b>9,747.88</b>		<b>11,353.91</b>
<b>Outflow:</b>				
Payments for Property, Plant & Equipment including land & intangibles	23,248.88		9,588.67	
Payments for Capital Work-in-Progress	1,44,352.04		1,63,312.62	
Deposits (Net)	66,809.49		913.16	
Payment of Statutory Liabilities	5,962.78		4,420.89	
<b>Sub-Total (B2)</b>		<b>2,40,373.19</b>		<b>1,78,235.34</b>
<b>Net cashflow from investing activities (B1-B2)</b>		<b>(2,30,625.31)</b>		<b>(1,66,881.43)</b>
<b>C. Cashflow from Financing Activities</b>				
<b>Inflow:</b>				
Proceeds from issue of shares	-		64,568.00	
Pass Through Assistance - JICA Borrowing	1,33,140.00		62,460.00	
Subordinate Debt	24,027.00		61,900.00	
<b>Sub-Total (C1)</b>		<b>1,57,167.00</b>		<b>1,88,928.00</b>
<b>Outflow:</b>				
Principal repayment of JICA Loan IDP 197	-		3,363.75	
Payment of Interest on JICA Loan	-		13,245.25	
<b>Sub-Total (C2)</b>		<b>-</b>		<b>16,609.00</b>
<b>Net cashflow from financing activities (C1-C2)</b>		<b>1,57,167.00</b>		<b>1,72,319.00</b>
<b>D. Net changes in cash &amp; cash equivalents (A+B+C)</b>		<b>(80,556.62)</b>		<b>(5,087.42)</b>
<b>E. Cash &amp; Cash Equivalents (Opening Balance)</b>		<b>1,92,524.07</b>		<b>1,97,611.48</b>
<b>F. Cash &amp; Cash Equivalents (Closing Balance)</b>		<b>1,11,967.45</b>		<b>1,92,524.07</b>
<b>G. Cash &amp; Cash Equivalents consists of:</b>				
Cash on Hand		<b>19.17</b>		<b>17.80</b>
Balance With banks - Current Account		64,948.28		1,41,206.27
Balance With banks - Deposit Account		47,000.00		51,300.00
<b>Total</b>		<b>1,11,967.45</b>		<b>1,92,524.07</b>

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

For and on behalf of the Board of Directors

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

Pradeep Yadav, IAS  
Managing Director  
(DIN: 06565423)

Rajeev Narayan Dwivedi  
Director  
(DIN: 07554468)

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

Place : Chennai  
Date : 20.12.2020

Place : Chennai  
Date : 19.12.2020

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



## CHENNAI METRO RAIL LIMITED

### Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2020

#### A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> Mar 2020	For the year ended 31 <sup>st</sup> Mar 2019
Equity Share Capital as at the beginning of the Year		5,38,740.00	4,87,046.00
Add: Share Capital issued during the year	15	860.00	51,694.00
Equity Share Capital as at the Year End		5,39,600.00	5,38,740.00

#### B. Other Equity

(₹ in Lakhs)

Particulars	Note No.	Reserves and Surplus		Share Application Money Pending	Total
		Capital Reserve	Retained Earnings		
Balance as of 1 <sup>st</sup> April, 2018		648.43	(2,113.17)	54,786.27	53,321.53
Additions during the year		22.21			22.21
Share Application Money Received During the Year				64,568.00	64,568.00
Shares allotted during the year				(51,694.00)	(51,694.00)
Profit/(Loss) for the Year			(42,206.81)		(42,206.81)
Items of Other Comprehensive Income					-
Remeasurement Gain/(Loss) of Defined Benefit Plan			(28.70)		(28.70)
Total Comprehensive Income for the Year			(42,235.50)	-	(42,235.50)
Balance as of 31 <sup>st</sup> March, 2019	16	670.64	(44,348.68)	67,660.27	23,982.23
Additions during the year		-			-
Recognized during the year					-
Share Application Money Received During the Year				-	-
Shares allotted during the year				(860.00)	(860.00)
Profit/(Loss) for the Year			(52,519.85)		(52,519.85)
Items of Other Comprehensive Income					-
Remeasurement Gain/(Loss) of Defined Benefit Plan			(194.35)		(194.35)
Total Comprehensive Income for the Year			(52,714.21)		(52,714.21)
Balance as of 31 <sup>st</sup> March, 2020		670.64	(97,062.88)	66,800.27	(29,591.97)

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

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

Pradeep Yadav, IAS  
Managing Director  
(DIN: 06565423)

For and on behalf of the Board of Directors

Rajeev Narayan Dwivedi  
Director  
(DIN: 07554468)

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

Place : Chennai  
Date : 20.12.2020

Place : Chennai  
Date : 19.12.2020

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



## Chennai Metro Rail Limited

### Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2020

#### Company Information

Chennai Metro Rail Limited (referred to as "the Company") is incorporated in India (CIN U60100TN2007SGC065596) 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.

#### NOTE NO. 1 - KEY ACCOUNTING ESTIMATES AND JUDGEMENTS & SIGNIFICANT ACCOUNTING POLICIES

##### 1.1. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 & subsequent/relevant amendments issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### 1.2. Key Accounting Estimates and Judgements

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

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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





**a) Tenure of Interest Free Subordinate Debt from Government**

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

**b) Fair Value of Interest Free Loans/Deposits**

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

**c) Useful lives of Property, Plant & Equipment**

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

**d) Defined Benefit Plans and Compensated Absences**

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

**e) Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including but not limited to its assessment of liquidity, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development and the net realisable values of other assets. However, given the effect of





these lockdowns on the overall economic activity, the impact assessment of COVID-19 on the above-mentioned financial statement captions is subject to significant estimation uncertainties, given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

### 1.3. Significant Accounting Policies

#### A) Property, Plant & Equipment

- i. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Borrowing costs relating to qualifying assets are also included to the extent they relate to the period till such assets are ready to be put to use.
- ii. Expenditure incurred on enabling assets viz. utility diversion, environmental protection, road diversion / restoration / signage, renovation work of drainage system and rehabilitation and resettlement which is compulsorily required to be incurred and directly attributable to the construction of the project is capitalized with the respective identifiable assets.
- iii. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
- iv. Assets & systems common to more than one section of the project are capitalized on the basis of technical estimates/assessments.
- v. Items such as spare parts, stand-by equipment and servicing equipment are recognized in accordance with Ind AS 16 when they meet the definition of Property, Plant & Equipment. Otherwise, such items are classified as inventory.
- vi. Capitalization of assets for a new section to be opened for public carriage of passengers is done after ensuring its completeness in all respects after administrative formalities and compliance of the requirements stipulated by Commissioner of Metro Rail Safety which is imperative for the opening of the Section.
- vii. Freehold Land from Government and Government Departments
  - Freehold lands received from Government of Tamil Nadu (GoTN) by means of interest free subordinate debt are capitalized at the relevant Guideline value.



- Lands acquired from public bodies, under an arrangement of swap with GoTN, are capitalized at the values stipulated by the appropriate authorities.
- Lands acquired by the company from various Government agencies for payment consideration are capitalized only on obtaining the Land Delivery Receipt (LDR).

#### **viii. Freehold land acquired from Private Land Owners**

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

- ix. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the Statement of Profit and Loss when incurred.
- x. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.
- xi. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
- xii. Gift land received from Government/Government agencies shall be treated as Government Grant as per Ind AS on the guideline value at the time of possession of land.
- xiii. Land received as gift from private land owners shall be accounted on the guideline value at the time of registration of gift deed by treating it as capital reserve.

#### **B) Capital Work-in-Progress**

- i. Assets under installation or construction as on the balance sheet date are shown as Capital Work in Progress. In case of lump-sum/BOQ contracts, the company accounts for liabilities towards its project related contractual obligations on receipt of claims. Pending receipt of claims, except for work variation, liability towards such claims receivable for the period up-to the close of the accounting year has been estimated and accounted for. 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.



- ii. Liquidated damages and penalties are accounted for on settlement of final bills or on award of arbitration proceedings with arbitration tribunal or with judicial authorities. Liquidated damages levied to mitigate the extra cost of construction are adjusted against the cost of related property, plant & equipment. Other LD's are recognized in the statement of profit and loss.

### C) Depreciation & Amortization

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

Asset Group	Asset Type	Useful life
Rolling Stock	Rolling Stock	30 years
Track works	Track Works	30 years
Escalators & Elevators	Escalators & Elevators	30 years
Office Equipment	Mobile Phones, Tablets etc.	3 Years
Tunnel Ventilation System	Tunnel Ventilation System	20 Years
Plant & Machinery	Dewatering Pump and Accessories	15 years
Plant & Machinery	Oscillation Monitoring System	5 Years
Assets costing Rs. 5,000 or less	All assets	Year of purchase

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

### D) Intangible Assets

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

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

### E) Government Grants

- i. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.



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

#### **F) Foreign Currency Transactions**

##### **i. Functional Currency**

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

##### **ii. Transactions & Translations**

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date except long term loan from JICA due to the fact stated in Note No. 17.1. The gains or losses resulting from such translations are included in the Statement of Profit and Loss.

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

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

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

**G) Inventories**

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

**H) Cash & Cash Equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash, cheques in hand, bank balances and demand deposits with banks that are repayable on demand.

**I) Employee Benefits****i. Short Term Obligations**

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

**ii. Other Long Term Employee Benefit Obligations**

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

**iii. Post-Employment Obligations****a. Defined Benefit Plan – Gratuity**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually using the projected unit credit method based on actuarial valuation.

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



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

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

**b. Defined Contribution Plan – Provident Fund**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

**c. Employment Benefits to Deputationists**

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

**J) Prepaid Items**

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

**K) Revenue Recognition**

The company derives revenue from traffic operations, business development & interest on bank deposits. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, GST and amounts collected on behalf of third parties. The company recognizes revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity.

**i. Fare Revenue**

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

**ii. Income from Business Development**

Rental income arising from operating leases of spaces along rails is recognized in accordance with the terms and conditions of the contract with the licensee/lessee





and is accounted for on a straight-line basis over the lease terms. Such rental income is included in revenue in the statement of profit or loss.

### **iii. Interest Income**

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

### **iv. Other Incidental Income**

Income from sale of tender documents is recognized in the Statement of Profit and Loss. Rental Income receivable from the contractors in connection with the construction works are reduced from the expenses pending capitalization.

## **L) Borrowing Costs**

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

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

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

## **M) Taxation**

The income tax expense or credit for the period consist of the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction and the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

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





Deferred tax asset arising from unused tax losses or tax credits are recognized only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity.

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

#### **N) Provisions, Contingent Liabilities & Contingent Assets**

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

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

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

#### **O) Cash Flow Statement**

Cash flows are reported using the direct method, wherein the cash & bank transactions are categorized in to the cash flows from operating, investing and financing activities of the Company.

#### **P) Financial Instruments**

##### **i. Initial Recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.



## ii. Subsequent Measurement

### a. Financial Assets carried at Amortized Cost

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

### b. Financial Assets at Fair Value through Profit or Loss

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

### c. Financial Liabilities

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

## iii. De-recognition of Financial Instruments

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

## iv. Fair Value of Financial Instruments

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

## Q) Fair Value

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



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

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

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

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

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

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

## **R) Leases**

### **Company as Lessee**

The company classifies a contract as lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement of lease, a right-of-use asset and a lease liability is recognized. Right-of-use asset are measured at cost less the accumulated depreciation and lease liability are measured at the present value of the lease payments that are not paid on that date. The lease payments are discounted using the interest rate implicit in the lease or the incremental borrowing rate. The interest expense is recognized by the Company in the Profit & Loss account separately from the depreciation charge for the right-of-use asset. The company depreciates the right-of-use asset from the commencement date to the end of useful life of the right-of-use asset or the end of the lease term whichever is earlier.

Lease payments associated with short term leases are recognized by the company as an expense on a straight line basis over the lease term or on the basis of benefit pattern.



The company has adopted Ind AS 116, Leases, effective from April 1, 2019 & elects to apply it retrospectively to recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of an appropriate equity component, at the date of initial application. CMRL has chosen not to apply this Standard to contracts that were not previously identified as containing a lease as per the transitional option given in the Standard.

### **Company as Lessor**

A lease is classified at the inception date as a finance lease or an operating lease. Leases, in which the Company does not transfers substantially all the risks and rewards incidental to ownership of an asset are classified as an operating lease. Assets held under operating lease is capitalised in the books of accounts. Initial direct costs incurred in connection with obtaining the lease is added to the carrying amount of the asset. The lease payments from operating leases is recognised as income on a straight-line basis. The expenses associated with earning of lease income, like depreciation, is recognised as expense.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the company's net investment in the lease. Derecognise the underlying asset and Present lease receivables at an amount equal to the net investment in lease.

### **S) Impairment**

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

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.



## T) Earnings Per Share

### i. Basic Earnings Per Share

Basic earnings per share is calculated by dividing

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

### ii. Diluted Earnings Per Share

Diluted earnings per share is calculated by dividing

The net profit attributable to the equity holders of the company

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

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

### Changes to Significant Accounting Policies and other matters in relation thereto:

- a) Recognition of Deferred Tax Asset (DTA) – Point M of Note 1.3 - In the current year, the policy in relation to accounting of DTA has been changed to consider the Deferred Tax Asset (DTA) to the extent that the company has sufficient taxable temporary differences. The impact on the financials as a result of this change and other relevant disclosures are elaborated in Note 20.
- b) Capitalisation of government land – Point A(vii) of Note 1.3 – "Receipt of Land Delivery receipt (LDR)" as the basis of establishment of ownership for capitalisation of Government land has been included for the sake of better clarity in interpretation of the policy as has been hitherto followed. Hence, there is no impact on the financials.



## Recent accounting pronouncements

### a) Ind-AS 116

- i) New accounting pronouncements adopted by the Company during the current financial year Ind-AS 116 – Leases. The Company adopted Ind AS 116 with effect from April 1, 2019. In accordance with Ind-AS 116, at the inception of a contract, the Company assessed whether the contract is or contains a lease.
- ii) Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

### b) Amendments to Ind-AS 19, Employee Benefits

Changes in Employee benefit plan when a change to a plan by way of either an amendment, curtailment or settlement takes place, Ind-AS 19 requires a Company to re-measure its net defined benefit liability or asset. The amendments to Ind-AS 19 require a Company to use the updated assumptions from this re-measurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

#### Non-Current Assets Note 2 - Property, Plant & Equipment For the Financial Year 2019-20

(₹ in Lakhs)

Particulars	Opening Gross Carrying Amount	Additions	Adjustments / Reversals	Closing Gross carrying amount	Opening Accumulated Depreciation	Depreciation charged during the year	Adjustments / Reversals	Closing Accumulated Depreciation	Net Block as at 31.03.2020	Net Block as at 31.03.2019
<b>A. Land</b>										
Freehold Land	3,08,558.33	19,823.90	(6,885.84)	3,21,496.39	-	-	-	-	3,21,496.39	3,08,558.33
<b>B. Buildings</b>										
Building	1,00,394.09	625.51	(63.63)	1,00,955.97	4,851.79	1,606.03	-	6,457.82	94,498.15	95,542.31
Buildings UG	4,71,224.70	8,112.95	(342.85)	4,78,994.80	6,908.96	7,592.97	-	14,501.93	4,64,492.87	4,64,315.74
Tunnel CCT	7,754.69	2.47	(0.59)	7,756.57	308.84	123.05	-	431.90	7,324.67	7,445.85
UG Tunnel	3,86,486.82	3,944.33	(29.46)	3,90,401.69	4,424.25	6,194.68	-	10,618.93	3,79,782.76	3,82,062.57
Viaducts	1,20,964.78	20.00	(18.75)	1,20,966.02	11,895.06	3,843.56	-	15,738.62	1,05,227.41	1,09,069.72
<b>C. Plant &amp; Equipment</b>										
Air-conditioning Systems	21,272.21	-	(1.62)	21,270.59	1,364.70	1,350.12	-	2,714.82	18,555.77	19,907.51
Automatic Fare Collection	11,201.48	2.55	(0.85)	11,203.18	1,416.90	656.39	-	2,073.29	9,129.89	9,784.59
Escalators & Elevators	15,961.44	2,351.81	(2.22)	18,311.04	884.40	551.03	-	1,435.43	16,875.61	15,077.05
Rolling Stock	1,84,324.56	3,823.57	(14.05)	1,88,134.08	12,297.42	5,871.08	-	18,168.50	1,69,965.58	1,72,027.14
Signalling & Telecom Equipments	98,576.79	1,018.57	(7.51)	99,587.85	10,528.36	6,359.48	-	16,887.84	82,700.01	88,048.43
Track Works (Permanent Way)	67,159.63	99.41	(5.12)	67,253.92	4,496.04	2,134.69	-	6,630.73	60,623.19	62,663.59
Traction Equipment	45,703.12	301.07	(3.48)	46,000.70	6,417.61	2,960.48	-	9,378.09	36,622.61	39,285.51
Tunnel Ventilation System	29,716.16	-	(2.26)	29,713.90	1,405.84	1,428.06	-	2,833.90	26,879.99	28,310.32
Other Plant & Equipment	7,228.33	210.60	(0.50)	7,438.43	1,655.58	478.63	-	2,134.21	5,304.22	5,572.75
<b>D. Furniture &amp; Fixtures</b>										
Furniture, Fittings & Equipment	731.71	63.45	-	795.16	267.45	71.17	-	338.62	456.54	464.26
<b>E. Vehicles</b>										
Vehicles	78.31	-	-	78.31	40.92	7.27	-	48.19	30.12	37.40
Bicycles	5.41	0.22	-	5.64	1.15	0.77	-	1.92	3.72	4.27
<b>F. Office Equipments</b>										
Computers	226.75	55.17	-	281.92	189.89	26.12	-	216.01	65.91	36.86
Office Equipment	311.25	39.47	(1.22)	349.50	220.95	33.48	(1.16)	253.27	96.24	90.30
<b>Grand Total</b>	<b>18,77,880.58</b>	<b>40,495.03</b>	<b>(7,379.94)</b>	<b>19,10,995.67</b>	<b>69,576.09</b>	<b>41,289.98</b>	<b>(1.16)</b>	<b>1,10,864.02</b>	<b>18,00,131.65</b>	<b>18,08,304.49</b>





# CHENNAI METRO RAIL LIMITED

## Notes to the Financial Statements for the year ended March 31, 2020

### Non-Current Assets

#### Note 2 - Property, Plant & Equipment For the Financial Year 2018-19

(₹ in Lakhs)

Particulars	Opening Gross Carrying Amount	Additions	Adjustments/ Reversals	Closing Gross Carrying amount	Opening Accumulated Depreciation	Depreciation charged during the year	Adjustments / Reversals	Closing Accumulated Depreciation	Net Block as at 31.03.2019	Net Block as at 31.03.2018
<b>A. Land</b>										
Freehold Land	3,02,105.90	11,760.78	(5,308.34)	3,08,558.33	-	-	-	-	3,08,558.33	3,02,105.90
<b>B. Buildings</b>										
Building	92,189.19	8,204.90	-	1,00,394.09	3,290.24	1,561.54		4,851.79	95,542.31	88,898.95
Buildings UG	1,55,630.25	3,15,594.45	-	4,71,224.70	2,172.36	4,736.60	-	6,908.96	4,64,315.74	1,53,457.89
Tunnel CCT	7,721.94	32.75	-	7,754.69	186.13	122.71	-	308.84	7,445.85	7,535.80
UG Tunnel	71,928.76	3,14,558.05	-	3,86,486.82	1,004.02	3,420.23	-	4,424.25	3,82,062.57	70,924.75
Viaducts	1,18,798.44	2,166.34	-	1,20,964.78	8,060.63	3,834.43	-	11,895.06	1,09,069.72	1,10,737.81
<b>C. Plant &amp; Equipment</b>										
Air-conditioning Systems	7,839.80	13,432.42	-	21,272.21	437.71	927.00	-	1,364.70	19,907.51	7,402.09
Automatic Fare Collection	6,259.20	4,942.28	-	11,201.48	809.08	607.81	-	1,416.90	9,784.59	5,450.12
Escalators & Elevators	8,761.08	7,200.36	-	15,961.44	488.69	395.70	-	884.40	15,077.05	8,272.39
Rolling Stock	1,53,984.94	30,339.62	-	1,84,324.56	6,977.21	5,320.21	-	12,297.42	1,72,027.14	1,47,007.73
Signalling & Telecom Equipments	49,113.84	49,462.96	-	98,576.79	5,767.55	4,760.81	-	10,528.36	88,048.43	43,346.28
Track Works (Permanent Way)	42,612.62	24,547.01	-	67,159.63	2,765.73	1,730.31	-	4,496.04	62,663.59	39,846.89
Traction Equipment	29,759.61	15,943.51	-	45,703.12	3,839.90	2,577.70	-	6,417.61	39,285.51	25,919.70
Tunnel Ventilation System	10,723.31	18,992.85	-	29,716.16	461.00	944.84	-	1,405.84	28,310.32	10,262.31
Other Plant & Equipment	7,183.51	44.82	-	7,228.33	1,193.75	461.83	-	1,655.58	5,572.75	5,989.76
<b>D. Furniture &amp; Fixtures</b>										
Furniture, Fittings & Equipment	684.98	46.73	-	731.71	185.56	81.88	-	267.45	464.26	499.42
<b>E. Vehicles</b>										
Vehicles	57.92	20.40	-	78.31	33.66	7.26	-	40.92	37.40	24.25
Bicycles	2.67	2.96	(0.21)	5.41	0.79	0.37	(0.01)	1.15	4.27	1.88
<b>F. Office Equipments</b>										
Computers	243.95	1.29	(18.48)	226.75	178.59	22.78	(11.48)	189.89	36.86	65.35
Office Equipment	275.59	36.54	(0.88)	311.25	187.52	34.07	(0.64)	220.95	90.30	88.07
<b>Grand Total</b>	<b>10,65,877.47</b>	<b>8,17,331.02</b>	<b>(5,327.91)</b>	<b>18,77,880.58</b>	<b>38,040.13</b>	<b>31,548.10</b>	<b>(12.13)</b>	<b>69,576.09</b>	<b>18,08,304.49</b>	<b>10,27,837.34</b>

#### 2.1 Details of land capitalized as at 31-03-2020 are as follows:

(₹ in Lakhs)

Category	2019-20	2018-19
GOTN Land at free of cost including TDR	1,22,068.51	1,28,954.35
Purchased Land - Gol Agencies	2,533.81	2,533.81
Purchased Land - GoTN Agencies	88,187.68	87,391.37
Land to Land Value	3,927.54	3,927.54
Private land including Gift value	1,04,778.85	85,751.26
<b>Total</b>	<b>3,21,496.39</b>	<b>3,08,558.33</b>

2.2 Land to an extent of 11,955.14 sq mt. valued at ₹ 7,726.15 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.

2.3 The company has acquired the land to the extent of 8,18,564.02 sq. mtrs. out of which title to the extent of 5,72,580.62 sq mtrs. have been obtained and title for the balance land to the extent of 2,45,983.40 sq mtrs are yet to be received and follow up action is being taken.



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

#### Non-Current Assets

#### Note 3 - Capital Work in Progress For the Financial Year 2019-20

(₹ in Lakhs)

Particulars	As on 01.04.2019	Additions during the year	Total	Capitalized during the Year	As on 31.03.2020
Buildings & Viaduct	54,400.21	28,374.26	82,774.46	245.48	82,528.99
Underground Stations & Tunnels (incl. Systems)	65,004.98	14,627.11	79,632.10	6,176.18	73,455.92
Depot and Stabling	8,906.30	7,690.03	16,596.33	737.48	15,858.84
Commercial Buildings for Property Development	376.82	191.23	568.05	-	568.05
Rolling Stock	3,823.57	23,142.01	26,965.57	3,823.57	23,142.01
Signalling & Telecommunication	0.00	5,400.89	5,400.89	1,018.57	4,382.32
Permanent Way	3,437.88	5,550.33	8,988.21	99.41	8,888.80
Power Supply & OHE	3,872.10	3,705.03	7,577.13	301.32	7,275.82
Lifts & Escalators	1,893.80	1,275.34	3,169.14	2,350.81	818.33
Automatic Fare Collection	-	669.69	669.69	-	669.69
General & other consultancy charges	1,246.76	780.71	2,027.46	105.11	1,922.35
Resettlement & Rehabilitation	5,876.41	3,568.30	9,444.71	2,967.13	6,477.58
Shifting of Utilities	359.07	1,183.35	1,542.42	-	1,542.42
Expenses pending Capitalization	8,028.28	16,166.26	24,194.54	2,939.94	21,254.59
<b>Total</b>	<b>1,57,226.17</b>	<b>1,12,324.53</b>	<b>2,69,550.70</b>	<b>20,764.99</b>	<b>2,48,785.70</b>

#### Non-Current Assets

#### Note 3 - Capital Work in Progress For the Financial Year 2018-19

(₹ in Lakhs)

Particulars	As on 01.04.2018	Additions during the year	Total	Capitalized during the Year	As on 31.03.2019
Buildings & Viaduct	19,465.54	35,589.02	55,054.56	654.36	54,400.21
Underground Stations & Tunnels (incl. Systems)	5,66,440.62	86,248.02	6,52,688.64	5,87,683.66	65,004.98
Depot and Stabling	5,154.61	9,610.30	14,764.92	5,858.62	8,906.30
Commercial Buildings for Property Development	3.57	373.25	376.82	-	376.82
Rolling Stock	18,221.61	13,394.52	31,616.13	27,792.56	3,823.57
Signalling & Telecommunication	20,405.25	25,853.23	46,258.48	46,258.48	-
Permanent Way	16,175.13	9,958.62	26,133.75	22,695.87	3,437.88
Power Supply & OHE	2,470.35	16,436.16	18,906.50	15,034.40	3,872.10
Lifts & Escalators	3,291.71	5,121.42	8,413.12	6,519.33	1,893.80
Automatic Fare Collection	1,279.09	3,314.15	4,593.24	4,593.24	-
General & other consultancy charges	37,814.79	362.98	38,177.77	36,931.01	1,246.76
Resettlement & Rehabilitation	11,738.76	1,810.56	13,549.32	7,672.91	5,876.41
Shifting of Utilities	2,425.32	32.23	2,457.56	2,098.49	359.07
Expenses pending Capitalization	38,719.13	6,535.28	45,254.41	37,226.13	8,028.28
<b>Total</b>	<b>7,43,605.49</b>	<b>2,14,639.74</b>	<b>9,58,245.22</b>	<b>8,01,019.05</b>	<b>1,57,226.17</b>



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

#### Non-Current Assets Note 4 - Intangible Assets For the Financial Year 2019-20

(₹ in Lakhs)

Particulars	Opening Gross Carrying Amount	Additions	Adjustments / Reversals	Closing Gross carrying amount	Opening Accumulated Amortization	Amortization charge during the year	Adjustments / Reversals	Closing Accumulated Amortization	Net Block as at 31.03.2020	Net Block as at 31.03.2019
Permissions	46,858.99	-	-	46,858.99	5,146.06	669.41	-	5,815.47	41,043.52	41,712.93
Software	105.02	25.75	-	130.77	72.18	15.85	-	88.03	42.74	32.84
<b>Total</b>	<b>46,964.01</b>	<b>25.75</b>	<b>-</b>	<b>46,989.76</b>	<b>5,218.24</b>	<b>685.27</b>	<b>-</b>	<b>5,903.51</b>	<b>41,086.26</b>	<b>41,745.77</b>

#### For the Financial Year 2018-19

(₹ in Lakhs)

Particulars	Opening Gross Carrying Amount	Additions	Adjustments / Reversals	Closing Gross carrying amount	Opening Accumulated Amortization	Amortization charge during the year	Adjustments / Reversals	Closing Accumulated Amortization	Net Block as at 31.03.2019	Net Block as at 31.03.2018
Permissions	47,184.36	-	(325.37)	46,858.99	4,476.64	669.41	-	5,146.06	41,712.93	42,707.71
Software	59.82	26.72	18.48	105.02	39.39	21.31	11.48	72.18	32.84	20.43
<b>Total</b>	<b>47,244.18</b>	<b>26.72</b>	<b>(306.88)</b>	<b>46,964.01</b>	<b>4,516.03</b>	<b>690.72</b>	<b>11.48</b>	<b>5,218.24</b>	<b>41,745.77</b>	<b>42,728.15</b>

#### Note 4.1

The Railway land have been taken on permission for a period of 35 years and it will be renewed for further period of 35 years.  
Software is amortized over a period of 3 to 5 years.



# CHENNAI METRO RAIL LIMITED

## Notes to the Financial Statements for the year ended March 31, 2020

### Non-Current Assets

#### Note 5 - Intangible Assets under development

##### For the Financial Year 2019-20

(₹ in Lakhs)

Particulars	Opening Balance as at 01.04.2019	Additions/ Adjustments	Total	Capitalized during the year	Closing Balance as at 31.03.2020
ERP for Finance - Odoo	15.41	6.26	21.67	18.45	3.22
Rolling Stock Asset Management Software	125.02	-	125.02	-	125.02
<b>Total</b>	<b>140.43</b>	<b>6.26</b>	<b>146.69</b>	<b>18.45</b>	<b>128.24</b>

##### For the Financial Year 2018-19

(₹ in Lakhs)

Particulars	Opening Balance as at 01.04.2018	Additions/ Adjustments	Total	Capitalized during the year	Closing Balance as at 31.03.2019
ERP for Finance - Odoo	13.32	2.08	15.41	-	15.41
Rolling Stock Asset Management Software	-	125.02	125.02	-	125.02
<b>Total</b>	<b>13.32</b>	<b>127.11</b>	<b>140.43</b>	<b>-</b>	<b>140.43</b>



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

(₹ in Lakhs)

Note 6 - Other Financial Assets	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered Good</b>		
Deposits (Refer Note No. 6.1)	1,181.92	633.19
Court Deposit - ESI	2.94	2.94
Earmarked Long Term Deposits with Bank (with maturities more than 12 months) (Refer Note No. 6.2)	257.74	230.50
VAT Recoverable from GoTN (Refer Note No. 6.3)	-	706.46
Stamp Duty Recoverable from GOTN (Refer Note No. 6.3)	1,915.63	1,915.63
SGST Receivable from GoTN (Refer Note No. 6.3)	11,755.20	12,882.56
<b>Total</b>	<b>15,113.42</b>	<b>16,371.29</b>

**Note 6.1** - Represents refundable deposits with Electricity and other departments. Since the exact term of the same is not ascertainable in view of the expected perpetual usage of related services, these deposits are carried at its initial transaction value.

**Note 6.2** - Earmarked long term deposits represent lien against Bank Guarantees issued by the company to CMDA for ₹ 251.67 Lakhs (P.Y. ₹ 229.50 Lakhs), Department of Telecom (DoT) for ₹ 1.06 Lakh (P.Y. ₹ 1.00 Lakh) & Southern Railway for ₹ 5.00 Lakhs (P. Y. Nil). On renewal, the deposits were renewed with the interest realized.

**Note 6.3** - VAT payments amounting to ₹ Nil, stamp duty ₹ 1,915.63 Lakhs & SGST ₹ 11,755.20 Lakhs totalling ₹ 13,670.82 Lakhs (P.Y. ₹ 15,504.65 Lakhs) are reimbursable from Government of Tamil Nadu in accordance with clause 10.4 of the Memorandum of Understanding between the Government of India, Government of Tamil Nadu and the company.

(₹ in Lakhs)

Note 7 - Other Non-Current Assets	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good</b>		
<b>Capital Advances</b>		
(a) Land Advance (Refer Note No. 7.2)	6,423.10	5,744.44
<b>Secured, Considered good</b>		
(b) Advances to Contractors		
i) Mobilization and other Advances (Refer Note No. 7.1)	13,681.18	13,703.88
Deposits paid for Capital Works	5,961.06	922.08
<b>Other than Capital Advances</b>		
Income Tax - Advance Tax & TDS (Net)	4,235.04	4,789.81
Wealth Tax (Net)	0.13	0.13
Gratuity Fund with LIC (Net) (Refer Note No. 39 (b))	-	67.17
<b>Total</b>	<b>30,300.51</b>	<b>25,227.51</b>

**Note 7.1** - Mobilization and other advances to contractors are secured by the Bank Guarantees.

**Note 7.2** - Amount of Rs. 2,007.01 Lakhs (P. Y. Rs. 2,007.01 Lakhs) represent the court deposit for land acquisition under LAOP cases.



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

(₹ in Lakhs)

<b>Note 8 - Inventories</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
a) Stores & Spare Parts	673.12	564.01
b) Loose Tools	47.39	-
<b>Total</b>	<b>720.51</b>	<b>564.01</b>

(Refer Note No. 1.3 (G) of Significant Accounting Policies)

(₹ in Lakhs)

<b>Note 9 - Trade Receivables</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Trade Receivables - Property Development		
(a) Trade Receivables considered good - Secured	1,205.02	1,492.33
(b) Trade Receivables considered good - Unsecured (See Note 9.1 & 9.2)	254.10	162.00
<b>Total</b>	<b>1,459.12</b>	<b>1,654.34</b>

**Note 9.1** - Trade receivables consists of license fees receivable from customers towards letting out of space in stations. They are secured by way of collection of Security deposits (Refer Note No. 18)/Bank Guarantees consisting of 12 months license fees except for the amount mentioned as unsecured above.

**Note 9.2** - In respect of Trade receivables, the company has a system of sending statement of accounts to the respective parties and seeking confirmation of balance. Wherever the same have been received and any difference communicated, the same has been appropriately considered in the financial statements.

(₹ in Lakhs)

<b>Note 10 - Cash and Cash Equivalents</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Cash on Hand</b>	<b>19.17</b>	<b>17.80</b>
<b>Balances with Bank</b>		
In Current Accounts ( See Note 10.1)	64,948.28	1,41,206.27
In Deposit Accounts ( with Maturities less than 3 months)	47,000.00	51,300.00
<b>Total</b>	<b>1,11,967.45</b>	<b>1,92,524.07</b>

**Note 10.1** - Current account balance includes balance in State bank of India Public Deposit A/c of ₹ 64,710.77 Lakhs (P.Y. Rs. 1,39,819.77 Lakhs). The account is operated jointly by the Managing Director of the company and an official of GoTN authorized for this purpose.



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

(₹ in Lakhs)

<b>Note 11 - Other Bank Balances</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Balance with Banks in Deposits Accounts</b>		
In Deposit Accounts (with Maturities more than 3 months but less than 12 months)	67,000.00	-
Earmarked Short Term Deposits ( with Maturities more than 3 months)(Refer Note No. 11.1)	-	902.55
<b>Total</b>	<b>67,000.00</b>	<b>902.55</b>

**Note 11.1** - Earmarked short term deposits are held under lien against letters of credit issued by the company to Pandrol UK Ltd for ₹ Nil (P.Y. ₹ 300.00 Lakhs) & to Mitsui & Co., for ₹ Nil (P.Y. ₹ 602.55 Lakhs).

(₹ in Lakhs)

<b>Note 12 - Other Financial Assets</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Unsecured, Considered Good</b>		
Interest Accrued On Deposits with Bank	793.67	500.69
Rental & other deposits	157.09	3.00
Construction contract receivables (Net)	6,658.02	6,846.35
Other Receivables/Recoverables	4,378.21	4,436.89
Doubtful	-	-
Other Receivables/Recoverables	15.56	23.53
Less: Provision for doubtful receivables	(15.56)	(23.53)
<b>Total</b>	<b>11,986.99</b>	<b>11,786.94</b>

(₹ in Lakhs)

<b>Note 13 - Current Tax Assets</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Income Tax - Advance Tax & TDS (Net)	746.48	625.66
<b>Total</b>	<b>746.48</b>	<b>625.66</b>





**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

(₹ in Lakhs)

<b>Note 14 - Other Current Assets</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Unsecured, considered good</b>		
Prepaid Expenses	149.84	127.50
GST Input Credit	2,011.37	2,323.60
Advances to Employees	31.34	41.61
Advances to Related Parties	0.34	1.20
Balance with revenue authorities	360.76	-
Other Advances	103.08	661.09
Doubtful		
Advances to Employees	-	0.10
Less: Provision for doubtful receivables	-	(0.10)
Employee Insurance recoverables	2.92	2.24
<b>Total</b>	<b>2,659.66</b>	<b>3,157.23</b>

(₹ in Lakhs)

<b>Note 15 - Share Capital</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Authorized</b>		
8,00,00,000 Equity Shares of ₹1000/- each (P.Y. - 8,00,00,000 Equity Shares of ₹ 1,000/- each)	8,00,000.00	8,00,000.00
<b>Issued, Subscribed and Paid up</b>		
5,39,60,000 Equity Shares of ₹ 1000/- each fully paid (P.Y. 5,38,74,000 Equity Shares of ₹ 1,000/- each)	5,39,600.00	5,38,740.00
<b>Total</b>	<b>5,39,600.00</b>	<b>5,38,740.00</b>

**15.1 Reconciliation of Equity shares and amounts outstanding**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at 31.03.2020</b>		<b>As at 31.03.2019</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
At the beginning of the year	5,38,74,000	5,38,740.00	4,87,04,600	4,87,046.00
Issued during the year	86,000	860.00	51,69,400	51,694.00
<b>At the end of the year</b>	<b>5,39,60,000</b>	<b>5,39,600.00</b>	<b>5,38,74,000</b>	<b>5,38,740.00</b>

**15.2 Rights, preferences and restrictions attached to Shares**

**Equity Shares**

The Company has one class of equity shares, having a par value of ₹ 1000/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

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

(No. of shares)

Name of Shareholder	As at 31.03.2020	As at 31.03.2019
The President & Nominees, Government of India	2,69,80,000	2,69,37,000
The Governor & Nominees, Government of Tamilnadu	2,69,80,000	2,69,37,000
<b>Total</b>	<b>5,39,60,000</b>	<b>5,38,74,000</b>

(₹ in Lakhs)

Note 16 - Other Equity	As at 31.03.2020	As at 31.03.2019
<b>Reserves &amp; Surplus</b>		
Capital Reserve	670.64	670.64
Retained Earnings - Surplus / (Deficit)	(97,062.88)	(44,348.68)
Share Application Money Pending Allotment	66,800.27	67,660.27
<b>Total</b>	<b>(29,591.97)</b>	<b>23,982.23</b>

(₹ in Lakhs)

16.1 Movement in Other Equity	As at 31.03.2020	As at 31.03.2019
<b>Capital Reserve (Refer Note No. 16.1.1)</b>		
Opening Balance	670.64	648.43
Add: Additions during the year	-	22.21
<b>Closing balance</b>	<b>670.64</b>	<b>670.64</b>
<b>Retained Earnings - Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	(44,348.68)	(2,113.17)
Add: Total Comprehensive Income/ (Loss) for the Year	(52,714.21)	(42,235.50)
<b>Closing balance</b>	<b>(97,062.88)</b>	<b>(44,348.68)</b>
<b>Share Application Money Pending allotment</b>		
Opening Balance	67,660.27	54,786.27
Add: Received during the Year	-	64,568.00
Less : Share Capital issued	(860.00)	(51,694.00)
<b>Closing Balance (Refer Note No. 16.1.2)</b>	<b>66,800.27</b>	<b>67,660.27</b>
<b>Total</b>	<b>(29,591.97)</b>	<b>23,982.23</b>

**Note 16.1.1** - Capital Reserve represent the value of lands that have been acquired from parties other than government without any consideration and which have been valued at guideline value.



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

(₹ in Lakhs)

<b>16.1.2 Details of Advance Share Application Money</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
- From Government of India	-	430.00
- From Government of Tamil Nadu	66,800.27	67,230.27
<b>Total</b>	<b>66,800.27</b>	<b>67,660.27</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 ₹ 1000 each at par shall be issued to the shareholders having all rights similar to the existing shares, issued in such a manner that the proportion of equity holding of the shareholders are equal. The company has sufficient authorized share capital to cover the share capital amount resulting from allotment of shares against share application money.

B) No. of Shares to be Issued - 66,80,027 Shares (P.Y. 67,66,027 Shares) of ₹ 1000/-each.

(₹ in Lakhs)

<b>Note 17 - Long Term Borrowings</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Unsecured</b>		
<b>Term Loans from Other Parties</b>		
From Government of India against Japan International Co-operation Agency (JICA)(Refer Note No. 17.1)	9,32,895.75	8,79,242.58
Sub-Ordinate Debt from Government of India	35,815.20	34,672.42
Sub-Ordinate Debt from Government of Tamil Nadu (Refer Note No. 17.2)	2,78,927.03	2,80,269.21
<b>Total</b>	<b>12,47,637.98</b>	<b>11,94,184.21</b>



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

**Note No. 17.1 – Senior Term Debt from Japan International Cooperation Agency (JICA)** (₹ in Lakhs)

JICA loan details	Phase - I				Phase-I Extension	Phase-II
	Tranche-I ID-P 197	Tranche-II ID-P 208	Tranche-III ID-P 230	Tranche-IV ID-P 246	Tranche-V ID-P 258	ID-P 272
Date of Loan Sanction	21-11-2008	31-03-2010	28-03-2013	04-03-2016	31-03-2017	21-12-2018
Sanctioned amount (JPY in Millions)	¥21,751	¥59,851	¥48,691	¥19,981	¥33,321	¥75,519
Interest Rate (per annum)	1.20%	1.40%	1.40%	1.40%	1.40%	0.20%
Interest Rate for Consultancy Services (per annum)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Commitment Charges (Per annum)	0.10%	0.10%	0.10%	0.20%	0.20%	0.20%
Loan tenure	30 years	30 years	30 years	30 years	30 years	40 years
Moratorium Period from the date of agreement	10 years	10 years	10 years	10 years	10 years	12 years
Total loan will be repayable in half-yearly instalments over	20 years	20 years	20 years	20 years	20 years	28 years
Repayment of Principal (Rs. in Lakhs)	3,363.75	-	-	-	-	-

Claim & PTA details	Phase - I		Phase - I Extension	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Claims submitted through CAAA as on 31-03-2020	8,64,600.00	8,64,600.00	1,10,857.58	33,766.76
Amount remitted by Ministry of Housing & Urban Affairs (MoHUA), MRTS Cell, Government of India as Pass Through Assistance (PTA)	8,64,600.00	8,64,600.00	2,14,100.00	80,960.00
Balance PTA available as on 31-03-2020, included in "Current - Other Financial Liabilities"	-	-	1,03,242.42	47,193.24



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

- The Sanction Order No. K-14011/42/2005 dated 18.02.2009 of Government of India states that, in case the SPV is not able to repay the loan, as and when it becomes due, on account of cash loss, the responsibility of the same shall be borne by the Government of Tamil Nadu.
- Clause 14.16 of the MOU between Government of India, Government of Tamil Nadu and CMRL states that the Debt Servicing Liability of the Company with regard to the JICA loan portion shall be reckoned, based on JICA's repayment schedule received from JICA, in rupee terms along with exchange rate fluctuation of loan currency.
- Considering the fact that this is a sovereign loan with a longer tenure, the Company has taken the stand that any forex fluctuation on repayment will be recognized on advice from GoI. Accordingly, no foreign exchange fluctuation has been recognized in the Financial Statements during the F.Y. 2019-20.

**Phase-II Project**

Government of Tamil Nadu (GoTN) has accorded approval for implementation of three Metro Rail corridors for a length of 118.9 Km under Phase II of the Chennai Metro Rail Project. GoTN recommended the same to Government of India for Central Government funding and also loan assistance from Bilateral /Multilateral agencies. Funding for a portion of Chennai Metro Phase II (i.e. 52.01 Km, i.e. Madhavaram – Sholinganallur of Corridor 3 and Madhavaram – CMBT of Corridor 5) has been tied up with JICA and the loan has been effectuated on 04-04-2019 with the 1st loan disbursement agreement for JPY 75,519 million.

Subsequently, CMRL submitted the Preliminary Project Reports (PPRS) to DEA through GOTTN for Corridor -4 i.e from Light house to Poonamalle (26.1 Km), balance Sections of Corridor-3 from Sholinganallur to SIPCOT (10.13 Km) and balance portion of Corridor 5 from CMBT to Sholinganallur (30.66 Km) for funding from various Multilateral agencies.

The screening committee of DEA has accorded approval for funding of entire Corridor-4 and balance portions of Corridor 3 & 5, and posed it for funding to four different multilateral banks i.e. ADB, AIIB & NDB. The same is in advanced stages of finalization and approval



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

#### Note 17.2 - Subordinate Debt

Particulars	Phase-I				Phase-I Extension				Phase-II			
	As at 31-03-2020		As at 31-03-2019		As at 31-03-2020		As at 31-03-2019		As at 31-03-2020		As at 31-03-2019	
	Gol	GoTN	Gol	GoTN	Gol	GoTN	Gol	GoTN	Gol	GoTN	Gol	GoTN
Sanctioned amount of interest free subordinate debt -												
• Project Works	-	-	-	-	-	-	-	-	-	-	-	-
• Taxes	-	-	-	-	20,500.00	20,500.00	20,500.00	20,500.00	13,64,900.00	13,64,900.00	-	-
• Land & R&R	73,000.00	84,400.00	73,000.00	84,400.00	-	20,300.00	-	20,300.00	1,84,600.00	1,84,600.00	-	-
Amount incurred towards Land, Land Advance & R&R	-	2,10,445.02	-	2,04,996.39	-	40,576.84	-	39,280.43	5,25,000.00	5,25,000.00	-	-
Funds received towards Land, Land Advance & R&R	73,000.00	2,83,422.00	73,000.00	2,83,422.00	-	39,427.00	-	20,300.00	-	10,000.00	-	-
Guideline Value of Free Lands	-	1,25,600.13	-	1,32,495.35	-	-	-	-	-	-	-	-
Subordinate debt received during the year	-	-	-	50,000.00	4,900.00	19,127.00	1,900.00	-	-	-	-	-
Fair value of subordinate debt received during the year	-	-	-	5,027.30	653.02	2,549.06	191.04	-	-	-	-	-
Amount transferred to deferred income - Government grant	-	-	-	44,972.70	4,246.98	16,577.94	1,708.96	-	-	-	-	-
Cumulative amount of Subordinate debt	73,000.00	4,09,022.13	73,000.00	4,15,907.97	15,400.00	59,927.00	10,500.00	40,800.00	10,000.00	10,000.00	-	-
Cumulative amount transferred to Deferred income	40,040.45	1,40,661.58	40,040.45	1,41,911.59	13,715.59	53,391.16	9,468.61	36,813.23	9,592.21	9,592.21	-	-
Cumulative amount of Interest recognized on Subordinate debt	1,008.71	2,894.40	611.32	1,545.37	162.53	693.59	70.17	332.90	34.87	34.87	-	-
Balance in Subordinate debt net of movement to deferred income	33,968.26	2,71,254.95	33,570.87	2,75,541.75	1,846.94	7,229.42	1,101.56	4,319.67	442.66	442.66	-	-

(₹ in Lakhs)

Summary	31-03-2020	31-03-2019
Subordinate debt - Gol	35,815.20	34,672.42
Subordinate debt - GoTN	2,78,927.03	2,80,269.21
<b>Total</b>	<b>3,14,742.23</b>	<b>3,14,941.63</b>

- As per the MoU between Gol, GoTN and CMRL, the Subordinate Debt from GoTN is to be suitably enhanced since the Land cost for Phase-I project has enhanced.
- As per the clause 14.13 of the MoU between Gol, GoTN & Chennai Metro Rail Limited dated 15-02-2011, the company will be required to repay the subordinate debt to Gol and GoTN proportionately only after repayment of entire senior term debt (JICA loan) availed for the project.



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

(₹ in Lakhs)

<b>Note 18 - Other Financial Liabilities</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Security Deposits	1,542.35	1,451.81
Less: Fair Value Adjustments	(470.78)	(416.80)
Retention Money Payable	2,663.04	144.18
Other Payables (Net) (Refer Note No 18.1)	198.09	145.08
<b>Total</b>	<b>3,932.71</b>	<b>1,324.27</b>

**Note 18.1** Other Payables represent the amount payable at their guideline value towards the land acquired under litigation net of the deposits made in respect of the same with the Courts.

(₹ in Lakhs)

<b>Note 19 - Long Term Provisions</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Provision for employee benefits (Refer Note No. 39)	745.64	659.09
Gratuity Fund with LIC (Net) (Refer Note No. 39 (b))	83.06	-
<b>Total</b>	<b>828.70</b>	<b>659.09</b>

**Note 20 - Deferred Tax**

Hitherto, the company has not recognized any deferred tax asset on unused tax losses in the absence of estimated future taxable profits coupled with the company's estimates relating to probable reversal of taxable timing differences due to several factors. However, with a view that the results in the financial statements provide more reliable and appropriate effect of transactions on the company's financial position / financial performance and on the basis of prudence, the company has changed the accounting policy to consider the Deferred Tax Asset (DTA) resulting from unabsorbed depreciation to the extent that the company has sufficient taxable temporary differences.

The company has Deferred Tax Liability on account of taxable temporary differences in relation to Property, Plant & Equipment of ₹ 85,969.01 lakhs (P. Y. ₹ 58,579.42 lakhs). The company's cumulative unused tax losses in relation to depreciation (without any time restriction for carry forward) as at 31-03-2020 is ₹4,38,577.05 lakhs (FY 15-16 - ₹ 28,719.78 lakhs, FY 16-17 - ₹ 46,309.62 lakhs, FY 17-18 - ₹ 79,160.31 lakhs, FY 18-19 - ₹ 1,38,509.80 lakhs and FY 19-20 - ₹ 1,45,877.53 lakhs) [ P. Y. ₹ 2,92,699.52 lakhs (FY 15-16 - ₹ 28,719.78 lakhs, FY 16-17 - ₹ 46,309.62 lakhs, FY 17-18 - ₹ 79,160.31 lakhs and FY 18-19 - ₹ 1,38,509.80 lakhs)] with a corresponding DTA @ 26% (being the average corporate IT rate) amounting to ₹1,14,030.03 lakhs and DTA is recognised only to the extent of the tax effect of the above taxable temporary differences. Also, the company's cumulative other unused tax losses (lapsing in eight years for the respective years) as at 31-03-2020 is ₹ 13,717.89 Lakhs (FY 15-16 - ₹ 4,176.18 lakhs, FY 16-17 - ₹ 9,206.08 lakhs, FY 17-18 - Nil, FY 18-19 - ₹ 335.63 lakhs and FY





## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

19-20 - Nil) [ Previous Year: ₹ 13,717.89 lakhs (FY 15-16 - ₹ 4,176.18 lakhs, FY 16-17 - ₹ 9,206.08 lakhs, FY 17-18 - Nil and FY 18-19 - ₹ 335.63 lakhs)] with a corresponding DTA @ 26% (being the average corporate IT rate) of ₹ 3,566.65 lakhs which is not recognised.

But for this change in the policy, there would have been a charge of ₹ 27,389.59 lakhs towards deferred tax and a cumulative Deferred Tax Liability (DTL) of ₹ 85,969.01 Lakhs. With this change, the retrospective adjustments resulting in increase of the retained earnings as on 01.04.2018 by ₹ 29,340.00 lakhs have been given effect to. Further, due to the entire reversal of taxable temporary differences arising during the year owing to recognition of DTA resulting in nil deferred tax in the statement of profit and loss has also been duly considered.

(₹ in Lakhs)

<b>Note 21 - Other Non-Current Liabilities</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Deferred Income - Government Grant (Refer Note No. 21.1 below)	2,88,381.99	2,72,384.18
<b>Total</b>	<b>2,88,381.99</b>	<b>2,72,384.18</b>

#### 21.1. Movement in Government Grants for the Financial Year Ended 31.03.2020 (₹ in Lakhs)

<b>Particulars</b>	<b>Opening Balance</b>	<b>Grants recognised during the Year</b>	<b>Amount recognised in P&amp;L during the Year</b>	<b>Closing Balance</b>
Subordinate Debt - GoTN	1,84,454.74	15,327.93	4,872.05	1,94,910.62
Subordinate Debt - Gol	47,966.59	4,246.98	1,386.87	50,826.69
Reimbursement of Taxes & Duties	39,598.50	3,930.17	1,234.95	42,293.72
Others	364.34	-	13.39	350.96
<b>Total</b>	<b>2,72,384.17</b>	<b>23,505.08</b>	<b>7,507.26</b>	<b>2,88,381.99</b>

#### Movement in Government Grants for the Financial Year Ended 31.03.2019 (₹ in Lakhs)

<b>Particulars</b>	<b>Opening Balance</b>	<b>Grants recognised during the Year</b>	<b>Amount recognised in P&amp;L during the Year</b>	<b>Closing Balance</b>
Subordinate Debt - GoTN	1,32,496.51	54,564.91	2,606.68	1,84,454.74
Subordinate Debt - Gol	47,334.31	1,708.96	1,076.68	47,966.59
Reimbursement of Taxes & Duties	29,994.21	10,352.50	748.20	39,598.50
Others	374.74	-	10.39	364.34
<b>Total</b>	<b>2,10,199.77</b>	<b>66,626.37</b>	<b>4,441.96</b>	<b>2,72,384.17</b>



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

(₹ in Lakhs)

Note 22 - Trade Payables	As at 31.03.2020	As at 31.03.2019
Total outstanding dues of micro enterprises & small enterprises		
(a) Principal amount & Interest due thereon remaining unpaid at the end of the accounting year		
(i) Principal amount	41.48	8.64
(ii) Interest due thereon	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises (Refer Note 22.1)	1,005.36	6,194.59
<b>Total</b>	<b>1,046.84</b>	<b>6,203.22</b>

**Note 22.1** - In respect of Trade payable, the company has a system of sending statement of accounts to the respective parties and seeking confirmation of balance. Wherever the same have been received and any difference communicated, the same has been appropriately considered in the financial statements.

(₹ in Lakhs)

Note 23 - Other Financial Liabilities	As at 31.03.2020	As at 31.03.2019
<b>JICA Borrowings Repayable - Current maturities of long-term debt (Refer Note No. 23.1)</b>	<b>39,198.08</b>	<b>15,760.43</b>
<b>Interest/Commitment Charges on Borrowings (Refer Note No. 23.1)</b>		
Accrued and due	41,896.11	27,680.71
Accrued but not due	1,273.22	3,636.42
<b>Pass Through Assistance against JICA Loan (Refer Note No. 23.2)</b>	<b>1,03,242.42</b>	<b>47,193.24</b>
<b>Deposits</b>		
Earnest Money Deposits	550.53	243.04
Security Deposits	448.60	156.63
<b>Other Retention/ Recoveries</b>		
i) Retention towards Potential Liquidated Damages (Refer Note No. 23.3)	7,494.74	7,496.82
ii) Retention towards Potential penalties (Refer Note No. 23.3)	3,331.92	4,181.43
iii) Retention towards Performance security on terminated contracts (Net of Receivables)	18,654.65	16,786.73
"Retention Money Payable (Refer Note No. 23.4)"	9,016.02	15,172.82
Payable for Capital Purchases	8,900.67	11,393.70
Revenue received in advance	1,805.30	888.80
Revenue booked in advance	16.41	836.31
<b>Total</b>	<b>2,35,828.68</b>	<b>1,51,427.08</b>



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

**Note 23.1** Commitment charges & Interest accrued on borrowings represents the amount payable on the Japan International Co-Operation Agency (JICA) loan provided for as per the terms of the agreement. The commitment charges & interest are directly paid by Government of India (GoI) to JICA on the due dates. During the year, the company has not made any payment towards principal, commitment charges & interest to Government of India (GoI).

**Note 23.2.** The total pass through assistance sanctioned for Phase I Extension Project is ₹ 2,14,100 Lakhs. An amount of ₹ 1,33,140 Lakhs (P.Y. ₹ 62,460 Lakhs) has been remitted by Ministry of Housing & Urban Affairs, MRTS Cell, Government of India as "Pass Through Assistance against JICA loan during the Current Financial Year. The Company sent claims amounting to ₹ 77,090.83 Lakhs (P.Y. ₹ 30,834.79 Lakhs) during the year. The amount received as advance PTA is shown under current liabilities. To the extent of claims sent to JICA, the same is transferred to JICA Loan (Long Term Borrowings). As of 31<sup>st</sup> March, 2020, an amount of ₹ 1,10,857.58 Lakhs has been transferred from PTA to JICA Loan.

**Note 23.3** Liquidated damages and penalties would be determined at the time of settlement of final bill or award of arbitration proceedings with the arbitration tribunal & the judicial authorities.

**Note 23.4** Retention money represents amount held as security till the completion of defect liability period of various project related contracts. Such retention moneys are released upon completion of work and at the request of the contractor against submission of Bank Guarantee of an equivalent amount. Accordingly, retention money is carried at its original transaction value.

(₹ in Lakhs)

<b>Note 24 - Other Current Liabilities</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Duties & Taxes	296.03	1,284.00
Deposits received for Other Works	10,103.00	18,734.06
Provision for expenses	33,079.09	50,483.08
Deferred Income - Property Development Lease Rent	437.76	390.81
Employee Benefits payable	318.69	311.81
Other Payables	42.98	19.60
<b>Total</b>	<b>44,277.54</b>	<b>71,223.36</b>

(₹ in Lakhs)

<b>Note 25 - Current Provisions</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Provision for employee benefits (Refer Note No. 39)	143.53	102.83
<b>Total</b>	<b>143.53</b>	<b>102.83</b>



# CHENNAI METRO RAIL LIMITED

## Notes to the Financial Statements for the year ended March 31, 2020

(₹ in Lakhs)

Note 26-Revenue from Operations	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Sale of Service From Traffic Operations</b>		
Fare Box	11,925.20	6,194.84
Parking Fees	813.08	443.02
Feeder Service Revenue	59.10	24.17
<b>Other Operating Revenue From Property Development</b>		
Lease/Other Income	3,729.00	1,886.71
<b>Total</b>	<b>16,526.39</b>	<b>8,548.74</b>

(₹ in Lakhs)

Note 27-Other Income	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Interest Income</b>		
- On Deposits with Bank	4,261.52	5,160.92
- On Electricity Deposit	56.70	37.32
- On Others	147.33	-
Government Grants (Refer Note No. 21.1)	7,507.26	4,441.96
Income from unwinding of Security deposits	72.85	73.47
Sale of Tender Documents	30.29	47.45
Profit on Sale of Property, Plant & Equipment	0.05	0.02
Miscellaneous Income	116.28	25.27
<b>Total</b>	<b>12,192.26</b>	<b>9,786.41</b>

<b>TOTAL INCOME</b>	<b>28,718.65</b>	<b>18,335.15</b>
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(₹ in Lakhs)

Note 28-Operating Expenses	For the year ended 31.03.2020	For the year ended 31.03.2019
Traction & Other Electricity Charges	7,976.49	6,297.39
Solar Energy Charges	311.08	131.49
Outsourcing Expenses (Refer Note No. 28.1)	5,771.29	3,721.54
Feeder Service Expenses	382.73	135.13
Other Operating Expenses	516.34	283.95
<b>Total</b>	<b>14,957.94</b>	<b>10,569.50</b>

**Note No. 28.1** - Outsourcing expenses include Housekeeping & Security.

(₹ in Lakhs)

Note 29-Employee Benefit Expenses	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries & Wages	4,061.98	4,021.15
Contribution to Provident & Other Funds	412.40	397.73
Staff Welfare Expenses	247.58	233.88
<b>Total</b>	<b>4,721.96</b>	<b>4,652.76</b>



# CHENNAI METRO RAIL LIMITED

## Notes to the Financial Statements for the year ended March 31, 2020

(₹ in Lakhs)

Note 30-Finance Cost	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest on JICA borrowings	11,080.21	7,478.67
Interest on Sub-Ordinate Debt	1,746.42	767.14
Other Interest & Bank Charges	125.24	103.30
<b>Total</b>	<b>12,951.87</b>	<b>8,349.11</b>

(₹ in Lakhs)

Note 31-Other Expenses	For the year ended 31.03.2020	For the year ended 31.03.2019
Advertisement	81.10	156.73
Books & Periodicals	1.93	2.12
Commission on Sale of Fixed Assets/scrap	-	-
Foreign Exchange Fluctuation (Net) (Refer Note No. 31.1)		
O&M	-	0.06
Project	1,244.35	635.49
Inauguration Expenses - Project	-	941.31
Legal, Professional & Consultancy Charges		
O&M	80.67	34.54
Project	2,706.33	968.18
Meeting & Miscellaneous Expenses	60.74	25.46
Motor Car Expenses	17.66	16.29
Postage & Courier Expenses	2.21	2.84
Printing & Stationery	57.20	82.45
Provision for Doubtful Receivables	-	23.63
Rates & Taxes (Refer Note No. 31.2)	1,123.40	728.29
Recruitment, Conference & Seminar/Sponsorship Expenses	119.73	119.60
Repairs & Maintenance	384.70	352.84
Payments to Auditors (Refer Note No. 31.3)	9.97	9.76
Telephone Charges	68.69	60.21
Travelling, Conveyance & Vehicle Hire Charges		
O&M	13.40	51.36
Project	660.32	626.24
<b>Total</b>	<b>6,632.38</b>	<b>4,837.39</b>

**Note No. 31.1** - Exchange fluctuation of ₹ 854.65 Lakhs (P. Y. ₹ 635.60 Lakhs) relates to the unrealized forex loss on the liability held in foreign currency.

**Note No. 31.2** - Rates & Taxes includes ITC Reversal as per Rule 42 of the Central Goods and Services Tax (CGST) Rules, 2017 of ₹ 1,029.08 Lakhs (P. Y. ₹ 700.11 Lakhs).

(₹ in Lakhs)

Note 31.3-Payments to Auditors	For the year ended 31.03.2020	For the year ended 31.03.2019
Audit Fees	6.50	6.80
Other Services	-	1.50
Other expenses including reimbursements	3.47	1.47
<b>Total</b>	<b>9.97</b>	<b>9.76</b>
<b>TOTAL EXPENSES (OTHER THAN DEPRECIATION)</b>	<b>39,264.15</b>	<b>28,408.76</b>



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

(₹ in Lakhs)

Note 32-Depreciation & Amortisation	For the year ended 31.03.2020	For the year ended 31.03.2019
Depreciation - Net of Adjustments / reversals (Refer Note No. 2)	41,289.08	31,548.10
Amortisation (Refer Note No. 4)	685.27	690.72
<b>Total</b>	<b>41,974.35</b>	<b>32,238.82</b>
Less: Amortisation of Railway land permissions capitalised during the year	-	(105.62)
<b>Depreciation &amp; Amortisation charged to Statement of Profit &amp; Loss A/c</b>	<b>41,974.35</b>	<b>32,133.20</b>
<b>TOTAL EXPENSES</b>	<b>81,238.50</b>	<b>60,541.96</b>

(₹ in Lakhs)

Note 33 - Earnings Per Share	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Earnings</b>		
- Profit after Tax As per Statement of P&L (₹ Lakhs)	(52,519.85)	(42,206.81)
<b>Shares</b>		
- Number of Shares issued & paid-up at the Beginning of the Year	5,38,74,000	4,87,04,600
- Number of Shares issued during the year	86,000	51,69,400
- Number of Equivalent Shares in respect of Share Application Money Pending Allotment as at the beginning of the year	67,66,027	54,78,627
- Number of Equivalent Shares in respect of Share Application Money received during the year	-	12,87,400
<b>Weighted average number of shares outstanding during the year for Basic EPS</b>	<b>5,39,34,388</b>	<b>5,11,91,852</b>
<b>Weighted average number of equity shares outstanding during the year for Diluted EPS</b>	<b>6,06,40,027</b>	<b>5,62,22,583</b>
<b>Earnings per Share</b>		
Equity Shares of par value ₹ 1,000/- each		
- Basic (₹)	(97.38)	(82.45)
- Diluted (₹)	(86.61)	(75.07)



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

#### 34. Capital Management

Chennai Metro Rail Limited is a Joint venture of Government of Tamil Nadu (GoTN) and Government of India (GoI) incorporated as a Special Purpose Vehicle (SPV) for the purpose of construction of Metro Rail Network in the City of Chennai. The primary objective of the Company is to provide a safe, fast, reliable, accessible, convenient, comfortable, efficient and affordable public transport service.

The ownership of the Company and financing of the project is as per a tripartite Memorandum of Understanding dated 15<sup>th</sup> February 2011 (the MoU) entered into among GoI, GoTN and CMRL. As per the MoU, CMRL will be jointly promoted by GoI and GoTN with equal equity holding. There is a separate MoU, on the same lines, for Phase-I Extension of the project.

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

The Company's capital consists of equity capital and other equity attributable to shareholders of the Company. As stated above, the shares of the company are held in equal proportion by the Government of India and Government of Tamil Nadu. The Company being a Government Company, the requisite levels of equity and debt which it has to maintain is determined based on the approval accorded in the Annual General Meeting (AGM), which is broadly determined based on the project finance requirements and other sources of long term finance.

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

(₹ in Lakhs)

<b>Note 34A - Category wise Classification of Financial Instruments</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Financial Assets measured at Amortized cost</b>		
<b>Non-Current</b>		
Deposits (Refer Note No. 6.1)	1,181.92	633.19
Court Deposit - ESI	2.94	2.94
Earmarked Long Term Deposits with Bank	257.74	230.50
VAT Recoverable from GoTN (Refer Note No. 6.3)	-	706.46
Stamp Duty Recoverable from GOTTN (Refer Note No. 6.3)	1,915.63	1,915.63
SGST Receivable from GoTN (Refer Note No. 6.3)	11,755.20	12,882.56
<b>Current</b>		
Trade Receivables	1,459.12	1,654.34
Cash and cash equivalents	1,11,967.45	1,92,524.07
Other Bank balances	67,000.00	902.55
Interest Accrued On Deposits with Bank	793.67	500.69
Rental & other deposits	157.09	3.00
Construction contract receivables (Net)	6,658.02	6,846.35
Other Receivables/Recoverables	4,378.21	4,436.89
<b>Total</b>	<b>2,07,526.98</b>	<b>2,23,239.18</b>





## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

Financial Liabilities measured at Amortised Cost	As at 31.03.2020	As at 31.03.2019
<b>Non-Current</b>		
Borrowings from JICA - Senior Term debt	9,32,895.75	8,79,242.58
Sub-Ordinate Debt from Government of India	35,815.20	34,672.42
Sub-Ordinate Debt from Government of Tamil Nadu	2,78,927.03	2,80,269.21
Security Deposits	1,071.57	1,035.01
Retention Money Payable	2,663.04	144.18
Other Payables (Net) (Refer Note No 18.1)	198.09	145.08
<b>Current</b>		
Trade Payables	1,046.84	6,203.22
JICA Borrowings Repayable - Current maturities of long-term debt	39,198.08	15,760.43
Interest/Commitment Charges on Borrowings (Refer Note No. 23.1)	43,169.33	31,317.12
Pass Through Assistance against JICA Loan (Refer Note No. 23.2)	1,03,242.42	47,193.24
Deposits	999.13	399.67
Retention Money Payable (Refer Note No. 23.4)	9,016.02	15,172.82
Other Retention/ Recoveries	29,481.31	28,464.98
Payable for Capital Purchases	8,900.67	11,393.70
Revenue received in advance	1,805.30	888.80
Revenue booked in advance	16.41	836.31
<b>Total</b>	<b>14,88,446.20</b>	<b>13,53,138.78</b>

#### Note 34B - Financial Risk Management - Objectives & Policies

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

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

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

##### (1) Market Risk

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

##### (2) Credit Risk

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

**CHENNAI METRO RAIL LIMITED****Notes to the Financial Statements for the year ended March 31, 2020**

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

**(3) Liquidity Risk**

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

**Note 35. Contingent Liabilities:****a) Claims against the Company not acknowledged as debts:****i) Legal related matters**

S. No.	Particulars	31.03.2020	31.03.2019
1.	Legal Cases	199 Cases	274 Cases
2.	Enhanced Compensation for the land	₹ 3,81,705 Lakhs	₹ 3,58,691 Lakhs
3.	Compensation for other claims and damages	₹ 56,087.79 Lakhs	₹ 28,464.39 Lakhs
4.	Arbitration Cases (Excluding Interest)	8 Cases ₹ 3,48,686 Lakhs (Counter Claims - ₹ 1,76,461 Lakhs)	8 Cases ₹ 4,50,605 Lakhs (Counter Claims - ₹ 1,38,729 Lakhs)
5.	Other claims including writ	₹ 36,714.36 Lakhs	₹ 36,707.11 Lakhs
6.	Arbitration Claims have been settled in favor of claimant & pending before High Court**	₹ 26,068.71 Lakhs	₹ 17,597.29 Lakhs

In respect of contracts terminated, the balance work has been awarded to new contractors. Arbitration proceedings have been initiated and all additional cost to be incurred, on the award of the balance works to new contractors, is being claimed from the erstwhile contractors whose contracts have been terminated. As at 31-03-2020, an amount of ₹ 1,72,346 Lakhs (P.Y. – ₹ 3,86,052 Lakhs) has been claimed in respect of 6 terminated contracts in respect of which counter claims by the company have been made amounting to ₹ 1,50,415 Lakhs (P.Y. - ₹1,38,661 Lakhs).



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

In respect of ongoing contracts, arbitration proceedings have been initiated in respect of 2 contracts (P.Y. – 2 contracts) and ₹ 1,76,340 Lakhs (P.Y. – ₹ 64,553 Lakhs) has been claimed and counter claims by the company have been made amounting to ₹ 26,046 Lakhs (P.Y. – ₹ 68 Lakhs). The net amount, if any, will be accounted for on final determination of arbitration proceedings.

\*\*The following arbitration claims have been settled in favor of the claimant and pending before High Court -

Name of the Party	Package	Date of award	Balance Award Amount Including interest upto 31-03-2020	Remarks
Consolidated Construction Consortium Ltd	EAS-06	25/02/2020	₹ 6,275.78 Lakhs	Award pronounced majority award with dissent of ₹40.51 Crores. Appeal under Section 34 filed before High Court.
Afcons Infrastructure Ltd	UAA 01 – Claim No. 4	07/03/2017	₹ 9,938.67 Lakhs	S.34 Application filed before Madras High Court and stay granted subject to payment of 50% of Award amount to the Claimant, upon submission of BG. Accordingly BG submitted and payment made. Case to be listed for final hearing
Afcons Infrastructure Ltd	UAA 05 – Claim No. 4	07/03/2017	₹ 7,422.47 Lakhs	S.34 Application filed before Madras High Court and stay granted subject to payment of 50% of Award amount to the Claimant, upon submission of BG. Accordingly BG submitted and payment made. Case to be listed for final hearing
Afcons Infrastructure Ltd	UAA 05 – Claim No. 6	28/04/2017	₹ 835.85 Lakhs	S.34 Application filed before Madras High Court and stay granted subject to payment of 75% of Award amount to the Claimant, upon submission of BG. Accordingly BG submitted and payment made. Case to be listed for final hearing.
Afcons Infrastructure Ltd	UAA 01 – Claim No. 6	03/06/2017	₹ 1,595.94 Lakhs	S.34 Application filed before Madras High Court and stay granted subject to payment of 75% of Award amount to the Claimant, upon submission of BG. Accordingly BG submitted and payment made. Case to be listed for final hearing.



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

**ii) Statutory Related Matters**

Sl.No.	Particulars - Direct taxes	31-03-2020	31-03-2019
1.	Demand from ESIC department	₹11.77 Lakhs	₹ 11.77 Lakhs
2.	Demand of Tax deducted @ source under Chapter XVII - F.Y. 2007-08	₹ 0.07 Lakhs	₹ 0.07 Lakhs
3.	Demand of Tax deducted @ source under Chapter XVII - F.Y. 2009-10	₹ 0.19 Lakhs	₹ 0.19 Lakhs
4.	Demand of Tax deducted @ source under Chapter XVII - F.Y. 2010-11	₹ 0.07 Lakhs	₹ 0.07 Lakhs
5.	Demand of Tax deducted @ source under Chapter XVII - F.Y. 2011-12	₹ 0.02 Lakhs	₹ 0.02 Lakhs
6.	Demand of Tax deducted @ source under Chapter XVII - F.Y. 2018-19	NIL	₹ 0.08 Lakhs
7.	Demand from Income Tax Department - A.Y. 2012-13	NIL	₹ 58 Lakhs (under dispute)

Sl. No.	Particulars – Indirect taxes	31-03-2020	31-03-2019
1.	(a) Demand from Commissioner - Service Tax (2019-20)/ DGGI SCN 103/2018 – Service tax (2018-19)	-	₹ 3,804.47 Lakhs
	(b) Order No. 23/2019 from Commissioner GST & Central excise* (Excluding Interest)	₹ 4,162.50 Lakhs	-
2.	(a) Demand from Audit-I Commissionerate - SCN 10/2017 - Service Tax	-	₹ 267.83 Lakhs
	(b) Order 07/2020 & 08/2020 received from Commissioner of GST against the SCN 10/2017 mentioned above (Including Interest & Penalty)	₹ 510.63 Lakhs	
3.	Demand from Audit - II Commissionerate- SCN 57/2019 - GST	₹ 4.90 Lakhs	-
4.	Demand from Chennai South Commissionerate – SCN 05/2020 - Service Tax (Jun-2015 to Jun-2017)	₹152.65 Lakhs	-
5.	Demand from Chennai South Commissionerate – SCN 10/2020	₹26.94 Lakhs	



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

**iii. Other Claims not acknowledged**

- Southern Railway has claimed an amount of ₹ 76,184.58 Lakhs (P. Y. - ₹ 75,848.77 Lakhs) towards the specific permissions for the use of land. The Company has acknowledged the claim only to the extent of ₹ 48,752.01 Lakhs (P. Y. - ₹ 48,752.01 Lakhs) and the same has been paid.
- Claims from GCC towards land (temporary and permanent) to the tune of ₹ 19,673.35 Lakhs against which CMRL paid ₹ 13,574.67 Lakhs being the eligible amount based on the verification of documents.
- TANGEDCO has claimed an amount of ₹ 3,531.52 Lakhs towards tariff difference & excess Maximum Demand consumption charges. Tariff difference is contested on the basis of application of Railway Traction tariff instead of commercial HT tariff as per TNERC order and the maximum demand charges is disputed that the increased power value request from CMRL has been pending. CMRL has taken up the matter with the concerned officials for setting aside this claim.

**b. Letters of Guarantees**

As at the Balance sheet date the company has not provided any bank guarantees on behalf of third parties.

**c. Letters of Credit**

As at the Balance Sheet date, there are no commitments towards Letters of Credit.

**36. Capital & Other Commitments**

Estimated amount, net of advances paid, of contracts remaining to be executed on Capital Account and not provided for (excluding any escalation as provided in the terms of the contracts) ₹ 2,42,997.14 Lakhs (P.Y. - ₹ 1,62,131.77 Lakhs).

**37. Segment Reporting**

As defined in Ind-AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the company's management to allocate resources to the segments and assess their performance. The company has only one operating segment i.e., Income from traffic operations. This includes income from train tickets, rental income space along rails.

**38. Information on Related Party transactions as required by Ind-AS 24 – 'Related Party disclosures' for the year ended 31st March, 2020**

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



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

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

S. No.	Name of the Director	Designation	From	To
1.	Shri Durga Shanker Mishra, IAS	Chairman / Nominee Director of Gol	23-06-2017	Till Date
2.	Shri Mukund Kumar Sinha	Director / Nominee Director of Gol	23-12-2013	06-12-2019
3.	Shri Jaideep	Director / Nominee Director of Gol	09-08-2019	Till date
4.	Shri Vijay Kumar Dhir	Director / Nominee Director of Gol	15-03-2018	27-08-2019
5.	Shri Radhakrishna Reddy	Director / Nominee Director of Gol	27-08-2019	Till date
6.	Shri Sunil Mathur	Director / Nominee Director of Gol	15-03-2018	Till Date
7.	Shri Dimpay Garg	Director / Nominee Director of Gol	21-06-2018	09-08-2019
8.	Shri Pankaj Kumar Bansal, IAS	Managing Director / Nominee Director of GoTN	24-12-2013	16-03-2020
9.	Shri Pradeep Yadav, IAS	Managing Director / Nominee Director of GoTN	16-03-2020	Till date
10.	Shri K Shanmugam, IAS	Director / Nominee Director of GoTN	18-05-2010	05-07-2019
11.	Shri S Krishnan, IAS	Director / Nominee Director of GoTN	18-01-2011	Till Date
12.	Shri Rajeev Ranjan, IAS	Director / Nominee Director of GoTN	28-06-2013	05-07-2019
13.	Dr T V Somanathan, IAS	Director / Nominee Director of GoTN	05-07-2019	23-12-2019
14.	Shri S K Prabakar, IAS	Director / Nominee Director of GoTN	05-07-2019	30-01-2020
15.	Shri M A Siddhique, IAS	Director / Nominee Director of GoTN	23-12-2019	Till date
16.	Shri A Karthik, IAS	Director / Nominee Director of GoTN	30-01-2020	Till date
17.	Shri G Prakash, IAS	Director / Nominee Director of GoTN	05-07-2019	Till date
18.	Dr D Karthikeyan, IAS	Director / Nominee Director of GoTN	04-07-2016	05-07-2019
19.	Smt Sujatha Jayaraj	Whole-Time Director	17-05-2016	Till Date
20.	Shri Rajeev Narayan Dwivedi	Whole – Time Director	01-06-2016	Till Date
21.	Smt Uma R Krishnan	Independent Director	31-10-2016	Till Date
22.	Smt Usha Sankar	Independent Director	31-10-2016	Till Date
23.	Smt Andal P	Company Secretary	05-09-2014	Till Date





**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

**b) Details of related party transactions during the year**

Particulars	2019-20	2018-19
Remuneration to KMP	₹ 149.10 Lakhs	₹ 193.14 Lakhs

**Details of Remuneration to Key Managerial Personnel/ Directors**

- ❖ Shri Pankaj Kumar Bansal, Managing Director – ₹ 35.99 Lakhs (P. Y. - ₹ 33.38 Lakhs) (including FSC contribution)
- ❖ Shri Pradeep Yadav, Managing Director – ₹ 1.50 Lakhs (P. Y. - Nil)
- ❖ Smt Sujatha Jayaraj, Director – ₹ 48.03 Lakhs (P. Y. - Rs. 50.57 Lakhs)
- ❖ Shri Rajeev Narayan Dwivedi, Director – ₹ 48.03 Lakhs (P. Y. - ₹ 48.94 Lakhs)
- ❖ Shri L. Narasim Prasad, Director – ₹ Nil (P. Y. - ₹ 44.11 Lakhs)
- ❖ Smt P Andal, Company Secretary – ₹ 15.55 Lakhs (P. Y. - ₹ 16.14 lakhs)

**39. Employee benefits**

**a) Defined Contribution Plans**

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

**Pension:** The Company's pension Scheme is linked with voluntary provident fund Scheme. All employees of Company under EPF scheme are also covered under EPS 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 ₹30.82 Lakhs (P. Y. - ₹ 18.90 Lakhs) is created as liability towards Pension contribution payable to deputation employees.

(₹ in Lakhs)

Particulars	2019-20	2018-19
Contribution to Provident Fund	251.76	266.97

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





## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

#### b. Defined Benefit Plan - Gratuity (Funded)

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

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

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

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

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at 31<sup>st</sup> March, 2020 by Actuarial Valuer. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method. The details as per the said valuation report is attached.

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

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

**CHENNAI METRO RAIL LIMITED****Notes to the Financial Statements for the year ended March 31, 2020**

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

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

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

An employee availing half pay leave is entitled to receive salary equal to the half of basic + DA components of salary. However, other allowances are paid in full. The maximum half pay leave that can be availed at a time is 24 months. Half pay Leave can be encashed by the employees subject to Leave Rules. The details as per the said valuation report is attached.

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

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

**40. Value of imports calculated on C.I.F basis**

Towards import of Capital goods – ₹ 6,148.70 Lakhs (P.Y. ₹ 5,447.93 Lakhs)

**41. Other Disclosures**

a. Earnings in Foreign Currency - ₹ Nil (P.Y. ₹ Nil)

b. Expenditure in Foreign Currency -

(₹ In Lakhs)

Details	2019-20	2018-19
a) Foreign Travel		
- Directors	0.79	6.85
- Others	7.50	12.75
b) Professional fees to Consultants	0.12	61.98
c) Contract payments	11,298.56	12,833.88
d) Others	1.58	7.27

42. The operations of the company relating to Phase I got substantially completed and capitalized in Feb'19. Except for work variation, the company accounted for all the estimated claims receivable relating to Phase I. The effect of any difference in amounts claimed is not expected to be significant and shall be accounted for in the year of crystallization of such claims.

43. The World Health Organization in February 2020 declared COVID-19 as a pandemic. Government has been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's revenue (Business development and fare collections) has been affected adversely, including after the year end.

**CHENNAI METRO RAIL LIMITED****Notes to the Financial Statements for the year ended March 31, 2020**

In assessing the recoverability of receivables including, the Company has considered internal and external information up to the date of approval of financial statements. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

Despite the fact that confirmation of balances has been sought for, only a few parties (suppliers of goods and services and operating lessees) have furnished the same which have been appropriately considered in the accounts. In the absence of any claims to the contrary from any other party, any adjustment to the carrying amounts is not expected / estimated to be material.

Though the company has a procedure for periodic verification of project assets for estimation of progress and pre-certification of project liabilities / payments, the same could not be carried out in full in a few cases during the COVID-19 lockdown. The company had accounted / effected payments based on assessments carried out internally. Further, any adjustment to the carrying amounts of the assets / liabilities is not expected to be material.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

44. The financial statements for the year as approved by the Board of Directors on 18.11.2020 and the report thereon issued by the Statutory Auditors were revised pursuant to C&AG's audit observation during the course of audit under section 143(6)(a) of the Companies Act, 2013. The revision has the impact of movement of ₹388.71 lakhs from "Remeasurement gain/(loss) of defined benefit obligations – Gratuity" to "Employee benefit expenses" in the Statement of Profit & Loss. Also, there are few additional disclosures to Note 20 & Note 23.1.
45. Previous year figures have been regrouped or reclassified wherever necessary to make them comparable with current year's figures and the amounts are rounded off to the nearest lakhs of rupees.
46. Figures have been rounded off to the nearest lakhs of rupees.

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

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

Pradeep Yadav, IAS  
Managing Director  
(DIN: 06565423)

Place : Chennai  
Date : 20.12.2020

For and on behalf of the Board of Directors

Rajeev Narayan Dwivedi  
Director  
(DIN: 07554468)

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

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

Place : Chennai  
Date : 19.12.2020



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

The details as per the said valuation report (Note No. 39) is as follows:

#### 1 Notes

- 1 Please refer the respective Measurement Reports for the complete information on the Benefit Plan, the Methodology and the Assumptions used in arriving at the Present Value of Defined Benefit Obligations.
- 2 The Projected Unit Credit Method has been used in arriving at the Present Value of Defined Benefit Obligations and related Service Costs
- 3 \*\* Not applicable for the Benefit Plan

2	Membership Statistics	31.03.2020				31.03.2019			
		b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)
1	Membership Data as on								
2	Actives								
	a) Number	458	323	323	323	337	337	337	337
	b) Average Age	33.99	34.58	34.58	34.58	33.74	33.74	33.74	33.74
	c) Total Past Service	2,406.60				1,893.20			
	d) Average Past Services	5.25				5.62			
	e) Total Gratuity Salary	2,49,74,232				1,68,41,467			
	f) Average Gratuity Salary	54,529				49,975			
	g) Total Earned Leave Days		23,219	7,374			23,135	8,392	
	h) Average Earned Leave Days		72	23			69	25	
	i) Total Encashment Salary		1,77,34,229	1,77,34,229			1,68,41,467	-	
	j) Average Encashment Salary		54,905	54,905			49,975	-	
	k) Total Availment Salary		2,25,06,224	2,25,06,224			2,17,13,413	2,17,13,413	
	l) Average Availment Salary		69,679	69,679			64,431	64,431	
	m) Total Half Pay Leave Days								
	n) Average Half Pay Leave Days								



# CHENNAI METRO RAIL LIMITED Notes to the Financial Statements for the year ended March 31, 2020

		31.03.2020				31.03.2019			
		b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)
3	Change in the Present Value of Defined Benefit Obligation (DBO)								
1	Present Value of Defined Benefit Obligation at the beginning of the Period	5,36,84,217	4,55,08,383	2,12,20,571	69,89,516	4,19,48,237	3,84,08,007	1,59,99,991	64,53,741
2	Service Cost								
a)	Current Service Cost	88,89,742	-	-	-	1,12,62,071	-	-	-
b)	Past Service Cost	-	-	-	-	-	-	-	-
c)	(Gain) / Loss on Curtailments	-	-	-	-	-	-	-	-
d)	(Gain) / Loss on Settlements	-	-	-	-	-	-	-	-
3	Interest Expense	39,92,531	31,39,583	15,98,921	4,86,109	30,86,807	26,50,059	12,33,599	4,15,764
4	Remeasurements								
a)	Effect of Changes in Demographic Assumptions	-	-	-	-	-	-	-	-
b)	Effect of Changes in Financial Assumptions	88,15,968	40,72,814	14,74,266	8,19,807	1,15,420	3,12,802	2,14,155	(2,74,008)
c)	Effect of Experience Adjustments	94,42,163	1,22,17,783	(24,48,066)	1,63,604	10,95,349	1,22,10,102	37,72,826	25,16,439
5	Cashflows								
a)	Benefit Payments	(28,27,469)	-	-	-	(25,08,167)	-	-	-
(i)	From the Plan	(7,04,002)	(86,13,020)	(1,97,516)	(10,67,781)	(13,15,499)	(80,72,588)	-	(21,22,419)
(ii)	Directly from the Employer	-	-	-	-	-	-	-	-
b)	Settlement Payments from the Plan	-	-	-	-	-	-	-	-
c)	Participant Contributions	-	-	-	-	-	-	-	-
6	Effect of Business Combinations / Disposals	-	-	-	-	-	-	-	-
7	Effect of Changes in Foreign Exchange Rates	-	-	-	-	-	-	-	-
8	Present Value of Defined Benefit Obligation at the end of the Period	8,12,93,150	5,63,25,542	2,16,48,175	73,91,255	5,36,84,217	4,55,08,383	2,12,20,571	69,89,516
	Current	43,57,476	70,41,965	26,95,048	10,63,633	29,32,869	51,84,993	24,71,390	7,35,809
	Non Current	7,69,35,673	4,92,83,577	1,89,53,128	63,27,622	5,07,51,348	4,03,23,389	1,87,49,180	62,53,707



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

	31.03.2020						31.03.2019			
	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)		
<b>4 Change in the Fair Value of Plan Assets</b>										
1 Fair Value of Plan Assets at the beginning of the Period	6,04,01,415	-	-	-	4,14,94,742	-	-	-	-	-
2 Interest Income on Plan Assets	50,66,285	-	-	-	38,43,868	-	-	-	-	-
3 Cashflows	-	-	-	-	-	-	-	-	-	-
a) Benefit Payments	-	-	-	-	-	-	-	-	-	-
(i) From the Plan	(28,27,469)	-	-	-	(25,08,167)	-	-	-	-	-
(ii) Directly from the Employer	(7,04,002)	(86,13,020)	(1,97,516)	(10,67,781)	(13,15,499)	(80,72,588)	-	(21,22,419)	-	-
b) Settlement Payments from the Plan	-	-	-	-	-	-	-	-	-	-
c) Participant Contributions	-	-	-	-	-	-	-	-	-	-
d) Total Employer Contributions	-	-	-	-	-	-	-	-	-	-
(i) Employer Contributions	1,37,87,582	-	-	-	1,92,29,918	-	-	-	-	-
(ii) Employer Direct Benefit Payments	7,04,002	86,13,020	1,97,516	10,67,781	13,15,499	80,72,588	-	21,22,419	-	-
4 Remeasurements	-	-	-	-	-	-	-	-	-	-
a) Actual Return on Plan Assets (Less 4.2 above)	(11,77,366)	-	-	-	(16,58,946)	-	-	-	-	-
5 Effect of Business Combinations / Disposals	-	-	-	-	-	-	-	-	-	-
6 Effect of Changes in foreign Exchange Rates	-	-	-	-	-	-	-	-	-	-
7 Fair Value of Plan Assets at the end of the Period	7,52,50,447	-	-	-	6,04,01,415	-	-	-	-	-



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

		31.03.2020					31.03.2019				
		b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)		
<b>5</b>	<b>Change in Reimbursement Rights</b>										
1	Reimbursements Rights at the beginning of the Period	-	-	-	-	-	-	-	-	-	-
2	Interest Income on Reimbursement Rights	-	-	-	-	-	-	-	-	-	-
3	Cashflows										
	a) Employer Contributions towards Reimbursement Rights	-	-	-	-	-	-	-	-	-	-
	b) Reimbursement to Employer	-	-	-	-	-	-	-	-	-	-
4	Remeasurements										
	a) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-	-	-	-	-	-	-	-	-
5	Effect of Business Combinations / Disposals	-	-	-	-	-	-	-	-	-	-
6	Effect of Changes in Foreign Exchange Rates	-	-	-	-	-	-	-	-	-	-
7	Reimbursements Rights at the end of the Period	-	-	-	-	-	-	-	-	-	-





**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

	31.03.2020					31.03.2019					
6	Change in Asset Ceiling	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)		
	1 Asset Ceiling at the beginning of the Period	-	-	-	-	-	-	-	-		
	2 Interest Income on Asset Ceiling	-	-	-	-	-	-	-	-		
	3 Remeasurements										
	a) Actual Change in Asset Ceiling (Less 6.2 above)	-	-	-	-	-	-	-	-		
	4 Effect of Business Combinations / Disposals	-	-	-	-	-	-	-	-		
	5 Effect of Changes in Foreign Exchange Rates	-	-	-	-	-	-	-	-		
	6 Asset Ceiling at the end of the Period	-	-	-	-	-	-	-	-		
7	Amounts recognized in the Balance Sheet	31.03.2020					31.03.2019				
		b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)		
	1 Present Value of Defined Benefit Obligation	8,12,93,150	5,63,25,542	2,16,48,175	73,91,255	5,36,84,217	4,55,08,383	2,12,20,571	69,89,516		
	2 Fair Value of Plan Assets	7,52,50,447	-	-	-	6,04,01,415	-	-	-		
	3 Net Assets (Liability) recognized in the Balance Sheet	(60,42,703)	(5,63,25,542)	(2,16,48,175)	(73,91,255)	67,17,198	(4,55,08,383)	(2,12,20,571)	(69,89,516)		
	4 Effect of Asset Ceiling	(60,42,703)	(5,63,25,542)	(2,16,48,175)	(73,91,255)	67,17,198	(4,55,08,383)	(2,12,20,571)	(69,89,516)		
	5 Net Assets (Liability) Current	-	(70,41,965)	(26,95,048)	(10,63,633)	-	(51,84,993)	(24,71,390)	(7,35,809)		
	Non Current	(60,42,703)	(4,92,83,577)	(1,89,53,127)	(63,27,622)	67,17,198	(4,03,23,389)	(1,87,49,180)	(62,53,707)		



## CHENNAI METRO RAIL LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

	31.03.2020					31.03.2019			
8	Components of Defined Benefit Cost	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)
1	Service Cost								
	a) Current Service Cost	88,89,742	-	-	-	1,12,62,071	-	-	-
	b) Past Service Cost	-	-	-	-	-	-	-	-
	c) (Gain) / Loss on Curtailments	-	-	-	-	-	-	-	-
	d) (Gain) / Loss on Settlements	-	-	-	-	-	-	-	-
	e) Total Service Cost	88,89,742	-	-	-	1,12,62,071	-	-	-
2	Net Interest Expense								
	a) Interest Expense on DBO	39,92,531	31,39,583	15,98,921	4,86,109	30,86,807	26,50,059	12,33,599	4,15,764
	b) Interest Income on Plan Assets	(50,66,285)	-	-	-	(38,43,868)	-	-	-
	c) Interest Income on Reimbursement Rights	-	-	-	-	-	-	-	-
	d) Interest Income on Asset Ceiling	-	-	-	-	-	-	-	-
	e) Total Net Interest Cost	(10,73,754)	31,39,583	15,98,921	4,86,109	(7,57,061)	26,50,059	12,33,599	4,15,764
3	Remeasurements								
	a) Effect of Changes in Demographic Assumptions	-	-	-	-	-	-	-	-
	b) Effect of Changes in Financial Assumptions	88,15,968	40,72,814	14,74,266	8,19,807	1,15,420	3,12,802	2,14,155	(2,74,008)
	c) Effect of Experience Adjustments	94,42,163	1,22,17,783	(24,48,066)	1,63,604	10,95,349	1,22,10,102	37,72,826	25,16,439
	d) Actual Return on Plan Assets (Less 4.2 above)	11,77,366	-	-	-	16,58,946	-	-	-
	e) Actual Return on Reimbursement Rights (Less 5.2 above)	-	-	-	-	-	-	-	-
	f) Actual Change in Asset Ceiling (Less 6.2 above)	-	-	-	-	-	-	-	-
	g) Total Remeasurements	1,94,35,498	1,62,90,597	(9,73,800)	9,83,411	28,69,715	1,25,22,905	39,86,980	22,42,431
4	Defined Benefit Cost included in Profit & Loss Account	78,15,988	1,94,30,179	6,25,121	14,69,520	1,05,05,009	1,51,72,964	52,20,580	26,58,195
5	Defined Benefit Cost included in Other Comprehensive Income	1,94,35,498	-	-	-	28,69,715	-	-	-



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

	31.03.2020						31.03.2019			
	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)		
9 Reconciliation of Net Assets (Liability)										
1 Net Assets (Liability) at the beginning of the Period	67,17,198	(4,55,08,383)	(2,12,20,571)	(69,89,516)	(4,53,495)	(3,84,08,007)	(1,59,99,991)	(64,53,741)		
2 Defined Benefit Cost included in Profit & Loss Account	(78,15,988)	(1,94,30,179)	(6,25,121)	(1,46,920)	(1,05,05,009)	(1,51,72,964)	(52,20,580)	(26,58,195)		
3 Defined Benefit Cost included in Other Comprehensive Income	(1,94,35,498)	-	-	-	(28,69,715)	-	-	-		
4 Cash flows										
a) Total Employer Contributions	-	-	-	-	-	-	-	-		
(i) Employer Contributions	1,37,87,582	-	-	-	1,92,29,918	-	-	-		
(ii) Employer Direct Benefit Payments	7,04,002	86,13,020	1,97,516	10,67,781	13,15,499	80,72,588	-	21,22,419		
b) Employer Contributions towards Reimbursement Rights										
c) Reimbursements to Employer										
5 Effect of Business Combinations / Disposals										
6 Effect of Changes in Foreign Exchange Rates										
7 Net Assets (Liability) at the end of the Period	(60,42,703)	(5,63,25,542)	(2,16,48,175)	(73,91,255)	67,17,198	(4,55,08,383)	(2,12,20,571)	(69,89,516)		



# CHENNAI METRO RAIL LIMITED

## Notes to the Financial Statements for the year ended March 31, 2020

	31.03.2020				31.03.2019			
	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)
<b>10 Defined Benefit Obligation</b>								
1 Defined Benefit Obligation by Participant Status								
a) Actives	8,12,93,150	5,63,25,542	2,16,48,175	73,91,255	5,36,84,217	4,55,08,383	2,12,20,571	69,89,516
b) Vested Deferreds	-	-	-	-	-	-	-	-
c) Retiree Beneficiaries	-	-	-	-	-	-	-	-
d) Total	8,12,93,150	5,63,25,542	2,16,48,175	1,25,963	5,36,84,217	4,55,08,383	2,12,20,571	69,89,516
<b>11 Significant Actuarial Assumptions</b>								
1 Financial Assumptions								
a) Discount Rate (Single Rate for ALL Years)	6.67%	6.62%	6.62%	6.55%	7.69%	7.62%	7.57%	7.53%
b) Expected Return on Plan Assets	**	**	**	**	**	**	**	**
c) Pension Escalation Rate (Single Rate for All Years)	**	**	**	**	**	**	**	**
d) Salary Escalation Rate (Duration Based)								
From Year 1 To Year 1	7.00%	7.00%	7.00%	5.00%	7.00%	7.00%	7.00%	5.00%
From Year 2 To Year 2	7.00%	7.00%	7.00%	5.00%	7.00%	7.00%	7.00%	5.00%
From Year 3 To Year 3	7.00%	7.00%	7.00%	5.00%	7.00%	7.00%	7.00%	5.00%
From Year 4 To Year 42	7.00%	7.00%	7.00%	5.00%	7.00%	7.00%	7.00%	5.00%



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

	31.03.2020						31.03.2019					
	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)
<b>11 Significant Actuarial Assumptions</b>												
2 Demographic Assumptions												
a) Pre-Retirement Mortality Rate-IALM (2006-08) Ultimate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
b) Post Retirement Mortality Rate-LIC Ann ('1996-98)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
c) Attrition Rate (Age Based)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
From Age 18 To Age 20	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
From Age 21 To Age 30	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
From Age 31 To Age 40	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
From Age 41 To Age 60	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
<b>12 Sensitivity Analysis</b>												
1 Discount -1.0%	8,62,80,979	5,86,10,841	2,25,12,245	83,30,616	5,67,13,904	4,73,27,735	2,20,21,585	76,96,415	5,09,21,800	4,38,23,470	2,04,74,816	68,96,635
2 Discount +1.0%	7,67,61,338	5,42,11,820	2,08,46,671	65,54,330	5,10,45,672	4,38,23,470	2,04,74,816	69,71,167	5,64,59,634	4,73,29,846	2,20,22,126	78,31,556
3 Discount -0.5%	7,71,20,362	5,42,09,528	2,08,45,801	83,29,633	5,10,45,672	4,38,23,470	2,04,74,816	69,71,167	5,64,59,634	4,73,29,846	2,20,22,126	78,31,556
4 Discount +0.5%	8,57,07,518	5,85,91,386	2,25,04,900	75,31,021	5,64,59,634	4,73,29,846	2,20,22,126	71,23,991	5,64,59,634	4,73,29,846	2,20,22,126	73,19,270
5 Escalation -1.0%												
6 Escalation +1.0%												
7 Escalation -0.5%												
8 Escalation +0.5%												
9 Mortality x 90%												
10 Mortality x 110%												



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

	31.03.2020					31.03.2019				
	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)		
<b>12 Sensitivity Analysis</b>										
11 Mortality x 95%	8,12,92,613	5,63,27,107	2,16,48,753		5,36,77,432	4,55,06,301	2,12,19,786			
12 Mortality x 105%	8,12,93,679	5,63,23,979	2,16,47,599	77,58,032	5,36,90,982	4,55,10,461	2,12,21,354	73,38,583		
13 Attrition x 90%				80,37,910				76,01,855		
14 Attrition x 110%										
15 Attrition x 95%	8,13,75,149	5,63,51,927	2,16,57,050		5,35,60,813	4,54,71,707	2,12,08,703			
16 Attrition x 105%	8,12,11,288	5,62,99,738	2,16,39,426		5,38,01,881	4,55,44,263	2,12,32,339			
17 Rs.1,000,000 Benefit Ceiling	7,42,45,641				5,03,43,853					
18 No Benefit Ceiling	8,21,86,335				5,40,05,970					
<b>13 Maturity Profile of the DBO and Expected Cashflows in the following period :</b>										
	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)		
1 Estimated Term / Weighted Average Duration of the DBO	18.88	13.48	12.81	10.08	19.14	14.39	12.85	12.03		
2 Expected Total Benefit Payments										
a) Year 1	45,00,453	72,71,319	27,82,825	11,02,952	30,43,550	53,78,915	25,63,226	7,63,648		
b) Year 2	40,19,416	57,84,885	21,77,767	10,63,979	48,40,043	54,39,366	25,91,857	7,96,864		
c) Year 3	42,66,169	58,50,052	22,02,784	10,24,103	31,80,446	45,38,674	21,72,005	7,58,814		
d) Year 4	62,69,954	59,13,487	23,24,342	9,85,097	32,36,442	45,91,993	21,97,219	7,22,047		
e) Year 5	65,98,832	49,55,039	19,70,247	9,38,739	46,14,775	46,44,196	22,21,858	6,78,176		
f) Next 5 years	3,11,90,276	2,15,08,920	81,29,994	26,50,722	2,24,17,814	1,87,96,625	88,32,999	33,46,185		
3 Expected Employer Contributions	-	-	-	-	-	-	-	-		
4 Expected Employer Contributions towards Reimbursement Rights	-	-	-	-	-	-	-	-		



**CHENNAI METRO RAIL LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

	31.03.2020						31.03.2019			
	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)	b. Defined Benefit Plan - Gratuity (Funded)	c. Other Long-Term Employee Benefits - Leave Encashment, (unfunded)	d. Other Long-Term Employee Benefits - Leave Encashment, Half -pay leave	e. Other Long-Term Employee Benefits - Leave Travel Concession (unfunded)		
<b>14 Plan Assets</b>										
1 Fair value of plan assets										
a) Cash and Cash Equivalents	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
b) Equity Instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
c) Debt Instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
d) Real Estate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
e) Derivatives	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
f) Investment Funds	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
g) Assets held by Insurance Company	100%	0%	0%	0%	100%	0%	0%	0%	0%	0%
h) Others	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
i) Total	100%	0%	0%	0%	100%	0%	0%	0%	0%	0%
2 Fair value of plan assets with a quoted market price										
a) Cash and Cash Equivalents	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
b) Equity Instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
c) Debt Instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
d) Real Estate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
e) Derivatives	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
f) Investment Funds	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
g) Assets held by Insurance Company	100%	0%	0%	0%	100%	0%	0%	0%	0%	0%
h) Others	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
i) Total	100%	0%	0%	0%	100%	0%	0%	0%	0%	0%
3 Amount invested in company's own financial instruments										
a) Equity Instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
b) Debt Instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
c) Real Estate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
d) Others	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
e) Total	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%





## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF CHENNAI METRO RAIL LIMITED

#### Report on the Audit of Ind AS Financial Statements

#### Qualified Opinion

This report supersedes our original report dated 18.11.2020. Pursuant to the observations made by Comptroller and Auditor General of India under section 143(6)(a) of the Companies Act, 2013 the accounts approved by the Board of Directors on 18.11.2020 have been revised to incorporate the observations made by the Comptroller and Auditor General of India to carry out elaboration to Notes 1, 20 & 23 and the following changes (also refer Note 44):

(Rupees in Lakhs)

Particulars	Nature	Increase	Decrease
Employee Benefits: Salaries & Wages (Note 29)	Expense	-	503.83
Employee Benefits: Contribution to Provident & Other funds (Note 29)	Expense	115.12	-
Other Comprehensive Income: Remeasurement gain / (loss) of defined benefit obligations — Gratuity	Loss	388.71	-
Total Comprehensive Income	Loss	503.83	503.83

The net impact of the above revision on the accompanying Ind AS financial statements disclosing its state of affairs of the Company as at 31<sup>st</sup> March, 2020, its loss (including other comprehensive income), its cash flow and its changes in equity for the year ended on that date is Nil.

Our audit procedure on events subsequent to the date of the original report is restricted solely to the amendments made above.

#### Qualified Opinion

We have audited the accompanying Ind AS financial statements of CHENNAI METRO RAIL LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph below, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give

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## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

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<sup>st</sup> March, 2020, its loss (including other comprehensive income), its cash flow and its changes in equity for the year ended on that date.

### Basis for Qualified Opinion

Deviation from Accounting Standard:

**Ind AS 21 — The effects of changes in foreign exchange rates:** Foreign currency assets and liabilities are to be valued on the balance sheet date by translating using the closing rate as per Ind AS paragraph 23 which has not been carried out by the company regarding JICA loan. Under clause 14.16 of the Memorandum of Understanding between Government of India, Government of Tamil Nadu and Chennai Metro Rail Limited dated 15-02-2011, the debt servicing liability of the company with regard to the JICA loan portion shall be reckoned based on JICA's repayment schedule received from JICA in rupee terms along with exchange rate fluctuation of loan liability. The company determines the current maturity portion of the loan by applying the closing rate on the installment payable as per JICA's repayment schedule without recognizing any exchange fluctuation.

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

### Emphasis of Matters:

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

1. The Company has changed its accounting policy during the year to recognize the Deferred Tax Asset (DTA) resulting from unabsorbed losses capable of reversing taxable timing differences resulting in de-recognition of the entire Deferred Tax Liability of ₹ 29,340 Lakhs created upto 01.04.2018 and of ₹ 29,239.42 lakhs created thereafter (Refer Note No.20).
2. The COVID 19 pandemic has led to significant disruptions for businesses. The Company's commercial operations were stalled even after the year end. Such disruptions had resulted in loss of / fall in revenue and necessitated reliance by the management for financial reporting on internal and external information, third party confirmation of balances, periodic assessments at appropriate intervals and other documentary evidences (to the extent available): (a) in the estimation and accounting of liability (including towards project assets); and (b) in considering the appropriateness of the carrying amounts of assets (including recoverability in respect of receivables). The uncertainties on the outcome of the pandemic are dependent on the circumstances as they evolve in the subsequent periods. (Refer Note: 43)

Our opinion is not modified in respect of these matters.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.



## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

### Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those charged with governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of Ind AS financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from



## GANESAN AND COMPANY

### CHARTERED ACCOUNTANTS

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern, basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and Statement of changes in Equity dealt with by this report are in agreement with the books of account.



## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

- (d) In our opinion, the aforesaid Ind AS financial statements for the year ended 31.03.2020 comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rule issued thereunder except for the matter described in the Basis for Qualified Opinion paragraph above.
- (e) In terms of notification issued in G.S.R. 463(E) dated 05.06.2015 under clauses (a) and (b) of sub-section (1) of Section 462 and in pursuance of sub-section (2) of the said Section of the Companies Act, 2013 (18 of 2013), the provisions of sub-section (2) of section 164 of the Act, do not apply to a Government company and accordingly the question of reporting on the disqualification of appointment of Directors does not arise;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note No 35 to the Ind AS financial statements;
- (ii) The company did not have any long term contracts, including derivative contracts, for which there were material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. In compliance to the directions under section 143(5) and according to the information and explanations given to us, refer to our separate Report in "**Annexure C**"

For GANESAN AND COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. No. 000859S

N. VENKATRAMANI  
Partner

M. No. 215145

UDIN: 20215145AAAABW3258

Place : Chennai  
Date : 20.12.2020



## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

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

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2020:

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.  
b) Pursuant to a program, physical verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. During the financial year, the company has carried out the physical verification of only certain assets with significant carrying values due to the COVID-19 pandemic. No material discrepancies were noticed on such verification.  
c) The title deeds of immovable properties are in the name of the company except to an extent of 2,45,983.40 Sq.Mts. valued at ₹ 1,68,221.55 lakhs (Refer Note 23 of notes to accounts)
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between physical stocks and book records have been appropriately dealt with in the accounts.
3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly, reporting under clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order is not applicable to the Company.
4. According to the information and explanations given to us, the company has not given any loans, guarantees or security or made any investments during the year attracting the provisions of Sec. 185 or Sec. 186 of the Companies Act, 2013 and accordingly, reporting in clause (iv) of paragraph 3 of the Order is not applicable to the Company.
5. According to the information and explanations given to us, the company has not accepted any deposits and accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.
6. According to the information and explanations provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
7. a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess, Goods and Service Tax and any other statutory dues with the appropriate authorities with delays in a few instances. According to information and explanations given to us, Sales tax, Service Tax, Duty of Excise and Value added Tax do not apply to the company for the year.  
b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.  
c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and Goods and Service Tax outstanding on account of any dispute except as given below:





## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

Particulars	Nature of Dues	Amount Disputed (₹ In Lakhs)	Period to which the dispute relates	Forum where the dispute is pending
Income Tax Act, 1961	Interest on Tax Deducted at Source	0.07	Apr 07- Mar 08	ACIT, Chennai
		0.19	Apr 09- Mar 10	
		0.07	Apr 10- Mar 11	
		0.02	Apr 11- Mar 12	
Finance Act, 1994	Service Tax*	510.63	Apr 12- June 17	Commissioner of GST and Central Excise, Chennai
		4,006.41	Apr 13- June 17	CESTAT, Chennai Bench

\*Interest upto 31.03.2020 has not been included above

8. The Company has not availed loan from any Financial Institutions or Banks or has not issued any Debentures. The company has availed loans from Government of India [under pass through assistance of loan from Japan International Corporation Agency (JICA)] and sub-ordinate debt from Government of India and Government of Tamil Nadu. As explained to us, the overdue under pass through assistance of ₹ 57,656.54 lakhs remaining unpaid has been met by Government of India on the respective due dates.
9. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) and the term loans from Government of India underpass through assistance and Sub-ordinated debt from Government of India and Government of Tamil Nadu were applied for the purpose for which those loans and Sub-ordinate debts were raised.
10. According to the information and explanations provided to us, no frauds by or on the company had been reported during the year.
11. The company, being a Government Company, provisions of Section 197 relating to Managerial Remuneration are not applicable.
12. In our opinion, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanation given to us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or debentures and accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.





## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

15. According to the information and explanation given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, reporting under clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For GANESAN AND COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. No. 000859S

N. VENKATRAMANI  
Partner  
M. No. 215145  
UDIN: 20215145AAAABW3258

Place : Chennai  
Date : 20.12.2020



## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

### **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT** (Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of CHENNAI METRO RAIL LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors Responsibility for Internal Financial Controls**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



## GANESAN AND COMPANY

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### Meaning of internal financial controls with reference to financial statements:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and Procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following deficiencies in design / design and operation of controls resulting in significant deficiencies and material weaknesses have been identified as at March 31, 2020:

Implementation of controls and procedures to ensure adherence to appropriate selection of policy and their implementation to comply with the mandatory accounting standards /generally accepted accounting principles having a material impact on the financial statements and indicating a likely ineffective oversight of entity's financial reporting and internal control by those charged with governance:

- Ind AS 21 — The effects of changes in foreign exchange rates: Foreign currency assets and liabilities are to be valued on the balance sheet date as per Ind AS paragraph 23 which has not been carried out by the company regarding JICA loan.
- Ind AS 23 — Borrowing Costs — The exchange differences arising from foreign currency borrowings to be regarded as interest costs under Ind AS paragraph 6(e) has not been determined. The borrowing costs eligible for capitalization on qualifying assets has not been determined accordingly.



## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

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

In our opinion, except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2020, based on 'the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India', and the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2020.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For GANESAN AND COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. No. 000859S

N. VENKATRAMANI  
Partner

M. No. 215145

UDIN: 20215145AAAABW3258

Place : Chennai  
Date : 20.12.2020



## GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

### ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

In compliance to the directions under section 143(5) and according to the information and explanations given to us, we report as hereunder:

- a. The company has a system in place to process all the accounting transactions through IT system.
- b. During the year, there were no restructuring of loans or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company.
- c. The funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per the terms and conditions.
- d. Ticketing revenue collection reports are provided by the collecting banks only in respect of Point of Sale terminals provided by the respective banks and the collections reported therein are in agreement with the Automated Fare Collection (AFC) database.

For GANESAN AND COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. No. 000859S

N. VENKATRAMANI  
Partner

M. No. 215145

UDIN: 20215145AAAABW3258

Place : Chennai  
Date : 20.12.2020

**भारतीय लेखा तथा लेखा परीक्षा विभाग**

कार्यालय महानिदेशक वाणिज्यिक लेखा परीक्षा, चेन्नै

**Indian Audit and Accounts Department****Office of the Director General of Commercial Audit, Chennai.**

22.12.2020

**DGCA/CHENNAI/CA-II/CMRL Acs 2-195/2019-20/242**

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

Sir,

Sub:- Comments of the Comptroller and Auditor General of India under  
Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of  
**Chennai Metro Rail Limited** for the year ended 31<sup>st</sup> March 2020.

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I forward herewith 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 2020.

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

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-

(R. AMBALAVANAN)

DIRECTOR GENERAL OF COMMERCIAL AUDIT, CHENNAI.

Encl. : Audit Certificate

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



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF CHENNAI METRO RAIL LIMITED FOR THE YEAR ENDED  
31<sup>st</sup> MARCH 2020**

The preparation of financial statements of Chennai Metro Rail Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20.12.2020 which supersedes their earlier Audit Report dated 18.11.2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Chennai Metro Rail Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the financial statements by management, as indicated in Note No.44 of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under Section 143(6)(b) of the Act.

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

Sd/-  
(R. AMBALAVANAN)  
DIRECTOR GENERAL OF COMMERCIAL AUDIT , CHENNAI.

Place : Chennai  
Date : 22.12.2020