



# 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.

### 9<sup>th</sup> ANNUAL REPORT 2015-16

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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 Rajiv Gauba, IAS**  
Chairman (From 01.04.2016)

**Shri Madhusudan Prasad, IAS**  
Chairman (From 02.02.2015 till 31.03.2016)

**Shri Pankaj Kumar Bansal, IAS**  
Managing Director

**Shri K K Aggarwal**  
Director

**Shri Sharat Sharma**  
Director

**Shri Mukund Kumar Sinha**  
Director

**Shri Praveen Goyal**  
Director

**Shri K Shanmugam, IAS**  
Director

**Shri S Krishnan, IAS**  
Director

**Shri Rajeev Ranjan, IAS**  
Director

**Shri Vikram Kapur, IAS**  
Director (From 27.01.2015 till 20.01.2016)

**Dr. D Karthikeyan, IAS**  
Director (From 04.07.2016)

**Dr.B. Chandra Mohan, IAS**  
Director (From 20.01.2016 till 04.07.2016)

**Shri L Narasim Prasad**  
Director (Systems & Operations)

**Smt Sujatha Jayaraj**  
Director (Finance) (From 17.05.2016)

**Shri Rajeev Narayan Dwivedi**  
Director (Projects) (From 01.06.2016)

**Shri R Ramanathan**  
Director (Projects) (Till 24.02.2016)

**Smt Vijaya Kanth**  
Director (Finance) (Till 29.02.2016)

**Smt. Andal P**  
Company Secretary

## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the **NINTH ANNUAL GENERAL MEETING** of **CHENNAI METRO RAIL LIMITED** will be held on **FRIDAY, THE 23<sup>rd</sup> DAY OF SEPTEMBER 2016** at **11.30 hours (IST)** at the Registered Office of the Company at CMRL Depot, Admin Building, Poonamallee High Road, Koyambedu, Chennai - 600 107 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2016, Statement of Income and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2016 together with the Comments of the Comptroller and Auditor General of India under Section 143 (6) of the Companies Act, 2013 and the Reports of the Directors and the Auditors thereon.
2. To fix remuneration of Auditors for the Financial Year 2016-17 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 2016-17".

### **SPECIAL BUSINESS:**

3. Increasing the borrowing powers of the Company to ₹ 16,130 crore :

To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) (the Act) and other applicable provisions, if any, of the Act and the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required or proper for the purpose of the business of the Company, whether in the nature of Secured or Unsecured borrowings, whether for short term or long term, from one or more Banks, Financial Institutions, Persons, Firms, Bodies Corporate, multi-national funding agencies, multilateral financing institutions, international aid institutions and / or Others, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business)

may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of ₹16,130 Crores (Rupees Sixteen Thousand One Hundred and Thirty Crore only)."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, and things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

4. Appointment of **Smt Sujatha Jayaraj** (DIN: 07531722) as **Director (Finance)** 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, Smt Sujatha Jayaraj (DIN:07531722) be and is hereby appointed as Director (Finance) of the Company for a period of five years or till the age of superannuation (62 years) whichever is earlier with effect from 17-05-2016."

5. Appointment of **Shri Rajeev Narayan Dwivedi** (DIN: 07554468) as **Director (Projects)** 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 Rajeev Narayan Dwivedi (DIN:07554468) be and is hereby appointed as Director (Projects) of the Company for a period of five years or till the age of superannuation (62 years) whichever is earlier with effect from 01-06-2016."

**By Order of the Board of Directors**

**Place : Chennai**  
**Date : 23-08-2016**

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

**Notes:**

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

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

**Item No. 3**

In terms of the provisions of 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Members of the Company by a Special Resolution, borrow moneys, apart from temporary loans, in excess of the aggregate of the paid up capital and free reserves [Section 180(1)(c)].

The total borrowings of the Company as at the end of 31<sup>st</sup> March 2016 through Pass Through Assistance (JICA) from Government of India (GoI) and Subordinate Debt from GoI and Government of Tamil Nadu (GoTN) as per the terms of the Memorandum of Understanding for the Phase-1 and for the sanctioned Phase 1 Extension, stands at ₹10,163 crore. This exceeds the aggregate of the paid up Capital and Free Reserves of the Company. And hence it is imperative to grant appropriate authority to the Board of Directors of the Company. The limit sought to be imposed on the Board of Directors for borrowing is ₹16,130 Crore.

In view of the above, the Board commends the Special Resolution at Item No. 3 for approval by the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in the resolution listed at item 3 to the Notice.

**Item No. 4**

Smt Vijaya Kanth, who was Director (Finance) of the Company since 19-07-2013 was relieved from the services of the Company as on 29<sup>th</sup> February, 2016 consequent to the acceptance of her



resignation. A Board Sub-Committee was constituted by the Board with external experts for selection of Director (Finance). The Committee interviewed the applicant candidates and recommended Smt Sujatha Jayaraj to the post of Director (Finance).

Smt Sujatha Jayaraj was the General Manager ( Finance ) of the Company looking after the entire finance and accounts for the company for the past 2 years. Considering the above and having been associated with the Company, the Selection Committee felt that she would best suit the requirements of the Company when the Company is still in its project implementation state.

The Board commends the resolution at Item No. 4 for approval by the Shareholders.

None of the Directors except Smt Sujatha Jayaraj is interested in the Resolution listed at item 4 to the Notice .

#### **Item No. 5**

Shri R Ramanathan, Director (Projects) of the Company was relieved from services on 24<sup>th</sup> February, 2016 consequent to the completion of tenure. A Board Sub-Committee was constituted by the Board with external experts for selection of Director (Projects). The Committee interviewed the candidates and recommended Shri Rajeev Narayan Dwivedi to the post of Director (Projects).

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

None of the Directors except Shri Rajeev Narayan Dwivedi is interested in the Resolution at No. 5 of the Notice.

**Place: Chennai**  
**Date : 23-08-2016**

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

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





## CHAIRMAN's MESSAGE

Dear Shareholders,

I am delighted to apprise you on the performance of Chennai Metro Rail Limited and present the 9<sup>th</sup> Annual Report of CMRL for the FY 2015-16. At the outset, I place on record our gratitude for the leadership provided to the Company by the previous Chairman, Shri Madhusudan Prasad. CMRL continues to set new benchmarks to deliver superior as well as affordable mode of commuting to the City.

The Chennai Metro Rail Project has made significant achievements during the year under review. The Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalitha flagged off 1<sup>st</sup> train on Elevated Corridor for public on 29-06-2015 from Koyambedu to Alandur. The Operational Control Centre at Koyambedu and Coach Maintenance Depot at Koyambedu were also declared open on the same day.

With great pleasure, I state that the Government of India has approved Extension of Corridor-1 of Chennai Metro Rail Project Phase-1 covering 9.051 km (2.379 km underground and 6.672 km elevated) from Washermanpet to Wimco Nagar at a total estimated cost of ₹ 3,770 Crore. The project is scheduled to be completed by March, 2018. The Hon'ble Chief Minister of Tamil Nadu, Selvi J. Jayalalitha inaugurated the Phase I Extension of the Chennai Metro Rail Project by laying the Foundation Stone on 23-07-16. During the auspicious event at Shri Babu Jagjeevan Ram Sports Complex, Shri M Venkaiah Naidu, the Hon'ble Union Minister for Urban Development, Housing, Urban Poverty Alleviation, Information and Broadcasting released the souvenir.

I place on record the help, co-operation and guidance extended to the Company by the Government of India, Government of Tamil Nadu, Japan International Co-operation Agency (JICA), various city agencies, contractors, employees of the Company. I would like to express my sincere gratitude to the citizens of the city and commuters of Chennai Metro.

I would like to thank all the fellow members on Board of CMRL for their generous guidance and support in elevating the Company to greater heights.

**Rajiv Gauba, IAS**  
Chairman



## REPORT OF THE DIRECTORS

Your Board of Directors is pleased to present the Company's 9<sup>th</sup> Annual Report along with the Audited Statement of Accounts for the financial year ended March 31, 2016 and comments of the Comptroller and Auditor General of India, under Section 143(6) of the Companies Act, 2013.

### About Chennai Metro Rail

The Government of Tamil Nadu created a Special Purpose Vehicle (SPV) for implementing the Chennai Metro Rail Project. This SPV named as "Chennai Metro Rail Limited "was incorporated on 03.12.2007 under the Companies Act. It has been converted into a Joint Venture of Government of India and Government of Tamil Nadu with equal equity holding.

It is proposed to provide about 45 km Metro Network in the city across two Corridors.

Details of Corridors in Phase - I			
Details	Corridor 1	Corridor 2	Total
	Washermenpet to Airport	Central to St. Thomas Mount	
Underground Length	14.3 Km	9.7 Km	24.0 Km
Elevated Length	8.7 Km	12.3 Km	21.0 Km
Total route Length	23.0 Km	22.0 Km	45.0 Km
Underground Stations	10 Washermenpet Metro, Mannadi, High Court (Central Metro), Govt. Estate, LIC, Thousand Lights, AG-DMS, Teynampet, Nandanam and Airport	9 Central Metro, Egmore Metro, Nehru Park, Kilpauk, Pachaiyappa's College, Shenoy Nagar, Anna Nagar East, Anna Nagar Tower and Thirumangalam	19
Elevated Stations	6 Little Mount, Guindy Metro, Alandur, Nanganallur Road, Meenambakkam Metro and Airport	7 Koyambedu, CMBT, Arumbakkam, Vadapalani, Ashok Nagar, Ekkatuthangal, (Alandur) and St. Thomas Mount Metro	13
Total Stations	16	16	32

## Project Highlights

### Key Achievements during 2015-16

- ✓ Honourable CM of Tamil Nadu Selvi J Jayalalithaa flagged off 1<sup>st</sup> Train on Elevated Corridor for Public on 29<sup>th</sup> June 2015 from Koyambedu to Alandur.
- ✓ Trial run with the Rolling Stock on Corridor-1 from Little Mount to OTA started on 16<sup>th</sup> October 2015.
- ✓ Trial run was conducted using OHE inspection wagon between Koyambedu and Anna Nagar Tower Underground section of Corridor-2 on 17<sup>th</sup> October 2015.
- ✓ Inspection Trial run for checking of SOD and track using self propelled overhead maintenance vehicle on Corridor-1 between Alandur Station and Chennai Airport Station was started on 1<sup>st</sup> March 2016.



Hon'ble Chief Minister of Tamil Nadu, Puratchi Thalaivi Selvi J Jayalalithaa inaugurated the Alandur - Koyambedu Metro Rail Passenger Service by flagging off and declared opened the Koyambedu, CMBT, Ekkattuthangal, Alandur Metro Rail Stations CMRL Depot through Video Conferencing on 29-06-2015 at Secretariat, Chennai.

Thiru Pankaj Kumar Bansal I.A.S., Managing Director, CMRL, Thiru R. Ramanathan, Director (Projects), Tmt Vijaya Kanth, Director (Finance), Thiru Narasim Prasad, Director (Systems & Operations) and other officials participated in the function.



## AWARDS

### Golden Trophy Award by National Safety Council to MD, CMRL

Hon'ble Minister for Labour and Employment, Government of India presents Golden Trophy Award to MD, CMRL.

CMRL – Track work Project & Larsen and Toubro (ATA-01 Track work) has been awarded the prestigious 1st level award “Sarvashreshtha Suraksha Puraskar award” (Golden trophy) in the Construction Sector in India from NSCI (National Safety Council of India) for the year 2015.



### 66,000 saplings planted by CMRL

#### “International Environment Management Award- 2015”



Environmental Management is also an essential part of CMRL. Around 66,000 saplings have been planted by CMRL in and around Chennai city. As compensatory tree planting measure, for every tree cut 25 nos. of saplings were planted from 2010 till date and have been maintained so far. CMRL has also transplanted valuable, rare and sentimental and endangered species. 33 nos. of trees at Pachaiyappa's College, 21 nos. at Shenoy Nagar have been transplanted to name a few.

A 129 year old tree at Kilpauk Medical College was also transplanted and is maintained by CMRL so far. CMRL maintains the environmental standards at all the construction sites by controlling dust, noise, pollution, water pollution (drinking & underground) as per the norms of Government of India and Government of Tamil Nadu pollution control board.

As a mark of encouragement for the environmental standards maintained by CMRL, “Greentech Environment Award – 2015 (Silver)”, by Greentech Foundation, India was awarded to CMRL contractor Transtonnelstroy – Afcons JV (UAA01) & Transtonnelstroy – Afcons (UAA05) for outstanding achievement in Environment Management. And “International Environment Management Award - 2015” by ISQEM for demonstrating leadership support and commitment to Environment Management. ISQEM is a UK registered non-profitmaking association.



## AWARDS AND ACCOLADES TO CMRL'S CREDIT

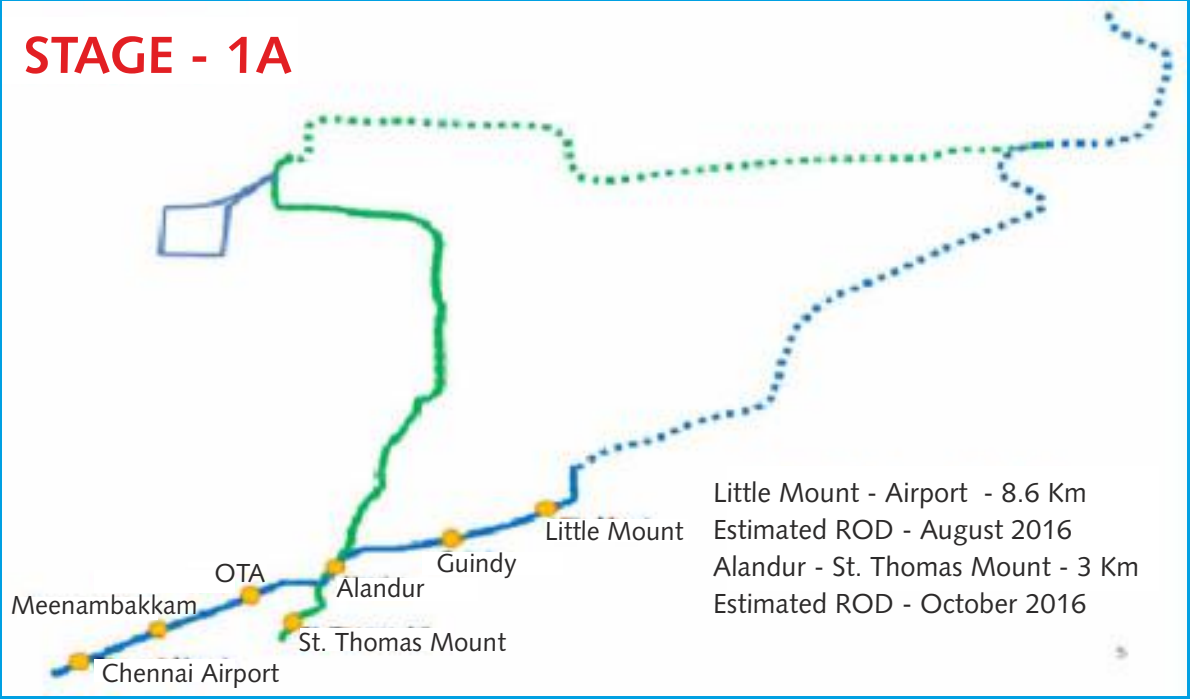
- ✓ **"Greentech Environment Award – 2015 (Silver)" by Greentech Foundation, India** - As a mark of encouragement for the environmental standards maintained by CMRL, it awarded to CMRL contractor Transtonnelstroy – Afcons JV (UAA01) & Transtonnelstroy – Afcons (UAA05) for outstanding achievement in Environment Management.
- ✓ **"International Environment Management Award - 2015" by ISQEM** for demonstrating leadership support and commitment to Environment Management. ISQEM is a UK registered non-profitmaking association.
- ✓ **Golden Trophy Award by National Safety Council (India)** - CMRL and Larsen & Toubro track work execution team has been awarded the Prestigious 1st Level Award – Sarvashreshtha Suraksha Puraskar award in the Construction Sector among projects in buildings and other construction works in India from NSCI (National Safety Council of India) for the year 2014.
- ✓ **ROSPA (Royal Society for Prevention of Accidents) Award 2015 for Occupational Health & Safety** - CMRL – L&T track work team has been awarded the prestigious British Safety Council's Safety Award for achieving 5 million safe man-hours.
- ✓ Metro Services are extended accordingly to meet the demands of the public, especially during the festival seasons.
- ✓ CMRL has introduced "Tourists Cards" and "Trip Cards" at discounted rates with refundable facility.
- ✓ During the days when the city was confronted with heavy floods in November and December 2015, round-the-clock metro services were provided to the public, acknowledging the fact that the other modes of commuting were disabled due to the inundated flood water.



## WAY FORWARD

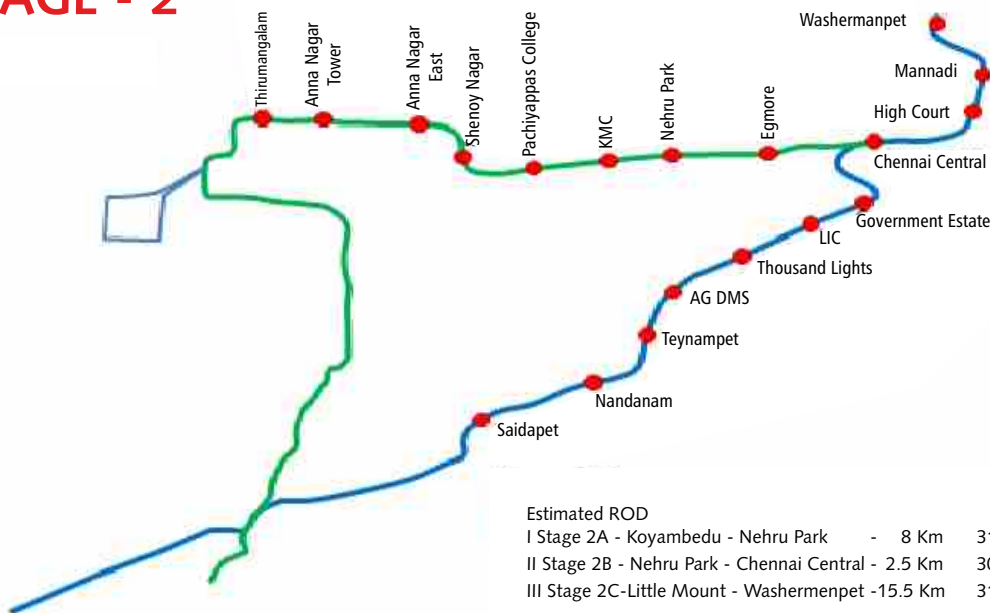
✓ 2016-17 till Completion

### STAGE - 1A



### STAGE - 2

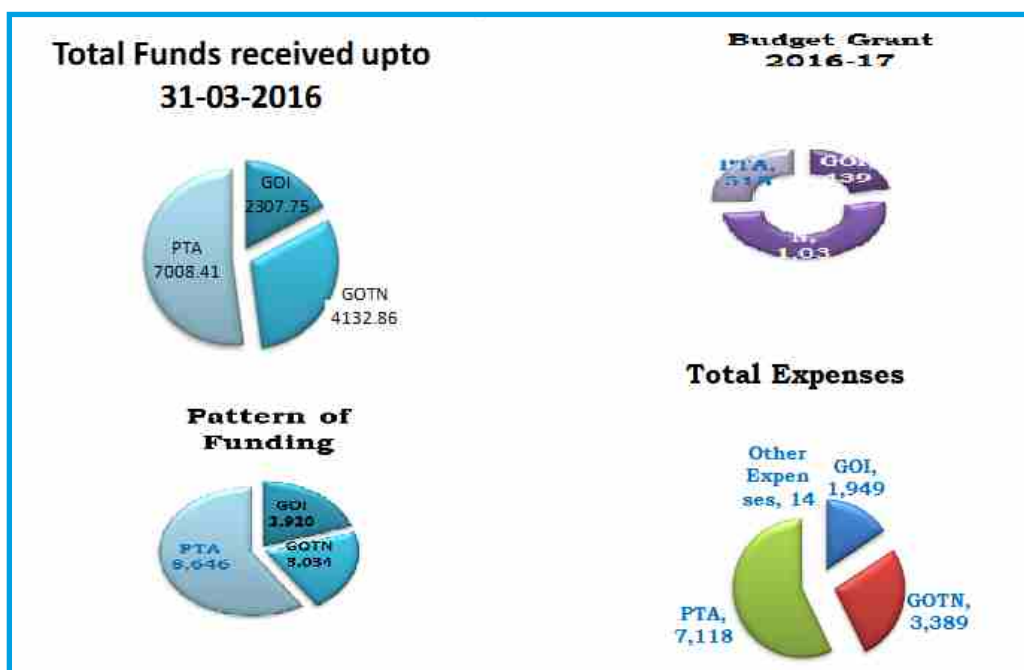
### PROJECT STAGING



## Financial Highlights

(Figure in INR Crore)

Details	Pattern of Funding	Total funds received upto 31-03-2016	Budget Grant 2016-17	Total expenses
<b>Equity</b>				
GOI	2,190.00	1,923.79	389.00	1,526.26
Addl Equity GOI	-	26.74		
GOTN	2,190.00	2,190.00	-	1,526.26
Addl Equity GOTN	-	193.09	474.91	
<b>Subordinate Debt</b>		-		-
GOI	730.00	357.22	50.00	422.80
GOTN	844.00	1,667.26	500.00	1,672.10
<b>Grant - TNVAT</b>				
GoTN		82.51	57.64	191.59
<b>Senior term debt</b>		-		
GOI PTA	8,646.00	7,008.41	518.00	7,118.96
<b>Total</b>	<b>14,600.00</b>	<b>13,449.02</b>	<b>1,989.55</b>	<b>12,457.97</b>
<b>GOI</b>	2,920.00	2,307.75	439.00	1,949.06
<b>GOTN</b>	3,034.00	4,132.86	1,032.55	3,389.95
<b>PTA</b>	8,646.00	7,008.41	518.00	7,118.96
<b>Other Expenses</b>	-	-		14.36
<b>Net Balance / Amount</b>	<b>14,600.00</b>	<b>13,449.02</b>	<b>1,989.55</b>	<b>12,472.33</b>



Audited Statement of Accounts for the financial year ended March 31, 2016 is annexed.

### HIGH POWER COMMITTEE MEETINGS (HPC)

The HPC under the Chairmanship of Chief Secretary, Government of Tamil Nadu, has met in periodic intervals and 14 meetings have been held so far. HPC has given decisions expeditiously resulting in smooth and speedy implementation of Chennai Metro Rail Project. The Committee approved the Revised Project Cost at Rs. 19,058 cr.

### PROJECT CONSTRAINTS

In elevated corridor, spread over a length of around 22 Km, the poor performance and subsequent termination of three packages pertaining to M/s CCCL and one package pertaining to M/s Lanco affected the progress of the work by 2 to 2.5 years.

The balance works were now completed by calling for fresh tenders. 10 Kms of this stretch was opened between Koyambedu to Alandur in June 2015 and the balance shall be opened between Airport and Little Mount in August 2016 and Alandur to St. Thomas Mount in October 2016.

Two Underground Packages, UAA-02 & UAA-03, were awarded to M/s Gammon-Mosmetrostroy JV comprising the route length of 6.8 km of twin tunnels and 7 stations. The performance of the JV was not satisfactory and this affected the progress by 2 years. In May 2015, one of the JV partners abandoned the project. New agencies for the balance works has been finalized except for 3 stations which is under finalization.

Due to mix ground conditions with high water table, the tunneling work has adversely affected the progress. Chennai Central Metro station has also been affected due to complex geological condition as well as due to complex traffic management issues.

Land Acquisitions has been completed for Phase 1. However, at the initial stage, the delay in acquiring the land from various agencies like defence, postal, railways etc had affected the project by 1 year.

Funds wise, there have been no constraints so far. Almost 60% of the funds of the project are borne by way of Loan from JICA and there has been no issue regarding reimbursement and release of PTA by Govt. of India.

Cost Overrun – The original cost of the project is ₹ 14,600 Cr. and the revised cost is ₹ 19,058 Cr. This has been approved by HPC and after getting the approval of Govt. of Tamil Nadu, the sanction of Govt. of India shall be obtained.

### **New Contracts Awarded**

The Contract Package UAA-03 for balance works was awarded to M/s. L&T in December 2015. While the balance works of Contract Package UAA-02 – Tunnel, the new contract BW-UG-02(Tunnels) has been awarded to M/s. Afcons Infrastructure Ltd in May 2016, the award of new Contract for UAA-02 (Stations) to M/s Larsen & Toubro Ltd in August 2016.

### **Educational tours**

Students from Vivekananda Educational Society and Dr. C.L.Mehta Sishya OMR School visited CMRL along with their teachers as part of their educational trip in September and October, 2015 respectively. As part of their learning experience they were also given the opportunity to view the OCC gallery.

A Group of 133 Students from VGP Philomena Matriculation School, Chennai representing 133 Thirukural chapters dressed like Thiruvalluvar carrying Thirukural books travelled in Metro Rail between Alandur and Koyambedu along with the teachers and officials of VGP Ulaga Tamizh Sangam.

Seminars and competitions are being conducted regularly at schools and for CMRL staff on Vigilance, Corporate Governance and the like.

### **Property Development**

CMRL entered into an exclusive advertising contract agreement for Rolling Stock with M/s. JCDecaux Advertising India Pvt Limited.

As a Revenue generating initiative, the Film Shooting Policy on licensing of CMRL Station premises and trains for shooting of films, documentaries, photography, TV series and advertisements is formulated and displayed in the CMRL website.

### **Safety & Security**

Counter Terrorism Drill was conducted by National Security Guard at Alandur Metro Station on 18-12-2015 under the leadership of Shri N Praveen Kumar of NSG along with his team of officers and 100 commandos and Chief Security Officer (CSO) of CMRL co-ordinated with the NSG and all the other agencies for conducting the mock drill.

Security Training was provided to CMRL Staff and outsourced personnel of Metro Station by Tamil Nadu Commando School from 04-01-2016 to 07-04-2016 at Alandur Metro Station.

The Metro Intervention Training Programme was conducted by the National Security Guard on 29-03-2016, at Alandur Metro Station, under the leadership of Major Praveen Kumar along with his team of 110 NSG Commandos of Anti-Terrorist Attack, co-ordinated by the Chief Security Officer (CSO) of CMRL.

Intelligence Bureau (IB) Team, New Delhi, conducted the Security Audit of CMRL on 15th and 16th March, 2016 and provided suggestions to enhance the security aspects of CMRL.

Foot over bridge (FOB) with escalator on the Park station side has been opened on 12-12-2015 to cater to the public. An escalator was already commissioned and given for commuters on the Moore Market Complex side in April, 2015.

### **FIXED DEPOSITS**

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

### **AUDIT COMMITTEE**

The Audit Committee presently comprises of the following Directors:

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

### **BOARD OF DIRECTORS**

During the Financial Year 2015-16, the Board of Directors had 4 Board Meetings and 10 Board Sub-Committee Meetings.

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

- Shri Ved Mani Tiwari, Director (Systems), Kochi Metro Rail Limited, was appointed as a Director w.e.f 08-04-2015 vice Shri Mahesh Kumar, Director (Projects), Kochi Metro Rail Limited.
- Shri Praveen Goyal, Director (Systems) Kochi Metro Rail Limited was appointed as a Director in place of Shri Ved Mani Tiwari, Director (Systems), Kochi Metro Rail Limited, w.e.f 07-12-2015.
- Dr. B Chandra Mohan, IAS, Commissioner, Corporation of Chennai, was appointed as a Director in place of Shri Vikram Kapur, IAS, Principal Secretary/Commissioner, Corporation of Chennai, w.e.f. 20-01-2016.
- Shri R. Ramanathan, Director (Projects), Chennai Metro Rail Limited, ceased to be a Director w.e.f. 24-02-2016 upon completion of his tenure of appointment.
- Smt. Vijaya Kanth, Director (Finance), Chennai Metro Rail Limited, ceased to be a Director w.e.f. 29-02-2016 consequent to her resignation.
- Shri Rajiv Gauba, IAS, Secretary (Urban Development) was appointed as a Director/Chairman w.e.f. 01-04-2016 vice Shri, Madhusudan Prasad, IAS, Secretary (Urban Development), who ceased to be a Director upon superannuation.
- Smt. Sujatha Jayaraj was appointed as Director (Finance) w.e.f. 17-05-2016 on the Board of Chennai Metro Rail Limited.
- Shri Rajeev Narayan Dwivedi, IRSE, was appointed as Director (Projects) w.e.f. 01-06-2016 on the Board of Chennai Metro Rail Limited.

The Board of Directors welcomes the new Directors on the Board and places on record their appreciation for the contribution of Shri Mahesh Kumar, Shri Ved Mani Tiwari, Shri Vikram Kapur, IAS, Shri R Ramanathan, Smt. Vijaya Kanth and Shri Madhusudan Prasad, IAS, during their tenure.

**MEETINGS OF THE BOARD AND ITS COMMITTEES**

In accordance with Section 173 of the Companies Act, 2013, during the Financial Year 2015-16, the Board of Directors had 4 Board Meetings and 10 Board Sub-Committee Meetings. The details of these meetings are as follows:

Description	No. of Meetings	Dates of Meetings
Board	4	07-07-2015, 28-10-2015, 16-12-2015, 09-03-2016
Audit Committee	3	20-05-2015, 30-06-2015, 11-02-2016
Nomination & Remuneration Committee	1	31-12-2015
O&M Committee	1	29-01-2016
Project Management Review Committee	4	29-07-2015, 20-10-2015, 26-11-2015, 23-02-2016
Property Development Committee	1	01-04-2015
Corporate Social Responsibility Committee	NIL	-

## STATUTORY AUDITORS

The Comptroller and Auditor General of India, New Delhi, has appointed M/s Vardhaman & Co., Chartered Accountants, Chennai, as Statutory Auditors of the Company for the Financial Year 2015-16 and the same has been noted by the Board of Directors and Audit Committee on 09-03-2016 and 11-02-2016 respectively.

## SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Balakumar J & Associates, Practising Company Secretaries, are appointed as the Secretarial Auditor of the Company for the FY 2015-16.

## STATUTORY DISCLOSURES:

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

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



**FOREIGN EXCHANGE EARNINGS & OUTGO**

₹ in Crores

1. Total Foreign Exchange Earned	Nil	(Prev. Year	-	Nil)
2. Total Foreign Exchange used	304.77	(Prev. Year	-	705.85)

**DIRECTORS' RESPONSIBILITY STATEMENT**

Whilst preparing the Annual Accounts the Company has adhered to the following best practices and your directors confirm the same pursuant to Section 134 (5) of the Companies Act, 2013:

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

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014, the extract of the annual return as on 31-03-2016 in Form MGT 9 is placed as ANNEXURE.

**AUDITORS' REPORT**

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

**SECRETARIAL AUDIT REPORT**

The observations of the Statutory Auditors in their report, as placed in ANNEXURE, read with the relevant notes to accounts are self-explanatory.

**Comments of the Board:**

1. The appointment of Independent Directors is under process and will be complied in the current FY 2016-17.
2. The share application money received is pending allotment for the equivalent amount to be received from the Government of India to maintain equal Equity contribution as per the Memorandum of Understanding.
3. The outstanding unsecured borrowing amount is the JICA loan through PTA and Subordinate Debt from Government of India and Government of Tamil Nadu as per the sanctioned financing pattern of Gol.

**CORPORATE GOVERNANCE REPORT**

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

**VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

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

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

**RELATED PARTY TRANSACTIONS**

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

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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



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

During the period under review, the Company is in the project phase and there has not been operating profits since commencement of operations and during the previous years. Since there was no operational income, no amount has been spent towards CSR activities as required under Section 135.

### **ACKNOWLEDGEMENT**

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

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

**For and on behalf of the Board**

**Place : Chennai**  
**Date : 19-09-2016**

**Rajiv Gauba**  
**Chairman**

## CORPORATE GOVERNANCE REPORT

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

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

### Composition of the Board

As on March 31, 2016, the Company has 11 Directors on the Board and two vacancies of the Whole-Time Directors, of which Government of India nominated five, Government of Tamil Nadu including the Managing Director nominated five and one whole-time (Functional) Director. The said nominee directors are Senior Officials of the Government of India and Government of Tamil Nadu having considerable experience and expertise across a range of disciplines, including general management, construction, project management, design, business strategy, finance etc.

## 1.1 Responsibilities

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

## 1.2 Board/ Committee Meetings and Procedures

### a) Institutionalized decision making process:

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

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

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

- ii) The agenda for Board / Committee Meetings is circulated by the Company Secretary in consultation with the Chairman and the Managing Director of the Company. The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the meeting are prepared by Head of the Departments and submitted to concerned Functional Directors for obtaining their approval before being cleared by Managing Director. Agenda notes normally classified as follows-
  - a) Regular agenda items
    - i) Grant of Leave of Absence
    - ii) Confirmation of the Minutes of the previous Board Meeting
    - iii) Action taken report on the Minutes of the previous/earlier Meetings
    - iv) Progress Report of the Project
  - b) Agenda items for approval of the Board
  - c) Agenda items for information of the Board.
- iii) Duly approved Agenda notes are circulated in advance to enable Directors to take an informed decision.
- iv) Where it is not desirable to attach any document or if the agenda is of a sensitive nature, the same is placed on the table at the meeting with the approval of the Managing Director. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are taken up for discussion with permission of the Chair of the Board.
- v) The meetings are usually held either at the Company's Registered Office or at The Office of the Chairman and Secretary (UD), Ministry of Urban Development, New Delhi. During the financial year, ended 31<sup>st</sup> March 2016, 4 Board meetings and 10 Committee Meetings were held.
- vi) The Members of the Board have complete access to all information of the Company.

**c) Briefing by the Managing Director / Director**

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

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

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

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

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

**f) Compliance**

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

During the financial year 2015-16, Four Board Meetings were held on 07-07-2015, 28-10-2015, 16-12-2015 and 09-03-2016.



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

Sl. No.	Directors	Board Meetings held during respective tenures of Directors	No. of Board Meetings attended	Attendance AGM/EGM (No. of AGM-1 & No. of EGM-0)	No. of Membership in the Committees
1.	Shri Rajiv Gauba, IAS	-	-	-	-
2.	Shri Madhusudan Prasad, IAS	1	1	-	-
3.	Shri Ved Mani Tiwari	2	-	-	2
4.	Shri Vikram Kapur, IAS	3	1	-	1
5.	Shri Pankaj Kumar Bansal, IAS	4	4	AGM - Present	6
6.	Shri Sharat Sharma	4	4	-	2
7.	Shri Mukund Kumar Sinha	4	3	-	1
8.	Shri Praveen Goyal	2	2	-	2
9.	Shri K K Aggarwal	4	4	-	1
10.	Dr. B Chandra Mohan, IAS	1	-		
11.	Shri K Shanmugam, IAS	4	2	-	1
12.	Shri S Krishnan, IAS	4	4	-	4
13.	Shri Rajeev Ranjan, IAS	4	4	-	-
14.	Shri L Narasim Prasad	4	4	AGM - Present	5
15.	Shri R Ramanathan	3	3	AGM - Present	5
16.	Smt Vijaya Kanth	3	3	AGM - Present	6

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

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

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

## 2. COMMITTEES OF BOARD OF DIRECTORS

The Board has established the following Committees :

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

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

**a) Audit Committee**

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

**b) Nomination and Remuneration Committee**

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

**c) O&M Committee**

- 1) Review preparatory study for O&M
- 2) Review clearances from CMRS and other Statutory Bodies
- 3) Review documentation to be submitted to CMRS
- 4) Review of manpower requirement for O&M activities
- 5) Review income & expenditure due to revenue operations and recommend ways to improve profitability.
- 6) Any other matter as may be referred by the Board

**d) Project Management Review Committee**

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

**e) Property Development Committee**

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

**f) 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.

**g) Investment Committee**

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

The Managing Director is the Chairman of all the Committees except Audit Committee and the Company Secretary is the Convenor of all the Committees.

**2.1 Audit Committee**

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

**2.2 Constitution**

The Board, in its 3<sup>rd</sup> meeting held on 30<sup>th</sup> June 2008, constituted an Audit Committee in compliance with provisions of the Companies Act, 1956. Further, the Board of Directors at their meeting held on 28<sup>th</sup> January 2014 reconstituted the Audit Committee.

As per section 177(2), the Audit Committee shall consist of minimum 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 reconstitution of the existing audit committee, consistent with the provisions of Companies act 2013, is yet to be made.

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

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

Managing Director, Director (Finance), General Manager - Finance, Statutory Auditors and the Internal Auditors are also invited to the Audit Committee Meetings, but they have no right to vote.

Quorum for the Audit Committee is 1/3<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 half yearly and annual financial statements before submission to the Board and also to ensure compliance of internal control systems.

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

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

### **2.4 Meetings and attendance**

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

<b>Sl. No.</b>	<b>Directors</b>	<b>Audit Committee Meetings held during respective tenures of Directors</b>	<b>No. of Audit Committee Meetings attended</b>
1	Shri Mukund Kumar Sinha	3	3
2	Shri K Shanmugam	3	3
3	Shri S Krishnan	3	3

## ANNUAL GENERAL MEETING

Date, time and location where the 8<sup>th</sup> Annual General Meeting was held, is as under:

Date and time	22 <sup>nd</sup> September 2015 at 11:00 hours
Venue	Registered Office of the Company at Koyambedu, Chennai
Specified Resolution (s) passed	<p>Ordinary Resolution :</p> <ul style="list-style-type: none"> <li>✓ Adopting the Balance Sheet, Profit &amp; Loss Account for the FY 2014-15</li> <li>✓ Authorising the Board to fix the statutory audit remuneration</li> </ul> <p>Special Resolution :</p> <ul style="list-style-type: none"> <li>✓ To increase the number of Directors from 14 to 16</li> </ul>

## COMPANY'S WEBSITE

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

### Registered Office :

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



## ANNUAL REPORT ON CSR ACTIVITIES

S.No.		Particulars			Remarks		
1.		A brief Outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the website link to the CSR Policy and Projects or Programs.			During the period under review the CSR policy is not formulated		
2.		The Composition of the CSR Committee:			Chairman- Managing Director Members: Director - Finance Director - Projects Director - S&O		
3.		Average net profit of the company for the last three financial years			₹7,670.90		
4.		Prescribed CSR Expenditure (2% of the amount as in item 3 above)			NIL		
5.		Details of the CSR spent during the Financial Year: a) Total amount to be spent for the financial Year b) Amount unspent (if any) c) Manner in which amount spent during the financial year is detailed below:			NIL		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activities identified	Sector in which the project is covered	Projects or Programs	Amount Outlay (budget) program or project-wise	Amount spent on the projects or programs sub-heads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency*
1.							
2.	NIL						
3.							
	Total	-					
*Give details of the implementing Agency.							

CHAIRMAN OF THE CSR COMMITTEE

**FORM No. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31-03-2016**

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

**I. REGISTRATION & OTHER DETAILS:**

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

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

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

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

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

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

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

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

#### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 March 2015)				No. of Shares held at the end of the year (As on 31 March 2016)				% 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.	-	19505345	19505345	50%	-	19505345	19505345	50%	-
c) State Govt.(s)	-	19505345	19505345	50%	-	19505345	19505345	50%	-
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	-	39010690	39010690	100%	-	39010690	39010690	100%	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 March 2015)				No. of Shares held at the end of the year (As on 31 March 2016)				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>B. Public Shareholding</b>			NIL				NIL		
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>			NIL				NIL		
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 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>	-	39010690	39010690	100%	-	39010690	39010690	100%	-



**(B) Shareholding of Promoters**

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

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

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

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

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

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

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

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-		-	
i) Principal Amount		825728.00		825728.00
ii) Interest due but not paid		15364.58		15364.58
iii) Interest accrued but not due		675.18		675.18
<b>Total (i + ii + iii)</b>		<b>841767.76</b>	-	<b>841767.76</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition		198608.16		198608.16
* Reductions		-		-
<b>Net Change</b>		<b>198608.16</b>		<b>198608.16</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		1016300.91		1016300.91
ii) Interest due but not paid		23332.28		23332.28
iii) Interest accrued but not due		742.73		742.73
<b>Total (i + ii + iii)</b>	-	<b>1040375.92</b>	-	<b>1040375.92</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Pankaj Kumar Bansal, MD	Smt. Vijaya Kanth, Director (Finance)	Shri R.Ramanathan Director (Projects)	Shri L.Narasim Prasad Director(S&O)	
1.	Gross salary (in Lakhs)					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	19.28	26.82	27.87	25.23	99.20
	(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>19.28</b>	<b>26.82</b>	<b>27.87</b>	<b>25.23</b>	<b>99.20</b>
	<b>Ceiling as per the Act</b>					

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

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



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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary (in lakhs)		6.65		6.65
	(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>6.65</b>		<b>6.65</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-		



## **Secretarial Audit Report**

### **For the financial year ended 31<sup>st</sup> March 2016**

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. CHENNAI METRO RAIL LIMITED** ( hereinafter called “**the Company**” ) having CIN:U60100TN2007SGC065596. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the **M/s. CHENNAI METRO RAIL LIMITED’S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Secretarial Audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. CHENNAI METRO RAIL LIMITED** ( “the Company” ) for the Financial Year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 ( ‘the Act’ ) and the rules made thereunder;
2. Foreign Exchange Management Act, 1999 and the Rules and Regulations prescribed thereunder to the extent of the Pass Through Assistance obtained from Government of India against Japan International Cooperation Agency Loan in JPY as is applicable.
3. The Metro Railways ( Construction of Works ) Act, 1978 as amended by the Metro Railways ( Amendment ) Act, 2009 and the Notifications issued thereunder.
4. The Metro Railways (Operation and Maintenance) Act, 2002 and the Notifications issued thereunder.

I have also examined the papers, forms and returns filed and other records maintained by **M/s. CHENNAI METRO RAIL LIMITED** ( “the Company” ) for the Financial Year ended on 31<sup>st</sup> March, 2016 to ascertain adequate systems and processes are in place in accordance with the provisions of:

1. Labour Legislations including :

- a) Contract Labour ( Regulation and Abolition ) Act, 1970 and the Rules and Regulations prescribed thereunder;
- b) The Inter-State Migrant Workmen ( Regulation of Employment and Conditions of Service ) Act, 1979;
- c) The Building and Other Construction Workers ( Registration of Employment and Conditions of Service ) Act, 1996;
- d) Payment of Minimum Wages Act, 1958.
- e) The Payment of Gratuity Act, 1972;
- f) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- g) Employees State Insurance Act, 1948;
- h) The Employees Compensation Act, 1923; and
- i) The Maternity Benefits Act, 1961

2. Environmental Legislations including :

- a) The Public Liability Insurance Act, 1991; and
- b) Environment ( Protection ) Act, 1986

I have also examined compliance with the applicable clauses of the 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 Statutes, Rules, Regulations, Guidelines and Standards as mentioned above subject to the following observations:

- i) *Pursuant to the provisions of Section 149 (4) of the Act read with Rule 4 of The Companies ( Appointment of Directors ) Rules, 2014 and Circular No. 14 / 2014 dated 9<sup>th</sup> June, 2014 issued by the Ministry of Corporate Affairs, the Company should have appointed two Directors designated as Independent Directors on or before 31-03-2015. Based upon such appointments, the Audit Committee, Corporate Social Responsibility Committee and the Nomination and Remuneration Committee should also have been re-constituted with requisite number of Independent and Non-Executive Directors.*
- ii) *As at the end of the reporting period, the Company has an outstanding amount of Rs. 43,255.82 Lakhs to the credit of Share Application Money Pending Allotment Account for a*

*period in excess of 60 ( sixty ) days. Pursuant to the provisions of Section 42 (6) of the Act, the Company should have allotted Equity Shares within 60 (sixty) days from the date of receipt of such money.*

- iii) *As at the end of the reporting period, the Company has an outstanding unsecured borrowing amount of Rs. 10,16,300.91 Lakhs, which exceed the aggregate of the paid-up Capital and Free Reserves of the Company. Pursuant to the provisions of Section 180 (1) (c) of the Act, the Board of Directors of the Company can exercise powers of borrowing in excess of the aggregate of the paid-up Capital and Free Reserves of the Company only with the permission of the Shareholders by way of a Special Resolution passed at a Shareholders Meeting.*

I further report that, but for the non-appointment of Independent Directors as stated hereinabove,

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive 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.
- ii) Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, based on the information received and records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, while it would be pertinent to take note of the following :

- i) *The Company's Average Net Profit of the Company during the three immediately preceding Financial Years 2012-15 is Rs. 7670.90 Lakhs. Pursuant to Section 135(5) of the Act, the Board of the Company should have ensured spending Rs.153.42 Lakhs for social causes in accordance with the Corporate Social Responsibility Policy framed by the Board / Corporate Social Responsibility Committee. In the absence of doing so, the Board shall report the reasons for not doing so in its Financial Year 2015-16 Board Report that would be prepared under Section 134 of the Act.*
- ii) *The Systems and Processes pertaining to all the applicable Labour and Environment Legislations besides the Company's industry specific core legislations pertaining to the Company as stated hereinabove need to be more properly conceived, devised, documented, followed up and complied with.*

I further report that during the audit period, none of the following instances were carried out by the Company :

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

**CS.J.BALAKUMAR**  
**BALAKUMAR J & ASSOCIATES**  
**COMPANY SECRETARIES**  
**ICSI CP 3430 ; FCS 3646**  
Plot No.665, New No.11,  
SBOA School Road,  
Annanagar West Extention,  
Chennai 600 101.  
csbalakumar@gmail.com  
98401 13064; 98409 21965; 044 2615 3321

**Date : 13-07-2016**  
**Place : Chennai**

Note : 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.



## ANNEXURE A TO THE SECRETARIAL AUDIT REPORT

To  
**THE MEMBERS,**  
**M/s. CHENNAI METRO RAIL LIMITED,**  
Admin. Building, CMRL Depot,  
Poonamallee High Road,  
Opposite to Daniel Thomas School,  
Koyambedu, Chennai - 600 107.

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

1. Maintenance of Secretarial Records 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 the 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. Whereever 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, etc., is the responsibility of the Management of the Company. 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 of the Company has conducted the affairs of the Company.

**CS.J.BALAKUMAR**  
**BALAKUMAR J & ASSOCIATES**  
**COMPANY SECRETARIES**  
**ICSI CP 3430 ; FCS 3646**

Plot No.665, New No.11, SBOA School Road,  
Annanagar West Extention,  
Chennai - 600 101.  
98401 13064; 98409 21965; 044-2615 3321

**Date : 13-07-2016**  
**Place : Chennai**

**CHENNAI METRO RAIL LIMITED**  
**BALANCE SHEET AS AT 31-03-2016**

(₹ in Lakhs)

Particulars	Note	As at 31-03-2016	As at 31-03-2015
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	3,90,106.90	3,90,106.90
(b) Reserves & Surplus	4	24,006.20	30,975.98
<b>(2) Share application Money pending allotment</b>	5	43,255.82	31,128.82
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	6	10,16,300.91	8,25,728.00
(b) Deferred Tax Liability (Net)	7	7,009.19	16.70
(c) Long Term Provisions	8	283.70	181.83
(d) Other Long Term Liabilities	9	22,452.28	20,509.28
<b>(4) Current Liabilities</b>			
(a) Other Current Liabilities	10	1,21,586.70	1,01,930.72
(b) Short Term Provisions	10	14,064.29	14,915.61
<b>TOTAL</b>		<b>16,39,065.99</b>	<b>14,15,493.84</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	11	5,25,916.73	2,88,037.80
(ii) Intangible Assets	11	12.09	16.75
(iii) Capital Work In Progress	12	8,68,324.26	8,55,820.68
<b>(b) Long Term Loans &amp; Advances</b>	13	18,555.77	16,725.76
		<b>14,12,808.85</b>	<b>11,60,600.99</b>
<b>(2) Current Assets</b>			
(a) Cash & Cash Equivalents	14	1,64,166.96	1,21,810.77
(b) Inventory	15	64.40	5.00
(c) Short Term Loans & Advances	16	59,215.09	58,715.08
(d) Other Current Assets	17	2,810.69	74,362.00
		<b>2,26,257.14</b>	<b>2,54,892.85</b>
<b>TOTAL</b>		<b>16,39,065.99</b>	<b>14,15,493.84</b>
<b>Company Information, Basis of preparation of Financial Statements and Significant Accounting Policies Notes forming part of Financial Statements</b>	<b>1 &amp; 2 3 - 35</b>		

As per our report of even date attached  
Vardhaman & Co.  
Chartered Accountants

V. Baskaran  
Partner  
M.No: 012202  
FRN: 004522S

Place : Chennai  
Date : 01-09-2016

For and on behalf of the Board of Directors

Pankaj Kumar Bansal, IAS      L. Narasim Prasad  
Managing Director                  Director  
  
Sujatha Jayaraj  
Director - Finance & Chief Financial Officer  
  
P. Andal  
Company Secretary

Place : Chennai  
Date : 23-08-2016





**CHENNAI METRO RAIL LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2016**

(₹ in Lakhs)

Particulars	Note	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>CONTINUING OPERATIONS</b>			
1. Revenue from operations	18	1,297.83	31.60
2. Other Income	19	11,513.08	11,730.74
3. <b>Total revenue (1+2)</b>		<b>12,810.91</b>	<b>11,762.34</b>
4. <b>Expenses</b>			
(a) Operating Expenses	20	1,799.25	0.22
(b) Employee Benefits Expenses	21	2,455.49	894.15
(c) Finance Cost	22	779.77	-
(d) Depreciation & Amortization Expenses	11	6,100.59	119.09
(e) Other expenses	23	1,803.14	987.84
<b>Total expenses</b>		<b>12,938.24</b>	<b>2,001.30</b>
5. Profit / (Loss) before extraordinary items and tax (3-4)		(127.33)	9,761.04
6. Prior Period items	24	13.06	-
7. <b>Profit / (Loss) before tax (5 ± 6)</b>		<b>(114.27)</b>	<b>9,761.04</b>
8. <b>Tax expense:</b>			
(a) Current tax			3,550.39
(b) Deferred tax		6,992.50	(2.31)
		<b>6,992.50</b>	<b>3,548.08</b>
9. <b>Profit / (Loss) for the year transferred to Reserves &amp; Surplus</b>		<b>(7,106.77)</b>	<b>6,212.96</b>
<b>Company Information, Basis of Preparation of Financial Statements and Significant Accounting Policies</b>	1 & 2		
<b>Notes forming part of Financial Statements</b>	3 - 35		
<b>Earnings per share (of ₹ 1,000/- each)</b>	<b>Note No.</b>	<b>For the year ended 31<sup>st</sup> March, 2016</b>	<b>For the year ended 31<sup>st</sup> March, 2015</b>
(a) Basic		(18.22)	16.04
(b) Diluted		(16.67)	14.82
<b><u>Weighted average number of Shares</u></b>			
(a) For computing Basic EPS		3,90,10,690	3,87,42,512
(b) For computing Diluted EPS		4,26,25,264	4,19,16,438

As per our report of even date attached  
**Vardhaman & Co.**  
Chartered Accountants

**V. Baskaran**  
Partner  
M.No: 012202  
FRN: 004522S

Place : Chennai  
Date : 01-09-2016

For and on behalf of the Board of Directors

**Pankaj Kumar Bansal, IAS**      **L. Narasim Prasad**  
Managing Director                      Director

**Sujatha Jayaraj**  
Director - Finance & Chief Financial Officer

**P. Andal**  
Company Secretary

Place : Chennai  
Date : 23-08-2016

**CHENNAI METRO RAIL LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2016**

(₹ in Lakhs)

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss before Tax	(114.27)	9,761.04
<b>Adjustment for:-</b>		
Depreciation	6,100.59	119.09
Deferred Tax	6,992.50	(2.31)
<b>Operating Profit before Working Capital Changes</b>	<b>12,978.82</b>	<b>9,877.82</b>
<b>Adjustment for:-</b>		
Other Current Assets	71,551.31	(39,376.43)
Inventory	(59.40)	(5.00)
Loans and Advances	(2,330.02)	54,344.02
Provisions	(851.31)	835.96
Employee Benefits	101.87	76.86
Other Current Liabilities	19,655.97	33,935.66
<b>Net Cash from Operating Activities before tax</b>	<b>1,01,047.24</b>	<b>59,688.89</b>
Less : Adjustments for Tax	(6,992.50)	(3,548.08)
<b>Net Cash from Operating Activities after tax</b>	<b>94,054.74</b>	<b>56,140.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets	(13,335.93)	(74,325.01)
Capital Work in Progress	(1,71,397.09)	(2,61,033.12)
Other Long Term Liabilities	1,942.99	5,995.29
<b>Net Cash from Investing Activities</b>	<b>(1,82,790.03)</b>	<b>(3,29,362.83)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital & Share Application Money	12,127.00	7,182.27
Loans raised during the year	1,18,964.48	1,99,986.38
<b>Net Cash From Financing Activities</b>	<b>1,31,091.48</b>	<b>2,07,168.65</b>
<b>D. Net changes in cash &amp; cash equivalents (A+B+C)</b>	<b>42,356.19</b>	<b>(66,053.38)</b>
<b>E. Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>1,21,810.77</b>	<b>1,87,864.15</b>
<b>F. Cash &amp; Cash Equivalents (Closing Balance)*</b>	<b>1,64,166.96</b>	<b>1,21,810.77</b>
* Cash & Cash Equivalents includes an amount of ₹ 516.46 Lakhs (PY 500 Lakhs) under Bank Lien for Letter of Credit and Letter of Guarantee facilities referred to Note No. 14 - Cash and Bank Balances.		

As per our report of even date attached  
**Vardhaman & Co.**  
Chartered Accountants

**V. Baskaran**  
Partner  
M.No: 012202  
FRN: 004522S

Place : Chennai  
Date : 01-09-2016

For and on behalf of the Board of Directors

**Pankaj Kumar Bansal, IAS**      **L. Narasim Prasad**  
Managing Director                      Director

**Sujatha Jayaraj**  
Director - Finance & Chief Financial Officer

**P. Andal**  
Company Secretary

Place : Chennai  
Date : 23-08-2016



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended**  
**31<sup>st</sup> March 2016**

**1. Company Information**

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

**2. 1) Basis of Preparation of Financial Statements**

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules 2014. These financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies, in all material respects have been consistently applied by the company and are consistent with those of the previous year.

**2) Significant Accounting Policies**

**A. Use of Estimates**

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

**B. Fixed Assets**

- 1) Fixed Assets are stated at historical cost less accumulated depreciation and impairment loss if any. The cost comprises the purchase price and any attributing cost of bringing the asset to its working condition for its intended use. Borrowing costs and other directly attributed costs relating to acquisition of fixed assets which takes substantial time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- 2) 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 adjustment in the year of final settlement.
- 3) Assets & systems common to more than one section of the project are capitalized on the basis of technical estimates / assessments.
- 4) Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular is capitalized.
- 5) 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 imperative for the opening of the Section.

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

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

**ii) Freehold land - Acquired from Private Land Owners**

Amount paid for acquisition of private land is capitalized upon receiving original title deed after registration or upon issuance of award by the competent authority, whichever is earlier. Any enhanced compensation demanded by the land owners shall only be accounted based on actual decision of the courts.

### iii) Leasehold land

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

### C. Capital Work in Progress

In respect of works contracts, expenditure is booked as Capital Work in Progress based on certification by General Consultants/Certified Engineers for the project which is done on a contractual milestone basis in case of lumpsum contracts.

Assets under installation or construction as on the balance sheet date are shown as Capital Work in Progress. Administrative and general overheads (net of income) directly/indirectly attributable to project are classified as expenses pending capitalization and grouped under capital work in progress and the same shall be allocated to the assets in the ratio of assets capitalized to the total CWIP as at the end of the month of commissioning.

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

Claims including Price variation are accounted for on acceptance.

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

### D. Depreciation and Amortisation

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

Asset Group	Asset Type	Useful life
Rolling Stock	Rolling Stock	30 years
Track works	Track Works	30 years
Escalators & Elevators	Escalators & Elevators	30 years
Office Equipment	Mobile Phones, Tablets etc.	3 Years
Plant & Machinery	Electronic Toe Load Measuring Device	3 Years
Plant & Machinery	Dewatering Pump and Accessories	5 years
Plant & Machinery	Oscillation Monitoring System	5 Years

- ii) Fixed Assets costing ₹5000 or less are depreciated fully in the year of purchase.
- iii) Intangible assets are amortised on straight line method over a period of legal right or 5 years whichever is less.
- iv) Railway Leasehold lands are amortized over 70 years, from the date of receipt of Enter upon Permission in respect of the land.

#### **E. Government Grant**

##### **i) Government Grants relating to depreciable fixed assets**

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

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

Lands received as gift/Memorandum of Understanding, without payment of financial consideration, are capitalized at the guideline value, as fixed by Government of Tamil Nadu. The value of this government grant is recognized as a capital reserve.

#### **F. Foreign Currency Transaction**

##### **(i) Initial Recognition**

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

##### **(ii) Conversion**

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

##### **(iii) Exchange Differences**

Foreign Exchange differences arising in respect of monetary item relating to acquisition of fixed asset are adjusted to the carrying cost of the related fixed asset/Capital Work in Progress prior to capitalization. Other exchange differences are recognized as income or expense in the period in which they arise.

#### **G. Investments**

The Company has not made any investments other than temporary short term deposits with banks and the same has been stated at cost. Bank deposits are not

intended to be held for more than 1 year and hence they are treated as current asset.

#### H. Inventory

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

#### I. Employee benefits

- i) **Provident Fund, Pension, Leave encashment & LTC:** Provision for Company contribution to Provident Fund for company's employees is accounted. Provision for Leave Salary and Leave Travel Concession is made for permanent employees of the company on the basis of actuarial valuation.

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

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

#### J. Prior Period Expenses & Income

Individual Items of Prior Period Expenses and Income over ₹ 1,00,000 each are recognized.

#### K. Prepaid Items

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

#### L. Revenue Recognition

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



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

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

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

Interest Income earned on the deposit of the borrowed funds are adjusted against the borrowing cost.

#### **N. Taxation**

- 1. Income Tax is determined in accordance with the provisions of the Income tax Act, 1961.
- 2. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

#### **O. Provision, Contingent Liabilities & Contingent Assets**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes based on the judgment of management/independent experts. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### **P. Cash Flow Statement**

Cash Flow Statement is prepared in accordance with the indirect method prescribed in the Accounting Standard (AS)-3 (Revised) on "Cash Flow Statements".

## Chennai Metro Rail Limited

Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016

(₹ in Lakhs)

Note	31-03-2016	31-03-2015
<b>Note 3 - Share Capital</b>		
<b>Authorized</b>		
658,00,000 Equity Shares of ₹1,000/- each (Previous Year - 658,00,000 Equity Shares of ₹1,000/- each)	6,58,000.00	6,58,000.00
<b>Issued, Subscribed and Paid-up Equity Shares</b>		
<b>(Number of Shares of ₹1,000/- each)</b>	3,90,10,690	3,90,10,690
Equity Shares of ₹1,000/- each fully paid	3,90,106.90	3,90,106.90
<b>a) Reconciliation of Equity Shares and amounts outstanding</b>		
<b>Particulars</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
At the beginning of the year	3,90,10,690	3,84,75,800
Issued during the year	-	5,34,890
At the end of the year	3,90,10,690	3,90,10,690
<b>b) Rights, preferences and restrictions attached to Shares</b>		
<b>Equity Shares</b>		
The Company has one class of equity shares, having a par value of ₹ 1,000/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.		
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
<b>c) Details of shareholders holding more than 5% shares in the Company</b>		
	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
The President & Nominees, Government of India	1,95,05,345	1,95,05,345
The Governor & Nominees, Government of Tamil Nadu	1,95,05,345	1,95,05,345
	3,90,10,690	3,90,10,690
	<b>% of Holding</b>	<b>% of Holding</b>
	50	50
	50	50
	100	100

**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

(₹ in Lakhs)

<b>Note 4 - Reserves &amp; Surplus</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>Capital Reserve</b>		
Opening Balance	728.16	341.62
Add: Additions during the year	136.99	386.54
<b>Closing Balance</b>	<b>865.15</b>	<b>728.16</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	30,247.82	24,044.73
Add: Transferred during the year	(7,106.77)	6,212.96
Less : Adjustment for Depreciation	-	(9.87)
<b>Closing Balance</b>	<b>23,141.05</b>	<b>30,247.82</b>
<b>Total</b>	<b>24,006.20</b>	<b>30,975.98</b>

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

<b>Note 5 - Share Application Money Pending Allotment</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Advance Share Application Money		
- From Government of Tamil Nadu	43,255.82	31,128.82
<b>Total</b>	<b>43,255.82</b>	<b>31,128.82</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 - 43,25,582 (P.Y. 31,12,882) of ₹ 1000/- each.



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

(₹ in Lakhs)

<b>Note 6 - Long Term Borrowings</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>Unsecured</b>		
<b>Term Loans from Other Parties</b>		
From Government of India against Japan International Co-operation Agency (JICA)	6,98,657.06	5,32,882.73
Subordinate Debt from Government of Tamil Nadu	2,81,921.85	2,64,100.27
Subordinate Debt from Govt. of India	35,722.00	28,745.00
	<b>10,16,300.91</b>	<b>8,25,728.00</b>
<p>A) To meet the Project cost, the Govt of India has provided Pass Through Assistance against Japan International Cooperation Agency (JICA) loan. JICA sanctioned three tranches, the first tranche sanctioned on 21-11-2008 is for 21,751 millions of JPY at interest rate of 1.2% p.a (except for consultancy services for which the rate is 0.01%) and the second and third tranches sanctioned on 31-3-2010 and 28-3-2013 are for 59,851 million JPY and 48,691 million JPY respectively at interest rate of 1.4% p.a (except for consultancy service for which the rate is 0.01%), and the commitment charges of 0.1% p.a. for all the tranches. These loans will be repayable in half yearly instalments over 30 years (10 Years Moratorium from date of agreement &amp; after that 20 Years repayment). Foreign exchange fluctuations on JICA loans are not recognised by the company. The financial impact due to the above change in accounting practice is as follows:</p> <p>JICA loan understated by : ₹ 12,581.43 Lakhs  Expenditure pending capitalisation under capitalised during the current year : ₹ 1,803.57 Lakhs  Depreciation understated during the current year : ₹ 60.20 Lakhs  Exchange Loss not considered in the P &amp; L Account : ₹ 10,717.66 Lakhs  Deferred Tax impact on understated depreciation : ₹18.60 Lakhs  Loss before tax for the year understated : ₹ 10,777.86 Lakhs</p> <p>B) The company submitted their claim with Japan International Co-operation Agency (JICA) through CAAA to an extent of ₹ 6,98,657.06 Lakhs during 2009-10 to 2015-16. An amount of ₹ 7,00,841.00 Lakhs has been remitted by Ministry of Urban Development, MRTS Cell, Government of India as Pass Through Assistance against JICA Loan during that same period. The difference amount of ₹ 2,183.94 Lakhs (Previous Year PTA receivable ₹74,032.16 Lakhs) is received in advance from Ministry of Urban Development of Government of India. The difference amount is grouped under Loans &amp; Advances if PTA is receivable and under Current liabilities when PTA is received in advance.</p> <p>C) Government of India(GOI) and Government of Tamilnadu (GOTN) being JV partners contributes interest free subordinate debt to the extent of ₹ 73,000 Lakhs and ₹ 84,400 Lakhs respectively for the project. Subordinate Debt from the GOTN is provided to meet the cost of Resettlement and Rehabilitation expenditure (R&amp;R) and land cost partially and that from GOI is provided for expenses towards Central Taxes. As per the MOU between GOI, GOTN and CMRL, the Subordinate Debt from the GOTN is to be suitably enhanced when the Land cost finally works out to be more than ₹93,500 Lakhs. As on the Balance Sheet date, the company has incurred an amount of ₹ 183,948.93 Lakhs (Previous Year ₹1,87,343.29 Lakhs) towards the cost of R&amp;R and Land/Land Advance in respect of which funds have been received from GOTN amounting to ₹ 1,53,322 Lakhs (Previous Year ₹1,53,322 Lakhs).</p> <p>Further lands have been acquired for without payment consideration amounting to ₹1,37,699.85 Lakhs (Previous Year ₹1,19,878.27 Lakhs) pending alienation of the lands and which has been been accounted as subordinate debt of GOTN in accordance with the MOU. The company will be required to repay the subordinate debt to GOI and GOTN proportionately only after repayment of JICA loan availed for the project.</p>		
<b>Note 7 - Deferred Tax Liability</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Deferred Tax Liability		
a) On Account of Depreciation and Amortisation	7,009.19	16.70
	<b>7,009.19</b>	<b>16.70</b>

## Chennai Metro Rail Limited

### Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016

(₹ in Lakhs)

Note 8 - Long Term Provisions	31-03-2016	31-03-2015
Provision for employee benefits	283.70	181.83
	<b>283.70</b>	<b>181.83</b>
Note 9 - Other Long Term Liabilities	31-03-2016	31-03-2015
Other Payable (Net)	198.09	198.09
Retention Money Payable	22,254.19	20,311.19
	<b>22,452.28</b>	<b>20,509.28</b>
Other Payables represent the amount payable at their guideline value towards the land acquired under litigation net of the deposits made in respect of the same with the Courts.		
Note 10 - Current Liabilities	31-03-2016	31-03-2015
<b>1) Other Current Liabilities</b>		
Commitment charges & Interest accrued and due on borrowings	23,332.28	15,364.58
Commitment charges & Interest accrued but not due on borrowings	742.73	675.18
Advances Received	341.67	104.97
Outstanding Expenses	1,007.79	605.33
Duties & Taxes	1,235.18	1,373.53
Retention Money Payable	3,183.57	2,176.89
Pass Through Assistance against JICA Loan	2,183.94	
Other Payables		
i) Sundry Creditors	42,781.12	46,419.38
ii) Retention towards potential liquidated damages	3,568.98	3,320.27
iii) Retention towards potential penalties	2,132.33	1,337.31
iv) Retention towards balance works on terminated contracts	26,276.26	26,276.26
v) Retention towards performance security on terminated contracts	14,800.85	4,277.02
	<b>1,21,586.70</b>	<b>1,01,930.72</b>
<p>a) Commitment charges &amp; Interest accrued on borrowings represents the amount payable on the Japan International Co-Operation Agency (JICA) loan provided for as per the terms of the agreement. With regard to this payment, the company has made a request to Ministry of Urban Development (MOUD) to postpone the payment of the same after commencement of full operations, reply for the same is awaited.</p> <p>b) The company submitted their claim with Japan International Co-operation Agency(JICA) through CAAA to an extent of ₹698,657.06 Lakhs during 2009-10 to 2015-16. An amount of ₹700,841.00 Lakhs has been remitted by Ministry of Urban Development, MRTS Cell, Government of India as Pass Through Assistance against JICA Loan during that same period. The difference amount of ₹ 2,183.94 Lakhs (Previous Year PTA receivable ₹74,032.16 Lakhs) is received in advance from Ministry of Urban Development of Government of India. The difference amount is grouped under Loans &amp; Advances if PTA is receivable and under Current liabilities when PTA is received in advance.</p> <p>c) Amount retained towards potential Liquidated damages amounting to ₹3,568.98 Lakhs (Previous Year - ₹3,320.27 Lakhs) and potential penalties amounting to ₹2,132.33 Lakhs (Previous Year - ₹ 1,337.31 Lakhs) which would be determined at the time of settlement of final bill or award of arbitration proceedings with the judicial authorities.</p>		
<b>2) Short Term Provisions</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Income Tax Provision	11,918.89	11,918.90
Wealth Tax Provision	0.22	0.50
Provision for employee benefits	92.38	54.46
Provision for Land Lease Charges	2,052.80	2,941.75
	<b>14,064.29</b>	<b>14,915.61</b>

**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

**Note 11 - Tangible Assets** (₹ in Lakhs)

Tangible Assets	Gross Block			Accumulated depreciation and amortisation			Net Block	
	Balance as at 1st April 2015	Additions/ Adjustment	Deletions	Adjustments	Balance as at 31st March 2016	Balance as at 1st April 2015	Balance as at 31st March 2016	Balance as at 1st April 2015
Land	2,43,384.93	17,958.58		(2,934.88)	2,58,408.63		-	2,43,384.93
Lease Land	46,858.99				46,858.99	2,468.40	669.41	44,390.59
Building		54,015.20			54,015.20		646.70	-
Viaducts		60,876.83			60,876.83		1,457.71	-
Rolling Stock		42,812.37			42,812.37		1,025.15	-
Signalling & Telecom Equipments		20,064.52			20,064.52		1,001.36	-
Track Work (Permanent Way)		22,139.00			22,139.00		530.12	-
Traction Equipments		16,126.50			16,126.50		772.30	-
Escalators & Elevators		3,456.14			3,456.14		82.76	-
Automatic fare Collection		3,078.82			3,078.82		153.66	-
Furniture and Fittings	100.96	421.80		(10.19)	512.57	30.54	42.15	70.42
Vehicles	92.84		(11.33)	(8.63)	72.88	33.75	10.40	59.10
Office Equipments	133.90	43.94		(8.00)	169.85	43.71	35.96	90.19
Computers	152.40	6.06		(3.06)	155.40	119.21	18.91	33.19
Bicycle	0.06	0.11		(0.00)	0.17	0.06	0.01	-
Plant & Machinery	10.22	6,601.02		(0.02)	6,611.22	0.84	318.70	9.38
<b>Total</b>	<b>2,90,734.31</b>	<b>2,47,600.89</b>	<b>(11.33)</b>	<b>(2,964.78)</b>	<b>5,35,359.09</b>	<b>2,696.51</b>	<b>6,765.29</b>	<b>2,88,037.80</b>
<b>Previous Year</b>	<b>97,314.26</b>	<b>1,94,129.37</b>	<b>(2.18)</b>	<b>(707.13)</b>	<b>2,90,734.31</b>	<b>3,737.14</b>	<b>782.49</b>	<b>93,577.11</b>
								<b>2,88,037.80</b>





**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

**Note 12 - Capital Work in Progress**

(₹ in Lakhs)

Particulars	As on 31.03.2015	Additions / Adjustment for the Year	Total	Capitalised during the year	As on 31.3.2016
Resettlement & Rehabilitation expenditure	13,119.65	306.14	13,425.79	(1,157.74)	12,268.05
Shifting of Utilities	14,667.92	182.44	14,850.36	(6,287.94)	8,562.42
Station Building	54,136.34	21,338.84	75,475.18	(31,059.00)	44,416.18
Procurement - Civil	73,875.73	5,060.04	78,935.77	(46,907.59)	32,028.18
Depot and Stabling	22,710.30	5,180.42	27,890.72	(27,064.23)	826.49
Underground - Tunnelling & Stations	4,41,678.48	64,041.98	5,05,720.46	-	5,05,720.46
Permanent Way	31,773.22	10,285.87	42,059.09	(19,826.37)	22,232.72
<b>Procurement - Systems</b>					
Rolling Stock	1,00,412.09	25,946.38	1,26,358.47	(37,833.11)	88,525.36
Lifts & Escalator	5,683.01	3,293.01	8,976.02	(3,042.32)	5,933.70
Automatic Fare Collection	4,046.44	963.42	5,009.86	(2,782.92)	2,226.94
Power Supply & OHE	13,662.33	5,058.90	18,721.23	(13,383.18)	5,338.05
Signalling & Telecommunication	38,316.24	8,552.82	46,869.06	(17,848.96)	29,020.10
Tunnel Ventilation System	3,636.11	5,126.20	8,762.31	-	8,762.31
UG - Station Air Conditioning	2,867.17	2,049.33	4,916.50	-	4,916.50
	<b>1,68,623.40</b>	<b>50,990.05</b>	<b>2,19,613.45</b>	<b>(74,890.49)</b>	<b>1,44,722.96</b>
<b>Other Cost</b>					
General Consultancy Charges	66,477.70	4,360.08	70,837.78	(16,448.56)	54,389.22
Other Project Consultancy Charges	4,980.42	325.11	5,305.53	(1,201.96)	4,103.57
	<b>71,458.12</b>	<b>4,685.20</b>	<b>76,143.31</b>	<b>(17,650.52)</b>	<b>58,492.79</b>
Metro Headquarters	1,711.56	923.23	2,634.79	-	2,634.79
Expenses pending Capitalization (Note 12A)	(37,934.04)	80,011.31	42,077.27	(5,658.05)	36,419.22
<b>Grand Total</b>	<b>8,55,820.68</b>	<b>2,43,005.51</b>	<b>10,98,826.19</b>	<b>(2,30,501.93)</b>	<b>8,68,324.26</b>

- a) Expenditure pending capitalization for the year includes Foreign Exchange Loss/adjustments of ₹ 72,383.04 Lakhs (Previous Year Foreign Exchange Gain ₹ 60,194.93 Lakhs).
- b) CWIP includes borrowing cost of ₹ 6,806.66 Lakhs (Previous Year ₹ 6,092.43 Lakhs) for the financial year 2015-16.



## Chennai Metro Rail Limited

### Break-up of Expenses Pending Capitalisation

(₹ in Lakhs)

Note 12A	As on 31.03.2015	Expenditure / (Adjustments) for the Year	Total	Capitalised during the year	As on 31.3.2016
Advertisement	692.21	30.41	722.62	(169.51)	553.11
Books & Periodicals	13.21	1.39	14.60	(3.29)	11.31
Conference & Seminar/Sponsorship Expenses	191.62	-	191.62	(47.97)	143.65
Legal, Professional & Consultancy Charges	734.75	25.06	759.81	(184.86)	574.95
Community Interaction Programme & Meeting Expenses	29.05	-	29.05	(8.19)	20.86
Miscellaneous Expenses	20.30	11.27	31.57	(4.97)	26.60
Insurance	817.46	188.35	1,005.81	(199.27)	806.54
Motor Car Expenses	109.76	-	109.76	(29.74)	80.02
Outsourcing Expenses	724.11	-	724.11	(186.26)	537.85
Postage & Courier Expenses	9.29	2.10	11.39	(2.42)	8.97
Printing & Stationery	143.99	0.98	144.97	(36.84)	108.13
Rates & Taxes	151.63	-	151.63	(36.97)	114.66
Rent & Electricity Charges	6,940.57	(140.06)	6,800.51	(708.13)	6,092.38
Repairs & Maintenance	117.55	-	117.55	(30.10)	87.45
Salary, PF and Pension Contribution	6,520.45	694.85	7,215.30	(1,754.51)	5,460.79
Staff Welfare Expenses	209.97	12.17	222.14	(54.97)	167.17
Statutory Audit fees - Towards Audit fee	14.44	4.52	18.96	(3.52)	15.44
Statutory Audit fees - Towards Taxation Matter	2.13	-	2.13	(0.52)	1.61
Telephone Charges	243.90	-	243.90	(61.52)	182.38
Travelling Expenses, Conveyance & Vehicle Hire Charges	1,635.73	-0.00	1635.73	(417.38)	1218.35
Loss / ( Gain) on Exchange Fluctuation	(72,889.05)	72,383.04	(506.01)	402.78	(103.23)
Finance Charges	16,064.96	6,806.66	22,871.62	(2,310.89)	20,560.73
Interior Decoration - Office	133.42	-	133.42	(32.52)	100.90
Project Certification Charges	497.44	-	497.44	(497.44)	0.00
Amortization - Leasehold Property	2,468.40	669.41	3,137.81	-	3,137.81
Depreciation (Till 2009-10)	11.46	-	11.46	(2.79)	8.67
<b>TOTAL</b>	<b>(34,391.25)</b>	<b>80,690.15</b>	<b>46,298.90</b>	<b>(6,381.80)</b>	<b>39,917.10</b>
Less: Other Income					
Interest on Mobilization Advance	2,930.04	623.22	3,553.26	(666.96)	2,886.30
Interest received	13.43	-	13.43	(3.27)	10.16
Sale of Tender Documents	176.13	5.74	181.87	(42.94)	138.93
Rent of Equipment	354.75	74.92	429.67	-	429.67
Miscellaneous Income	43.40	-	43.40	(10.58)	32.82
Administration Expenses Recoveries	25.04	-25.04	0.00	-	0.00
<b>TOTAL</b>	<b>3,542.79</b>	<b>678.84</b>	<b>4,221.63</b>	<b>(723.75)</b>	<b>3,497.88</b>
<b>Net Expenses pending Capitalization</b>	<b>(37,934.04)</b>	<b>80,011.31</b>	<b>42,077.27</b>	<b>(5,658.05)</b>	<b>36,419.22</b>



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

(₹ in Lakhs)

<b>Note 13 - Long Term Loans &amp; Advances</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>Unsecured, Considered good</b>		
<b>a) Capital Advances</b>		
Land Advance	3,820.53	3,732.76
<b>b) Advances to Contractors</b>		
i) Mobilization and other Advances	12,201.89	10,252.07
ii) Material Advances	-	546.81
Refundable deposit	337.82	135.95
Other Advances	2,195.53	2,058.17
	<b>18,555.77</b>	<b>16,725.76</b>
a) Mobilization and other advances to contractors are covered by the Bank Guarantees and hypothecation of Plant & Machineries.		

<b>Note 14 - Cash &amp; Bank Balances</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>a) Cash and Cash Equivalents</b>		
Cash on Hand	9.43	3.67
<b>Balances with Bank</b>		
In Current Accounts	27,972.77	7,495.60
In Deposit Accounts (with Maturities less than 3 months)	47,199.99	82,822.00
In Deposit Accounts (with Maturities more than 3 months but less than 12 months)	88,570.00	32,200.00
Book Overdraft	(101.69)	(1,210.50)
	<b>1,63,650.50</b>	<b>1,21,310.77</b>
<b>b) Other Bank Balances</b>		
Earmarked Short Term Deposits (with Maturities less than 3 months)	516.46	500.00
	<b>1,64,166.96</b>	<b>1,21,810.77</b>
Other Bank balances includes Short Term Deposits of ₹ 516.46 Lakhs (P.Y. ₹ 500.00 Lakhs) under lien against letters of credit and bank guarantees issued for the Company.		

**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

(₹ in Lakhs)

<b>Note 15 - Inventories</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
a) Stores & Spare Parts	57.21	3.41
b) Loose Tools	7.19	1.59
	<b>64.40</b>	<b>5.00</b>

<b>Note 16 - Short Term Loans &amp; Advances</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>Unsecured, Considered good</b>		
a) Advance Tax & TDS	14,709.87	13,507.30
b) Other Advances & Receivables	33,302.52	30,926.51
c) Pre-paid Expenses	105.58	265.30
d) VAT Recoverable from GOTN	11,097.12	14,015.97
	<b>59,215.09</b>	<b>58,715.08</b>

VAT Payments incurred amounting to ₹ 11,097.12 Lakhs (Previous Year ₹ 14,015.97 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.

<b>Note 17 - Other Current Assets</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
a) Interest Accrued on Deposits	2,733.44	329.84
b) Pass Through Assistance against JICA Loan		74,032.16
c) Sundry Debtors	77.25	
	<b>2,810.69</b>	<b>74,362.00</b>

The company submitted their claim with Japan International Co-operation Agency (JICA) through CAAA to an extent of ₹ 6,98,657.06 Lakhs during 2009-10 to 2015-16. An amount of ₹ 7,00,841.00 Lakhs has been remitted by Ministry of Urban Development, MRTS Cell, Government of India as Pass Through Assistance against JICA Loan during that same period. The difference amount of ₹ 2,183.94 Lakhs (Previous Year PTA receivable ₹74,032.16 Lakhs) is received in advance from Ministry of Urban Development of Government of India. The difference amount is grouped under Loans & Advances if PTA is receivable and under Current liabilities when PTA is received in advance.



**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

(₹ in Lakhs)

<b>Note 18 - Revenue from Operations</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>From Traffic Operations</b>		
Traffic Earnings	1,069.63	
<b>From Property Development</b>		
Lease Income	228.20	31.60
	<b>1,297.83</b>	<b>31.60</b>
<b>Note 19 - Other Income</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Interest on Bank Deposits	11,551.05	11,730.74
Interest on Advances	47.23	
Project Supervision Fee	347.69	
Sale of Tender Documents	1.03	
Miscellaneous income	15.86	
Profit on sale of Fixed Asset	0.67	
Less : Interest earned on Borrowed Funds	(450.45)	
	<b>11,513.08</b>	<b>11,730.74</b>
<b>Note 20 - Operating Expenses</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Customer Facilitation Expenses	660.88	
Electricity Charges	1,138.37	0.22
	<b>1,799.25</b>	<b>0.22</b>
<b>Note 21 - Employee Benefits Expenses</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>O &amp; M Expenses</b>		
Salaries & Wages	2,152.59	757.51
Contribution to Provident & Other Funds	87.81	86.30
Staff Welfare Expenses	160.86	6.13
<b>Property Development Expenditure</b>		
Salaries & Wages	50.27	40.60
Contribution to Provident & Other Funds	3.51	3.61
Staff Welfare Expenses	0.45	
	<b>2,455.49</b>	<b>894.15</b>
<b>Note 22 - Finance Cost</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Interest Expenses on JICA Loan & other Bank Charges	779.77	
	<b>779.77</b>	<b>-</b>

**Chennai Metro Rail Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2016**

(₹ in Lakhs)

<b>Note 23 - Other Expenses</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Advertisement	212.08	7.45
Books & Periodicals	-	-
Recruitment, Conference & Seminar/Sponsorship Expenses	70.79	329.55
Legal, Professional & Consultancy Charges	187.27	
Community Interaction Programme & Meeting Expenses	63.16	
Miscellaneous Expenses	0.94	0.37
Insurance	0.13	14.90
Motor Car Expenses	35.79	-
Outsourcing Expenses	380.40	-
Postage & Courier Expenses	-	-
Printing & Stationery	56.90	4.56
Rates & Taxes	0.29	-
Rent & Electricity Charges	-	0.57
Repairs & Maintenance	311.62	7.97
Salary, PF and Pension Contribution	-	-
Staff Welfare Expenses	-	-
Statutory Audit fees - Towards Audit fee	-	-
Telephone Charges	92.01	-
Travelling Expenses, Conveyance & Vehicle Hire Charges	375.25	-
Exchange Rate Variation	0.00	-
<b>Total O &amp; M Expenses</b>	<b>1,786.63</b>	<b>365.37</b>
Property Development Expenditure		
Advertisement	16.02	17.52
Legal, Professional & Consultancy Charges	-	7.00
Community Interaction Programme & Meeting Expenses	0.14	
Rates & Taxes	0.03	0.05
Rent & Electricity Charges	-	0.10
Travelling Expenses, Conveyance & Vehicle Hire Charges	0.32	0.03
Total Property Development Expenses	16.51	24.70
Interest On Income tax	-	597.49
Wealth Tax	-	0.28
	<b>1,803.14</b>	<b>987.84</b>
<b>Note 24 - Prior Period Income</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Other Income	13.06	
	<b>13.06</b>	<b>-</b>

VAT reimbursed by the Government of Tamil Nadu in respect of earlier periods and which was expensed during the earlier periods have been accounted for as Prior Period Income.

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

S. No.	Particulars	FY 2015-16	FY 2014-15
1	Legal Cases	127 cases (including 11 cases towards arbitration)	126 cases (including 4 cases towards arbitration)
2	Enhanced Compensation for the land	₹63,149 Lakhs	₹52,664 Lakhs
3.	Compensation for other claims and damages	₹69.00 Lakhs	₹71.93 Lakhs
4	Arbitration*	₹1,41,586 Lakhs (Counter claims- ₹35,731.98 Lakhs)	₹35,589.69 Lakhs (Counter claims- ₹40,441.18 Lakhs)

\* In respect of contracts terminated, the balance work have been awarded to new contractors. Arbitration proceedings have been initiated and all additional cost to be incurred, on the award of the balance works to new contractors, is being claimed from the erstwhile contractors who have been terminated. An amount of ₹ 1,41,586 Lakhs has been claimed in respect of six terminated contracts in respect of which counter claims have been made amounting to ₹ 35,731.98 Lakhs against the company. In respect of three ongoing contracts of which arbitration proceedings have been initiated the claims and counter claims are not ascertainable. The net amount, if any, will be accounted for on final determination of arbitration proceedings.

**b) Statutory Related Matters**

S. No.	Particulars	FY 2015-16	FY 2014-15
1	Demand from ESIC Department	₹ 11.77 Lakhs	₹ 11.77 Lakhs
2	Demand raised by Sales Tax Department for not reporting of imported goods	-	₹ 27.30 Lakhs
3	Demand from Tamil Nadu Construction Workers Welfare Board towards Cess and Interest	-	₹ 832 Lakhs
4	Demand from Income Tax Department-FY 2011-12	-	₹ 58.62 Lakhs
5	Demand of Tax deducted @ source under Chapter XVII- FY 2007-08	₹ 0.07 lakhs	₹ 0.08 Lakhs

S. No.	Particulars	FY 2015-16	FY 2014-15
6	Demand of Tax deducted @ source under Chapter XVII- FY 2009-10	₹ 0.16 Lakh	₹ 0.16 Lakhs
8	Demand of Tax deducted @ source under Chapter XVII- FY 2010-11	₹ 0.08 Lakhs	₹ 6.82 Lakhs
9	Demand of Tax deducted @ source under Chapter XVII- FY 2011-12	₹ 6.47 Lakhs	₹ 8.87 Lakhs
10	Demand of Tax deducted @ source under Chapter XVII- FY 2012-13	₹ 0.17 Lakhs	₹ 2.19 Lakhs

- c) **Relief & Rehabilitation Activities: Claims anticipated in respect of Relief and Rehabilitation activities - ₹1,826.42 Lakhs** (PY - ₹1,826.42 Lakhs).

## II) Letters of Guarantees

As at the Balance Sheet date, the Company has provided Bank Guarantees amounting to ₹ 1.00 Lakhs (Previous Year ₹ 2.30 Lakhs).

## III) Letters of Credit

As at the Balance Sheet date, the company has commitments towards Letters of Credit amounting to ₹ 161.91 Lakhs on account of procurement of depot Machineries (Previous Year ₹ 279.89 Lakhs) and the liability has been recognized in the accounts.

## 26. Capital & Other Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (excluding any escalation as provided in the terms of the contracts) ₹3,40,417.94 Lakhs (Previous Year ₹5,46,910.54 Lakhs).

27. The company has prepared Cash Flow Statement as required under Accounting Standard 3 (REVISED).
28. Segmental Reporting has not been included as the same is not applicable.

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

Sl. No.	Name of the Related Party	Nature of Relationship	From	To
1.	Shri Madhusudan Prasad, IAS	Chairman/ Nominee Director of GOI	02-02-2015	31-03-2016
2.	Shri Ved Mani Tiwari	Director / Nominee Director of GOI	08-04-2015	07-12-2015
3.	Shri Sharat Sharma	Director / Nominee Director of GOI	15-04-2013	Till date
4.	Shri Mukund Kumar Sinha	Director / Nominee Director of GOI	23-12-2013	Till date
5.	Shri Praveen Goyal	Director / Nominee Director of GOI	07-12-2015	Till date
6.	Shri K K Aggarwal	Director / Nominee Director of GOI	06-02-2014	Till date
7.	Shri Vikram Kapur, IAS	Director / Nominee Director of GoTN	27-01-2015	20-01-2016
8.	Shri Pankaj Kumar Bansal, IAS	Managing Director / Nominee Director of GoTN	24-12-2013	Till date
9.	Dr. B Chandra Mohan, IAS	Director / Nominee Director of GoTN	20-01-2016	04-07-2016
10.	Shri K Shanmugam, IAS	Director / Nominee Director of GoTN	18-05-2010	Till date
11.	Shri S Krishnan, IAS	Director / Nominee Director of GoTN	18-01-2011	Till date
12.	Shri Rajeev Ranjan, IAS	Director / Nominee Director of GoTN	28-06-2013	Till date
13.	Shri L Narasim Prasad	Whole-time Director	01-02-2013	Till date
14.	Shri R Ramanathan	Whole-time Director	25-02-2013	24-02-2016
15.	Smt Vijaya Kanth	Whole-time Director	09-07-2013	29-02-2016

### 30. Remuneration to Key Managerial Personnel

1. Current Year: ₹99.20 Lakhs (Previous year ₹88.25 Lakhs)

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

- Shri Pankaj Kumar Bansal, Managing Director ₹ 19.28 Lakhs (PY- ₹14.94 Lakhs) (including FSC contribution for the FY ₹1.57 lakhs)
- Smt Vijaya Kanth, Director ₹ 26.82 Lakhs (PY- ₹23.94 Lakhs)
- Shri R. Ramanathan, Director ₹ 27.87 Lakhs (PY- ₹24.30 Lakhs)
- Shri L. Narasim Prasad, Director ₹ 25.23 Lakhs (PY- ₹25.06 Lakhs)



### 31. Disclosure as per AS-15 (Revised) - Employee Benefits

Employee benefits due to deputationists are paid to their respective organizations / Employer from where they have been deputed based on the direction given by their organizations. In case of gratuity, for eligible employees they are paid / provided by the respective organizations from where they have been deputed.

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

**Leave Encashment:** As per HR policy of the company, each eligible employee is credited with 30 days of earned leave and 20 days of half pay leave each year. In case of earned leave, only 50% of leave balance in leave account can be encashed once in a calendar year. The liability on this account is recognized on the basis of actuarial valuation. The accounts include a provision for an amount of ₹ 299.95 Lakhs towards Leave Salary payable on the basis of actuarial valuation to company's employees and ₹ 7.56 Lakhs payable to deputationists. Assumptions of actuarial valuation are as follows :

#### Privilege Leave Benefits

##### Financial Assumptions

Discount rate	- 7.70%
Salary escalation rate	- 7.00%
Retirement Age	- 60 years
Withdrawal rate	- 5% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality rate	- Indian Assured Lives Mortality (2006-08) Ult

Amount to be recognized	Amount (₹ in Lakhs)
Present value of funded obligations	Nil
Fair value of plan assets	Nil
Present value of unfunded obligations	299.95
Unrecognized past service cost	Nil
Net liability	299.95

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

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

Principal Actuarial Assumptions	Amount (₹ in Lakhs)
Discount rate as on 31-03-2016	7.70%
Expected return on plan assets at 31-03-2015	Nil
Equity shares of listed Companies	Nil
Property	Nil
Funds managed by Insurer	Nil
Bank Balance	Nil

Table showing surplus / (deficit)	Amount (₹ in Lakhs)
Defined Benefit Obligation	299.95
Plan Assets	Nil
Surplus / (Deficit)	(299.95)

Table showing bifurcation of Present Benefit Obligation at the end of year as per revised Schedule VI to the Companies Act	Amount (₹ in Lakhs)
Current liability (Amount due within one year)	40.35
Non-current liability (Amount due over one year)	259.60

**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 EP Scheme. Under this scheme, no contribution is collected from employees and out of 12% of employer contribution under PF scheme 8.33% is covered under EP Scheme and ₹ 8.66 Lakhs is created as liability towards Pension contribution payable to deputation employees.

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

#### **Nature of Benefit-Leave Travel Concession:**

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

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

No of members (Employees and eligible family members)	1,223
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#### **Financial assumptions:**

Discount Rate	7.70 %
Rate of growth in cost of travel (across various modes of transport)	5.00%

#### **Demographic assumptions**

Retirement Age	60
Withdrawal rate	3% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult.

<b>Table showing bifurcation of Present Benefit Obligation at the end of year as per revised Schedule VI to the Companies Act</b>	<b>Amount (₹ in Lakhs)</b>
Current liability (Amount due within one year)	27.69
Non-current liability (Amount due over one year)	21.43
<b>TOTAL</b>	<b>49.12</b>



32. The company recognizes impairment of assets when the same is permanent in nature and the asset is incapable of being rectified/ repaired for use. During the year the company has not impaired any assets.
33. Debit / credit balances of parties are subject to confirmation and reconciliation, consequential impact thereof, if any, remains unascertained.

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

Towards Import of Capital Items ₹ 13,290.47 Lakhs ( PY - ₹ 9,368.39 Lakhs).

#### 35. Miscellaneous

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

b) Outgo in Foreign Currency.

(₹ in Lakhs)

Details	31-03-2016	31-03-2015
a) Foreign Travel		
- Directors	8.46	1.94
- Others	18.74	8.56
b) Professional fees to General Consultants	288.99	841.63
c) Interest payments	Nil	Nil
d) Contract payments	30,160.87	69,733.22
e) Others	Nil	Nil

- c) Previous year figures have been regrouped or reclassified wherever necessary to make them comparable with current years figures and the amounts are rounded off to nearest lakhs of rupees.

As per our report of even date attached  
Vardhaman & Co.  
Chartered Accountants

V. Baskaran  
Partner  
M.No: 012202  
FRN: 004522S

Place : Chennai  
Date : 01-09-2016

For and on behalf of the Board of Directors

Pankaj Kumar Bansal, IAS  
Managing Director

L. Narasim Prasad  
Director

Sujatha Jayaraj  
Director - Finance & Chief Financial Officer

P. Andal  
Company Secretary

Place : Chennai  
Date : 23-08-2016

**Vardhaman & Co.**  
Chartered Accountants

New No.12 Krishna Street  
T Nagar  
Chennai – 600 017  
Tel No. 044 2434 4627 / 2434 2596  
Email: vardhaman\_1973@hotmail.com

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Chennai Metro Rail Limited ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

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

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



**Vardhaman & Co.**  
**Chartered Accountants**

New No.12 Krishna Street  
T Nagar  
Chennai – 600 017  
Tel No. 044 2434 4627 / 2434 2596  
Email: vardhaman\_1973@hotmail.com

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2016 and its profit and its cash flows for the year ended on that date.

**Emphasis of Matters**

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

- a) **Note 10.1c-** Amount retained towards Potential Liquidated Damages amounting to Rs.3,568.98 Lakhs (Previous Year – Rs. 3,320.27 Lakhs) and Potential Penalties amounting to Rs.2,132.33 Lakhs (Previous Year - Rs. 1,337.31 Lakhs) which would be determined at the time of settlement of final bill or award of arbitration proceedings with the judicial authorities .
- b) **Note 11.f-** Land to an extent of 15,116.89 sq.mt valued at Rs.8,794.22 Lakhs have been capitalised in excess of the land extent specified in the Government Gazette Order. The alienation of the lands is being finalised with the Government of TamilNadu.
- c) **Note-33-**Debit / credit balances of parties are subject to confirmation and reconciliation, consequential impact thereof, if any, remains unascertained.
- d) **Note 6A-**In respect of JICA loan the company has decided in this year not to reinstate the JICA Loan (JPY) in INR at the year end, as the exchange fluctuation is to be borne by JV Partner. It is also stated by the company that the same principle is uniformly followed by all other metro companies. The Financial impact as stated by the management due to the above change in accounting practice is as follows:

JICA Loan understated by Rs.12,581.43 Lakhs

Expenditure pending capitalization undercapitalization during the current year: Rs.1,803.57 Lakhs

Depreciation understated during the current year : Rs.60.20 Lakhs

Exchange loss not consider in the P&L Account: Rs.10,717.66 Lakhs

Deferred tax impact in the year: Rs.18.60 Lakhs

Loss before tax for the year understated: Rs.10,777.86 Lakhs

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-1 a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section of 143(5) of the Companies Act, 2013, on the basis of such checks of the books and regards of the company as we considered appropriate and according to the information and explanations given to us, in Annexure 2 on the directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

**Vardhaman & Co.**  
Chartered Accountants

New No.12 Krishna Street  
T Nagar  
Chennai – 600 017  
Tel No. 044 2434 4627 / 2434 2596  
Email: vardhaman\_1973@hotmail.com

- b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, The Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) According to the information and explanations given to us, the company is a Government Company; therefore, provisions of section 164(2) of the Companies Act, 2013 are not applicable pursuant to the Gazette Notification No. GSR 463 (E) dated 05.06.2015 issued by the Government of India.
- f) On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure-1”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- h) 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, in Note 24 of the Financial Statements, the impact of pending litigations on its financial position.
  - ii. The company has made provisions, as required under applicable laws or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts. The company does not have exposure to Derivate Contracts and
  - iii. The company does not have any liability on account of Investor Education and Protection Fund.
- 4. As required by the Companies (Auditors’ Report) Order 2016 issued by Central Government in terms of Section 143 (II) of the Act, we give in “Annexure-2” a statement on the matter specified in paragraphs 3 and 4 of the order.
- 5. As required by the Directions of the Comptroller & Auditors General of India under section 143 (5) of the Act, 2013 we give in “Annexure-3” a statement on the matter specified.

**For Vardhaman & Co.**  
Chartered Accountants

**(V. Baskaran)**  
Sr. Partner  
FRN - 004522S  
M. No. 012202

Place : Chennai  
Date : 07-09-2016





**Vardhaman & Co.**  
Chartered Accountants

New No.12 Krishna Street  
T Nagar  
Chennai – 600 017  
Tel No. 044 2434 4627 / 2434 2596  
Email: vardhaman\_1973@hotmail.com

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**ANNEXURE “1” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Chennai Metro Rail Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit on Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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 statement 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



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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 Over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

**For Vardhaman & Co.**  
Chartered Accountants

**(V. Baskaran)**  
Sr. Partner  
FRN - 004522S  
M. No. 012202

Place : Chennai  
Date : 07-09-2016



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**Annexure-2 to the Independent Auditors' Report**

Referred to in paragraph 4 under report on other Legal and Regulatory requirements section on our report of even date

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

- (i) (a) Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) Fixed Assets of the company are physically verified by the external agencies appointed for this purpose. As per the records submitted, no material discrepancies were observed during such verifications.
- (c) Title deeds of immovable property:  
According to information and explanations given by the Management, the title deeds of immovable properties included in fixed assets are held in the name of the company except as stated below:  
Land acquired with payment consideration : 2633 sq.mtr & 1.28 acre  
Land acquired under sub-ordinate debt : 197415.71 Sq.mtr  
Leasehold Land : 37919.93 sq.mtr (Southern Railway Land)
- (ii) The management has conducted physical verification of inventories at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company.
- (iv) Compliance to Section 185 and 186 of the Companies Act, 2013 :  
According to the information and explanations given to us, the Company has not granted any loan, made investments, or provided guarantees and securities in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not received any deposit during the year as covered under Section 76 of the Companies Act, 2013. Therefore, provisions of clause 3 (v) of the order are not applicable to the Company.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been, with delays in a few instances, regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> March 2016 for a period of more than 6 months from the date they became payable with exception of the following:

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S.No.	Particulars	FY 2015-16	FY 2014-15
1	Demand from ESIC department	₹11.77 Lakhs	₹ 11.77 Lakhs
2	Demand raised by Sales Tax department for not reporting of imported goods	NIL	₹ 27.30 Lakhs
3	Demand from Tamil Nadu Construction Workers Welfare Board towards Cess and Interest	NIL	₹ 832 Lakhs
4	Demand from Income Tax Department – FY 2011-12	NIL	₹ 58.62 Lakhs
5	Demand of Tax deducted @ source under Chapter XVII-FY-2007-08	₹ 0.07 Lakhs	₹ 0.08 Lakhs
6	Demand of Tax deducted @ source under Chapter XVII-FY-2009-10	₹ 0.16 Lakhs	₹ 0.16 Lakhs
7	Demand of Tax deducted @ source under Chapter XVII-FY-2010-11	₹ 0.08 Lakhs	₹ 6.82 Lakhs
8	Demand of Tax deducted @ source under Chapter XVII-FY-2011-12	₹ 6.47 Lakhs	₹ 8.87 Lakhs
9	Demand of Tax deducted @ source under Chapter XVII-FY- 2012-13	₹ 0.17 Lakhs	₹ 2.19 Lakhs

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

(viii) Default in repayment of loan or borrowings:

The Company has not availed loan from any Financial Institutions or Banks or Debentures except Loan from Japan International Co-operation Agency (JICA) :

The agreement stipulates that in case of delay in payment of interest, overdue charges, to the extent of 2% on the outstanding amount was also payable. So far the Company has not paid any interest (provisions already been made), but overdue charges to the extent of 2% on the outstanding amount was not provided. We were informed by the Management that the Company has already requested Central Government to postpone the payment of interest till commencement of the operations. The confirmation from the Central Government is yet to be received by the Company.

(ix) Money raised by way of IPO :

The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the explanations given to us the term loans from Government of India against Japan International Co-operation Agency and Subordinate debt from Government of India and Government of Tamil Nadu were applied for the purpose for which loans and Subordinate debts were raised.

(x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we have been informed of such case by the Management.



**Vardhaman & Co.**  
**Chartered Accountants**

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(xi) Managerial Remuneration:

In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.

(xii) Company is not a Nidhi Company.

(xiii) Related party transactions:

The Company is a Government Company within the meaning of Section 2 (45) of the Companies Act 2013 (Section 617 of the Companies Act, 1956) and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 127 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Preferential allotment or private placement of Shares:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause x (xiv) of the Companies (Auditor's Report) Order 2016, are not applicable to the Company.

(xv) Non-cash transactions:

According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with the directors.

(xvi) Registration under Section 45-1A of the RBI Act:

In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-1A of the Reserve Bank of India, Act 1934.

**For Vardhaman & Co.**  
Chartered Accountants

**(V. Baskaran)**  
Sr. Partner  
FRN - 004522S  
M. No. 012202

Place : Chennai  
Date : 07-09-2016

**Vardhaman & Co.**  
Chartered Accountants

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### Annexure - 3 to the Independent Auditor's Report

[Referred to in paragraph 5, under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date]

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Chennai Metro Rail Limited for the year 2015-16 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.

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

No.	Particulars	Remarks									
1.	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available.	The company has clear title lease deeds for all freehold land except as stated below: Land acquired with payment consideration: 2633 sq mtr & 1.28 acre Land acquired under subordinate debt: 197415.71 sq mtr Leasehold Land : 37919.93 sq mtr (Southern Railway Land)									
2.	Whether there are any cases of waiver/write off of debts/loans/ interest etc., if yes, the reasons therefor and the amount involved.	There are no cases of waiver/write off of debts/loans/interest etc. during the year 2015-2016									
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	As per the information and explanations provided to us and on the basis of our audit observation there are no Inventories lying with the third parties during the Audit Period.  As per the information and explanations provided to us and on the basis of our audit observation the company is maintaining adequate records for the lands that were received as Gift from the Government. As on the date of balance sheet the value of Gift Land amounted to Rs. 865.15 Lakhs. The particulars of the land capitalized are as follows: <table border="1"> <thead> <tr> <th>No.</th><th>Particulars</th><th>Extent</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Ozone Land, Block 27, Koyambedu Village</td><td>700 sqmt</td></tr> <tr> <td>2.</td><td>AG Office, Anna Salai, Teynampet</td><td>342 sqmt</td></tr> </tbody> </table> Land received as gift is recognized as capital reserve and are capitalized at the Guideline value as fixed by the Government of Tamil Nadu.	No.	Particulars	Extent	1.	Ozone Land, Block 27, Koyambedu Village	700 sqmt	2.	AG Office, Anna Salai, Teynampet	342 sqmt
No.	Particulars	Extent									
1.	Ozone Land, Block 27, Koyambedu Village	700 sqmt									
2.	AG Office, Anna Salai, Teynampet	342 sqmt									

**For Vardhaman & Co.**  
Chartered Accountants

**(V. Baskaran)**  
Sr. Partner  
FRN - 004522S  
M. No. 012202

Place : Chennai  
Date : 07-09-2016

**भारतीय लेखा तथा लेखा परीक्षा विभाग**

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

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

दिनांक/ Date : 22.09.2016

No. PDCA/CHENNAI/CA-III/2-85/CMRL A/cs 15-16/2016-17/231

To

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

Sir,

Sub:- Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of **Chennai Metro Rail Limited**, for the year ended 31 March 2016.

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I forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of **Chennai Metro Rail Limited**, for the year ended 31 March 2016.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-

(G. SUDHARMINI)

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

Encl. : As stated.

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

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF CHENNAI METRO RAIL LIMITED FOR THE YEAR ENDED  
31 MARCH 2016**

The preparation of financial statements of **Chennai Metro Rail Limited** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 September 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **Chennai Metro Rail Limited** for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

**Place : Chennai**  
**Date : 22.09.2016**

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

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

**CIN** : **U60100TN2007SGC065596**

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **9<sup>th</sup> Annual General Meeting** to be held on **Friday, the 23<sup>rd</sup> day of September, 2016 at 11.30 AM** at the **Registered Office of the Company at CMRL Depot, Admin. Building, Poonamallee High Road, Koyambedu, Chennai - 600 107** and at any adjournment thereof in respect of such resolutions as are indicated below :



**Ordinary Business**

1. To adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2016, Statement of Income and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2016 together with the Comments of the Comptroller and Auditor General of India.
2. To fix remuneration of Statutory Auditors for the Financial Year 2016-17.

**Special Business**

1. Increasing the borrowing powers of the Company to Rs. 16,130 crore
2. Appointment of Smt Sujatha Jayaraj as Director (Finance)
3. Appointment of Shri Rajeev Narayan Dwivedi as Director (Projects).

Signed this ..... day of ..... 2016

Signature of Shareholder :

Affix  
Revenue  
Stamp

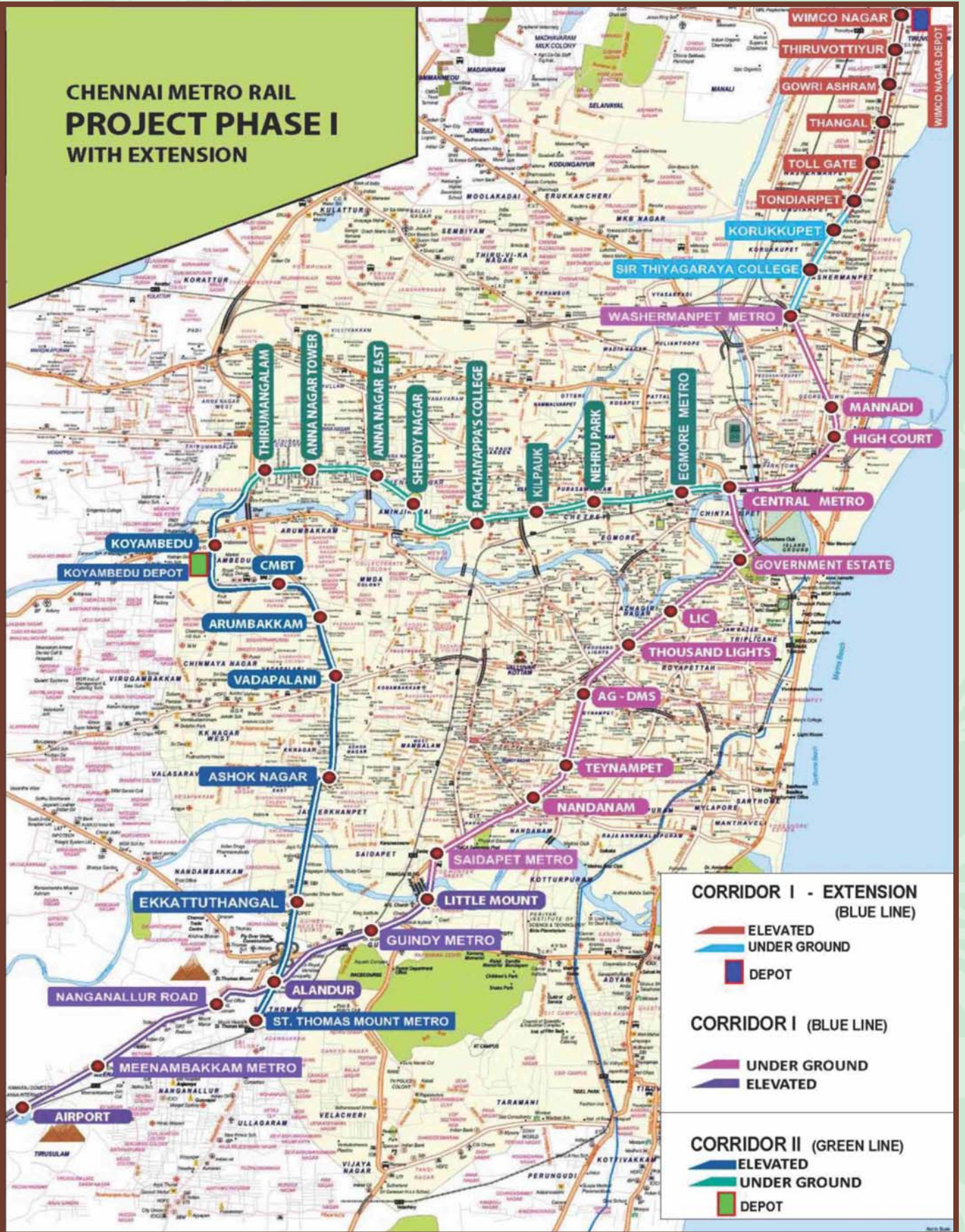
Signature of Proxy holder (s) :

**Note :**

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



# CHENNAI METRO RAIL PROJECT PHASE I WITH EXTENSION







## CHENNAI METRO RAIL LIMITED

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

Phone: 044 - 2379 2000, Fax: 044 - 2379 2200,

E-mail: [chennaietrorail@gmail.com](mailto:chennaietrorail@gmail.com) Website: [chennaietrorail.gov.in](http://chennaietrorail.gov.in)