L&T Metro Rail Hyderabad

L & T METRO RAIL (HYDERABAD) LIMITED

10th ANNUAL REPORT

FY 2019-20

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. S N Subrahmanyan	Chairman
Mr. K V B Reddy	Managing Director and Chief Executive Officer
Mr. R Shankar Raman	Director
Mr. Ajit Rangnekar	Independent Director
Mr. N.V.S. Reddy	Nominee Director
Mr. M R Prasanna	Independent Director
Mr. Shrikant Joshi	Director
Mrs. Vijayalakshmi R Iyer	Independent Director

AUDIT COMMITTEE

Mrs. Vijayalakshmi R Iyer	Member
Mr. R Shankar Raman	Member
Mr. Ajit Rangnekar	Member
Mr. M R Prasanna	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Ajit Rangnekar	Chairman
Mr. M R Prasanna	Member
Mr. Shrikant Joshi	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. K V B Reddy	Chairman
Mr. Ajit Rangnekar	Member
Mr. N.V.S. Reddy	Member

Mr. J Ravikumar	Chief Financial Officer
Mr. Chandrachud D Paliwal	Head- Legal & Company Secretary

BANKERS

State Bank of India
Canara Bank
Indian Bank
Indian Overseas Bank
Jammu & Kashmir Bank
Punjab & Sind Bank
Standard Chartered Bank

REGISTRAR & TRANSFER AGENT

NSDL Database Management Limited
4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

STATUTORY AUDITORS

M/s M K Dandeker & Co.
Chartered Accountants, Chennai

DEBENTURE TRUSTEE

SBICAP Trustee Company Ltd.
Apeejay House, 6th Floor, 3 Dinshaw Wachha Road,
Churchgate, Mumbai- 400 020

REGISTERED OFFICE

Hyderabad Metro Rail Administrative Building,
Uppal Main Road, Nagole,
Hyderabad- 500 039, Telangana, India.

NOTICE

Notice is hereby given to the Members of M/s. L&T Metro Rail (Hyderabad) Limited that the Tenth Annual General Meeting of the Company is scheduled to be held on Friday the 14th day of August 2020 at 11.00 AM (IST) through video conferencing (VC) medium or other audio visual means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Financial Statements for the year ended 31st March 2020 together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Shrikant Prabhakar Joshi (DIN: 02278471), who retires by rotation and being eligible, offers himself for re-appointment.

NOTES:

1. Considering the extra-ordinary circumstances caused by COVID-19 and in light of the social distancing norms, the Ministry of Corporate Affairs ("MCA") has vide its circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 ("MCA Circulars") permitted the holding of the Annual General Meeting of a company through VC / OAVM in compliance with the provisions of the Companies Act, 2013 ("the Act"), MCA Circulars.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the ensuing Annual General Meeting.
3. The IP address/meeting invite for attending the meeting shall be circulated separately.
4. The members attending the meeting through video conference may please confirm their presence to the Company Secretary of the Company by emailing at chandrachud.paliwal@ltmetro.com or message/ whatsapp on +91 9223902102.

By Order of the Board
For L&T Metro Rail (Hyderabad) Limited

Sd/-

CHANDRACHUD D. PALIWAL
Head- Legal & Company Secretary
(Membership No - F5577)

Place : Hyderabad
Date : 22.07.2020

BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their Tenth report and Audited Accounts for the year ended 31st March, 2020.

1. Financial Results / Financial Highlights:

Particulars	2019-20	2018-19
	Rs. in lakhs	Rs. in lakhs
Profit / (Loss) Before Depreciation, exceptional items & Tax	(23665.77)	(8535.01)
Less: Depreciation, amortization, impairment and obsolescence	14554.80	6197.19
Profit / (Loss) before exceptional items and tax	(38220.57)	(14732.20)
Add: Exceptional Items	-	-
Profit / (Loss) before tax	(38220.57)	(14732.20)
Less: Provision for tax	-	82.44
Profit / (Loss) after Tax	**(38220.57)**	**(14814.64)**
Add: Other Comprehensive Income	485.46	(72.47)
Total Comprehensive Income	(37735.11)	(14887.11)
Balance available for disposal (which the Directors appropriate as follows)	-	-
Debenture Redemption Reserve	-	-

2. State of Company Affairs:

The revenue from operations and other income for the financial year under review stood at Rs. 598.20 crore (including fare and non-fare revenue) as against Rs. 318.46 crore for the previous financial year. The loss before tax and after tax were Rs. 382.21 crore for the financial year under review as against loss before and after tax of 147.32 crore and Rs. 148.15 crore respectively for the previous financial year.

The Company operates in two Business segments namely Fare collection Rights (Metro Rail System) and others. The revenue from metro Rail Segment as on 31st March 2020 was Rs. 1142.41 crore and Rs. 228.16 from the other segment.

In the backdrop of spread of Novel Coronavirus which has been declared a global emergency by the World Health Organization (WHO), a nationwide lockdown has been extended continuing as on the date of report. This has made the Company to close down Metro Operations including operation of TOD Malls and other Non-fare businesses from 22nd March 2020. Also, the consequent impact on the financial position and results of the Company for future periods cannot be assessed at present. However, the company is protected by the force majeure clauses of the Concession Agreement.

3. **<u>Project Progress:</u>**

During the year under report, the Company received statutory clearances to commence Commercial Operations at Raidurg Metro Station along with Stage 6/1 i.e. JBS Parade Ground to MG Bus Station. The Hon'ble Chief Minister of State of Telangana along with other dignitaries inaugurated the Rail System between JBS Parade Ground to MG Bus Station on 7th February 2020. The Minister for Municipal Administration & Urban Development (MA&UD) Mr. KT Rama Rao and Transport Minister Mr. P Ajay Kumar had inaugurated the stretch HITEC City to Raidurg including Raidurg Metro Station on 29th November 2019. With this entire project with 69.2 kms of Metro Rail System is complete and operational and has been made available for the public use. The residual construction activities including work on punch list items were progressing at a fast pace.

During the year under report, Hyderabad Metro Rail Limited, the nodal Agency of Government of Telangana, recommended the extension of Scheduled Completion Date as defined under the Concession Agreement till 30th June 2020.

Further to the in-principle approval from the Government, matter was being pursued with various agencies for monetization of about 1.20 million sq.ft. of Malls/Multiplexes/Office space developed by the Concessionaire at Hitech City, Punjagutta, Errummanzil and Musarambagh as part of Real Estate Development activities under the Concession Agreement.

After submitting project cost overrun details to the Government for an amount of Rs.3,756 crore, the Company has been pursuing the matter with the Government for providing relief.

Due to the coronavirus outbreak and nationwide lockdown as per the directives of the State Government, the metro services and malls have not been operating since 22nd March 2020 and the lock down is continuing as on the date of this report.

4. **Capital & Finance:**

During the year under report, the Company has raised an amount of Rs. 11.82 crore by way of issue of equity shares of Rs. 10 each fully paid-up ranking pari-passu with the existing equity shares on rights issue basis as per the below mentioned details:

Name	**Date of allotment**	**No. of Shares**	**Amount (In Rs.)**
Larsen and Toubro Limited (Promoter)	11.06.2019	1,18,24,035	11,82,40,350

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. The Company has received IND BBB + with Stable outlook for the Bank loans and IND AAA (SO) with Stable Outlook for the Unsecured Non-Convertible Debentures of the Company from India Rating & Research.

5. **Capital Expenditure:**

As at March 31, 2020, the gross fixed and intangible assets including leased assets stood at Rs.16871.19 crore and the net fixed and intangible assets, including leased assets at Rs. 16635.47 crore. Capital Expenditure during the year amounted to Rs. 1626.44 crore.

6. **Deposits:**

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

7. <u>Depository System</u>:

As on March 31, 2020, 99.999% of the Company's total paid up capital representing 243,89,99,999 shares are in dematerialized form. Further, the Ministry has prohibited the physical transfer of securities. Hence, members holding shares in physical mode are advised to avail of the facility of dematerialization.

8. <u>Particulars of Contracts or Arrangements with related parties:</u>

All the related party transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved all the related party transactions for the Financial Year 2019-20 as required under the provisions of Section 177 of the Companies Act, 2013.

There are no materially significant related party transactions that may have conflict with the interest of the Company.

9. <u>Amount to be carried to reserve:</u>

The Company has not transferred any amount to reserves.

10. <u>Dividend</u>:

In the absence of distributable profits, the Board of Directors do not recommend any dividend on its equity shares.

11. <u>Material changes and commitments affecting the financial position of the company, between the end of the financial year and the date of the report:</u>

Due to the coronavirus outbreak and nationwide lockdown as per the directives of the State Government, the metro services and malls have not been operating since 22^{nd} March 2020 and the lock down is continuing as on the date of this report.

12. <u>Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo</u>

Information as required to be given under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in **Annexure I** forming part of this Report.

13. Risk Management Policy:

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

14. Corporate Social Responsibility:

Since the average net profits for the preceding three financial years is negative, the Company is not required to spend any amount towards Corporate Social Responsibility activities.

15. Details of Directors and Key Managerial Personnel appointed / resigned during the year:

- Mrs. Sheela Bhide ceased to act as the Independent Director of the Company with effect from 15th February 2020 on expiry of her first term of five years.
- Mr. Ajit Rangnekar has been appointed as an Independent Director of the Company w.e.f. 16th February 2020 for the second term of five years. The appointment of Mr. Ajit Rangnekar has been made on the basis of performance evaluation carried out by the Nomination and Remuneration Committee (NRC) in its meeting.

The Independent Directors of the Company have registered themselves on the Independent Director's Databank.

The terms and conditions of appointment/re-appointment of the Independent Directors are in compliance with the provisions of the Companies Act, 2013

The notice convening the AGM includes the proposal for appointment / re-appointment of Directors.

The Board opines that all the Independent Directors on the Board possess integrity, necessary expertise and experience for performing their functions diligently.

16. Number of Meetings of the Board of Directors:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review, four meetings of the Board of Directors were held on 25th April 2019, 10th July 2019, 10th October 2019 and 10th January 2020.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their approval.

17. Audit Committee:

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013.

The Committee comprises of one Non-Executive Director and two Independent Directors as on the date of this Report.

The terms of reference of the Audit Committee are in line with the provisions of the Companies Act, 2013 read with the rules made thereunder.

The current members of the Audit Committee are Mr. R Shankar Raman, Mr. M R Prasanna and Mr. Ajit Rangnekar as on the date of this Report.

During the year under review, four meetings were held on 25th April 2019, 10th July 2019, 10th October 2019 and 10th January 2020.

18. Vigil Mechanism / Whistle Blower Policy:

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Companies Act, 2013. This policy provides for adequate safeguards against victimization of persons who complain under the mechanism. The Audit Committee/Board of the Company oversees the functioning of the Whistle Blower Policy / Vigil Mechanism framework.

19. Company's Policy on Director Appointment and Remuneration:

The Company has constituted a Nomination and Remuneration Committee having terms of reference in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder

The Committee comprises of one Non-Executive Director and two Independent Directors.

The current members of the Nomination & Remuneration Committee are Mr. S N Subrahmanyan, Mr. Ajit Rangnekar and Mr. M R Prasanna. The meeting of this Committee was chaired by Independent Director.

During the year under review, one meeting was held on 10th October 2019.

20. Declaration of Independence:

The Company has received Declarations of Independence from all the Independent Directors as stipulated under Section 149(7) of the Companies Act, 2013 confirming that he/she is not disqualified from appointing/re-appointing/continuing as an Independent Director. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

21. Adequacy of Internal Financial Controls:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

22. <u>Directors Responsibility Statement:</u>

The Board of Directors of the Company confirms:

a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Accounts on a going concern basis;

e) The Directors have laid down an adequate system of internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

23. <u>Performance Evaluation of the Board, its Committees and Directors:</u>

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Chairman and individual directors has to be made.

It includes online filling of questionnaires by all Directors for evaluation of the Board and its Committees, Board composition and its structure, Board effectiveness, Board functioning, information availability, adequate discussions, etc. These questionaries' also cover specific criteria and the grounds on which all directors in their individual capacity would be evaluated. The Chairperson of NRC analyses the reports on the questionnaires to arrive at an unbiased conclusion.

The inputs given by all the directors were discussed in the meeting of the Independent Directors held in accordance with Schedule IV of the Companies Act, 2013 on 10th October 2019. The performance evaluation of the Board, Committees, Chairman and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

24. <u>Disclosure of Remuneration:</u>

The details of remuneration as required to be disclosed under Section 197(12) of the Companies Act, 2013 and the rules made thereunder are as below:

a. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	25.01
b. Percentage increase in remuneration of the following KMPs in the financial year; i. Directors ii. CEO or Manager iii. CFO iv. CS	 - - - -
c. Percentage increase in the median remuneration of employees in the financial year;	8.79
d. Number of permanent employees on the rolls of company;	120
e. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	8.79
f. Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

The information in respect of the Company required pursuant to Rule 5(2) and Rule

5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time is provided in **Annexure II** forming part of this report. In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. None of the employees listed in the said Annexure is related to any Director of the Company.

25. Compliance with Secretarial Standards on Board Meetings and General Meetings:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

26. Protection of Women at Workplace:

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. This has been widely disseminated.

The Company has complied with the requirement of an Internal Complaints Committee as stipulated under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 consisting of five members.

There were no cases of sexual harassment reported to the Company during F.Y. 2019-20.

27. Auditor's Report:

The Auditors report to the shareholders does not contain any qualification, observation or comment or remark(s) which has/have an adverse effect on the functioning of the Company.

28. Auditor:

The Auditor, M/s M K Dandeker & Co., were appointed as Statutory Auditor for a period of five continuous years from the conclusion of Sixth Annual General Meeting held on 29th September 2016 till the conclusion of Eleventh Annual General Meeting.

Certificate from the Auditor has been received to the effect that they are eligible to act as auditor of the Company and their appointment would be within the limits as prescribed under section 141 of the Companies Act, 2013.

29. **Secretarial Audit Report:**

The Secretarial Audit Report issued by M/s. Kota & Associates, Practicing Company Secretary is attached as **Annexure III** to the Annual Report.

The Secretarial Auditor's report to the shareholders does not contain any qualification or reservation which has any material adverse effect on the functioning of the Company.

30. **Details of Significant & Material Orders Passed by the Regulators or Courts or Tribunals:**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

31. **Extract of Annual Return:**

As per the provisions of section 92(3) of the Companies Act, 2013, an extract of the Annual Return in form MGT-09 is attached as **Annexure IV** to this Report.

32. **Other Disclosures:**

The Company has been complying with the requirement of submitting a half yearly return to BSE Limited within the prescribed timelines.

The Auditors of the Company have not reported any fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

33. **Debenture Trustee:**

The Company has issued unsecured debentures amounting to Rs. 1000 crore as on 31st March 2020.

M/s SBICAP Trustee Company Limited, having their office at 6th Floor, Apeejay House, Dinshaw Wachcha Road, Churchgate, Mumbai- 400020 have been appointed as the Debenture Trustee for the same.

34. Acknowledgement

Your Directors take this opportunity to thank the Government of Telangana, Government of India, customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges, Debenture Trustee and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Sd/-	Sd/-
Vijayabhaskara Kalakota Reddy	**Ajit Pandurang Rangnekar**
Managing Director &	Independent Director
Chief Executive Officer	(DIN: 01676516)
(DIN:01683467)	

Place: Hyderabad

Date: 11.05.2020

ANNEXURE I

INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013, REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Conservation of Energy

The operations of the Company are energy-intensive. However, energy conservation is a priority for the Company. Appropriate methodologies have been implemented for effective energy utilization. Further, the rolling stock and lifts have inbuilt energy regeneration technology and effective methodologies have been adopted to achieve reduction in energy consumption. Various steps are being taken for conservation of energy on a continuous basis.

Solar Energy

The Company has installed solar panels at nineteen Metro Stations with capacity of 2692 kWp and depots with 3230 kWp with that are operational. Furthermore, capacity of 2285 kWp is under installation at other Metro Stations and 689kWp at Miyapur Metro Depot.

Technology Absorption, Adaption and Innovation

There was no Technology Absorption during the year.

Foreign Exchange Earning and Outgo

During the year under review, the foreign exchange outgo was Rs. 347.26 Crores

ANNEXURE II

Statement of particulars of employees pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board Report for the period ended 31st March 2020

Name of the employee	DOJ	Nature of employment	Designation	CTC in Rupees	Highest Qualification and experience	Last employment held	Age	% equity share held	Whether any relation with Director/ Manager
K V B Reddy	24-01-2018	Regular	Managing Director & CEO	3,59,10,695	BE, PGDBM, 36 years	Essar Power	58	-	No
Anil Kumar	03-01-2011	Regular	Chief Operating Officer - Railway Systems	1,15,06,473	MBA & B. Tech, 27.04 years	Delhi Airport Express Air Link (Reliance ADAG Group)	50	1 share jointly with L&T Limited	No
Sanjay Kumar	10-10-2016	Regular	Head - Human Resource	90,05,474	B. Tech & PGDBA, 28 years	Reliance Power	55	-	No
P Ravishankar	01-08-2011	Regular	VP & Head - TOD, Project Planning, Control & Contract	75,00,000	MCS & B. Tech, 24.07 years	L&T Limited	50	1 share jointly with L&T Limited	No
J. Ravikumar	01-04-2011	Regular	Chief Financial Officer	67,42,704	CA, 33 years	L&T Limited	63	1 share jointly with L&T Limited	No
Chunduru Vijayananda	01-11-2010	Regular	General Manager-Finance & Accounts	57,24,000	CA & LLB, 34.9 years	L&T Limited	59	1 share jointly with L&T Limited	No
Chandrachud D. Paliwal	02-05-2018	Regular	Head - Legal & Company Secretary	56,92,693	CS, LLB PGDLL & ACIS (UK), 22 years	Essar Power	43	1 share jointly with L&T Limited	No
Parasaram Srinivasa Murthy	02-11-2016	Regular	Head - Electrical & MEP	56,68,218	B. Tech, 31.4 years	Energy Infra Consulting India (P) Ltd.	56		No
Ashutosh Kumar Das	07-12-2016	Regular	Head - Supply Chain Management	56,50,584	MBA & B. E, 20.03 years	GMR Hyderabad International Airport	51	-	No
Anindita Sinha	07-05-2018	Regular	Head - Corporate Communications	43,21,737	B.A., 28.3 years	GMR Hyderabad International Airport	51		No

ANNEXURE- III

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,

The Members,

M/s. L&T METRO RAIL (HYDERABAD) LIMITED,

CIN: U45300TG2010PLC070121

5th Floor, Hyderabad Metro Rail Administrative Building,

Uppal Main Road, Nagole,

Hyderabad - 500 039.

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **L&T METRO RAIL (HYDERABAD) LIMITED** (hereinafter called the company). 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.

2. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company which was made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31stMarch, 2020, 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, minutes' book, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch, 2019 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) viz:-

   a) The Securities and Exchange Board of India (Issue and listing of debt securities) Regulations, 2008;

   b) The Securities and Exchange Board of India (Registrars to an Issue and Share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;

v) The laws that are specifically applicable to the Company are listed in Annexure B:

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

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

ii) Listing agreement entered into with BSE Limited, Mumbai, for listing of Debt Securities.

Further, it has been informed to us that, in the opinion of the management of the Company, all the related party transactions entered by the Company during the period under review have been entered on Arm's length basis and in the ordinary course of business and therefore, compliance of provisions of Companies Act, 2013 in respect of any of these transactions do not arise.

I further report that the related documents that we have come across depict that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. One Independent director whose tenure has been expired on 15th of February, 2020 and by the time of preparing this report we find that there is a process of appointment of another Independent director in place of the vacating director within the time.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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. However, agenda for the Board meeting dated 10.07.2019 was sent on 06.07.2019 while the Notice was duly sent on 2nd July,2019 i.e. with a clear seven days advance notice.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that, based on our limited review, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Place: Hyderabad
Date: 8th May, 2020

Sd/-
Kota Srinivas
Company Secretary in Practice
FCS 10597
CP No.14300

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 Members
L&T METRO RAIL (HYDERABAD) LIMITED,
CIN: U45300TG2010PLC070121
5th Floor, Hyderabad Metro Rail Administrative Building,
Uppal Main Road, Nagole,
Hyderabad - 500 039.

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.,

5. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 8th May, 2020

Sd/-
Kota Srinivas
Company Secretary in Practice
FCS 10597
CP No.14300

Annexure B

List of Applicable Acts

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;

2. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

3. The Securities and Exchange Board of India (Issue and listing of Debit securities) Regulations, 2008.

4. The Securities and Exchange Board of India (Registrars to an Issue and Share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client.

5. The Metro Railways (Construction of Works) Act, 1978.

6. The Metro Railways (Operation & Maintenance) Act, 2002 and the Rules made thereunder.

7. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;

8. The Minimum Wages Act, 1948 read with the Minimum wages (central) Rules, 1950;

9. The Payment of Gratuity Act,1972 read with the Payment of Gratuity (Central) Rules 1972;

10. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952;

11. The Contract Labour (Regulation & Abolition) Act, 1970 read with the Contract Labour (Regulation and Abolition) Rules, 1971;

12. Income Tax Act, 1961 read with Income Tax Rules;

13. The Central Sales Tax Act, 1956 read with the Central Sales Tax (Registration & Turnover) Rules, 1957;

14. Service Tax Provisions under Finance Act, 1994 read with the Service Tax Rules, 1994 and the Service Tax (Registration of Special Category of Persons) Rules, 2005 and the Cenvat Credit Rules, 2004;

15. The Personal Injuries (Compensation) Insurance Act, 1963;

16. The Information Technology Act, 2000 (as amended by Information Technology Amendment Act, 2008);

17. The Maternity Benefit Act, 1961;

18. The Indian Telegraph Act, 1885 & the Indian Telegraph Rules, 1951;

19. The Indian Wireless Telegraphy Act, 1933;

20. The Registration Act, 1908;

21. Indian Stamp Act, 1899;

22. Motor Vehicles Act, 1988;

23. The Building & Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998;

24. The Building and Construction Workers Welfare Cess Act, 1996 and the Building and Construction Workers Welfare Cess Rules, 1998;

25. Multi-Storeyed Buildings Regulations, 1981;

26. The Andhra Pradesh Rules for Construction and Regulation of Multiplex Complexes, 2007;

27. The Andhra Pradesh Building Rules, 2012;

28. Andhra Pradesh Fire Services Act, 1999 and the Andhra Pradesh Fire and Emergency Operations and Levy of Fee Rules, 2006;

29. The Greater Hyderabad Municipal Corporations Act, 1955;

30. Andhra Pradesh Minimum Wages Rules, 1960,

31. The Andhra Pradesh Motor Vehicles Rules, 1989;

32. The Andhra Pradesh Motor Vehicles Taxation Act, 1963 and the Rules made thereunder;

33. The Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 and the Rules made thereunder;

34. The Andhra Pradesh Shops and Establishments Act, 1988;

35. The Andhra Pradesh State Electricity Board (Recovery of Dues) Act, 1984 and the Andhra Pradesh State Electricity Board (Recovery of Debts) Rules, 1985;

36. The Andhra Pradesh Compulsory Gratuity Insurance Rules, 2011;

37. The Andhra Pradesh Contract Labour (Regulation and Abolition) Rules, 1971;

38. The Employment exchanges (Compulsory notification of vacancies) Act, 1959;

39. Andhra Pradesh Value Added Tax Act, 2005 and the Rules made thereunder;

40. The Hyderabad Metropolitan Water Supply and Sewerage Act, 1989 and the Rules made thereunder;

41. Andhra Pradesh Water, Land and Trees Act, 2002 and Andhra Pradesh Water, Land and Trees Rules, 2004;

ANNEXURE - IV
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2020
[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN:-	U45300TG2010PLC070121
(ii)	Registration Date	24th August, 2010
(iii)	Name of the Company	L&T Metro Rail (Hyderabad) Limited
(iv)	Category / Sub-Category of the Company	Public Limited/ Non-government Company
(v)	Address of the Registered office and contact details	Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole, Hyderabad, Telangana- 500039 Tel: 040-22080000
(vi)	Whether listed company Yes / No	No*
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited 4th Floor, Trade World A Wing Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013 Ph. No. – 022 2499 4720; Email – info_ndml@nsdl.co.in

*The Un-secured, Non-convertible Redeemable Debentures issued by the Company aggregating to Rs. 1000 Crore are listed on BSE Limited.

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Land transport via Railways	6021	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Name and Address of The Company	**CIN/GLN**	**HOLDING/ SUBSIDIARY/ ASSOCIATE**	**% of shares held**	**Applicable Section**
Larsen and Toubro Limited, L & T House, Ballard Estate Mumbai, Maharashtra- 400001	L99999MH1946PLC004768	Holding Company	99.99%	2(87)

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

i. *Category-wise Share Holding*

Category of Shareholders	***No. of shares held at the beginning of the year***				***No. of shares held at the end of the year***				**% Change during the year**
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt. (s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	2427175964	-	2427175964	100	2438999999	-	2438999999	100	0.49-
Banks / FI	-	-	-	-					-
Any Other	-	-	-	-					-
Sub-total (A) (1):-	**2427175964**	**-**	**2427175964**	**100**	**2438999999**	**-**	**2438999999**	**100**	**0.49**
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**2427175964**	**-**	**2427175964**	**100**	**2438999999**	**-**	**2438999999**	**100**	**0.49**
B. **Public Shareholding**									
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	1	1	-		1	1	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**1**	**1**	**-**		**1**	**1**	**-**	**-**
2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(B)=(B)(1)+ (B)(2)	**-**	**1**	**1**	**-**		**1**	**1**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2427175964**	**1**	**2427175965**	**100**	**2438999999**	**1**	**2439000000**	**100**	**0.49**

* Shares held by the individuals jointly with Larsen and Toubro Limited.

ii. ***Shareholding of Promoters:***

S. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			**% change in shareholding 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.	Larsen and Toubro Limited	2427175964	99.99%	51%	2438999999	99.99%	51%	0.49
	Total:	**2427175964**	**99.99%**	**51%**	**2438999999**	**99.99%**	**51%**	**0.49**

iii. Change in Promoters' Shareholding

	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				
Larsen and Toubro Limited	242,71,75,964	99.99%	242,71,75,964	99.99%
11th June 2019 – Allotment – Rights Issue				
Larsen and Toubro Limited	1,18,24,035	99.99%	243,89,99,999	99.99%
At the End of the year				
Larsen and Toubro Limited	243,89,99,999	99.99%	243,89,99,999	99.99%

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

Sl. No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	For Each of the Directors and KMP *	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year	-	-	-	-

*Notes:
Mr. J. Ravikumar, Chief Financial Officer and Mr. Chandrachud D Paliwal, Company Secretary each holds one Equity Share of value Rs. 10 each fully paid up Jointly with M/s. Larsen And Toubro Limited.

V. INDEBTEDNESS ACCOUNTS:

		Secured Loans excluding deposits **(Rs.)**	Unsecured Loans *	Deposits	Total Indebtedness **(Rs.)**
Indebtedness at the beginning of the financial year					
i).	Principal Amount	11012,25,92,336	996,78,01186	106,85,62,400	12115,89,55,922
ii).	Interest due but not paid				
iii).	Interest accrued but not due	39,74,86,977			39,74,86,977
Total (i+ii+iii)		**11052,00,79,313**	**996,78,01,186**	**106,85,62,400**	**12155,64,42,899**
Change in Indebtedness during the financial year					
Addition		2285,61,59,681	4,24,231	146,94,83,955	2432,60,67,867
Reduction					
Net Change					
Indebtedness at the end of the financial year					
i).	Principal Amount	13337,62,38,994	996,82,25417	2538046,355	14588,25,10,766
ii).	Interest due but not paid				
iii).	Interest accrued but not due	424,00,97,997			424,00,97,997
Total (i+ii+iii)		**13761,63,36,991**	**996,82,25417**	**253,80,46,355**	**15012,26,08,763**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.n.	Particulars of Remuneration			Total Amount
	Name		**Mr. K V B Reddy**	
	Designation		**Managing Director & Chief Executive Officer**	
1.	Gross salary		**(Rs.)**	**(Rs.)**
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26281258	26281258
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	9629437	9629437
	(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option		-	
3.	Sweat Equity		-	
4.	Commission		-	
		- as % of profit		
		- others, specify…		
5.	Others, please specify		-	
	Total (A)		**3,59,10,695**	**3,59,10,695**
	***Ceiling as per the Act**		4,81,96,290	

*** Maximum permissible Limit as per Schedule V of the Companies Act, 2013*

(B). Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	***Mrs. Sheela Bhide***	***Mr. Ajit Rangnekar***	***Mr. M R Prasanna***	
	➢ Fee for attending board / committee meetings	Rs. 95,000	Rs. 1,75,000	Rs. 1,60,000	Rs. 4,30,000
	➢ Commission	-	-	-	-
	➢ Others, please specify	-	-	-	-
	Total (1)	Rs. 95,000	Rs. 1,75,000	Rs. 1,60,000	Rs. 4,30,000
2.	Other Non-Executive Directors / Nominee Director	**Mr. N V S Reddy**		-	-
	➢ Fee for attending board / committee meetings	Rs. 75,000	**-**	-	Rs. 75,000
	➢ Commission	-	-	-	-
	➢ Others, please specify	-	-	-	-
	Total (2)	Rs. 75,000	-	-	Rs. 75,000
	Total (B)=(1+2)				Rs. 5,05,000
Total Managerial Remuneration		-	-	-	-
Overall Ceiling as per the Act		-	-	-	-

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

Sl.no	Particulars of Remuneration		Key Managerial Personnel		
			Company Secretary	**CFO**	**Total**
	Name		**Mr. Chandrachud D Paliwal**	**Mr. J. RaviKumar**	
1.	Gross salary				
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56,92,693	67,03,050	**123,95,743**
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	39,654	**39,654**
	(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-		
2.	Stock Option		-		
3.	Sweat Equity		-		
4.	Commission		-		
		- as % of profit			
		- others, specify…			
5.	Others, please specify		-		
	Total (A)		**56,92,693**	**67,42,704**	**124,35,397**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. L&T Metro Rail (Hyderabad) Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **L&T Metro Rail (Hyderabad) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matters	Auditor's Response
1	Impairment on Intangible Assets The operation and maintenance of the Metro Rail System involves a long concession period. Further, the project also got delayed as against the originally estimated completion date as mentioned in the concession agreement resulting in cost overruns. It is therefore necessary to test the assets for impairment to ensure that the carrying value of the assets does not exceed their recoverable amount. The recoverable value of Intangible assets rights is determined on the basis of projections which involve technical estimations and management judgements. Therefore, impairment assessment is necessary at every year end to ensure that the carrying value of the assets is fairly stated. Refer Note Point II (10) of Note 26	Designed and performed audit procedures with respect to impairment testing workings including the assumptions and estimates used in evaluation of carrying values of assets where there is an indication of impairment. In respect of internal valuations, we examined the projections and validated the underlying assumptions used. Validated the projections used for F.Y. 2018-19, with the actual traffic by performing retrospective testing and ensured that the future projections are backed up by appropriate documents/reasoning.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future event or condition may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statement, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence , and where application , related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of Ind AS financial statement s of the current period and are therefore the key audit matters. We describe these matters in our auditor's reports unless law or regulation preclude public disclosure about the matters or when, in extreme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of accounts 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, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) 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 B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 17 to the Ind AS financial statements

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M.K. Dandeker & Co.,
(ICAI Regn. No. 000679S)

Sd/-

S. Poosaidurai
Partner
Chartered Accountants
Membership No. 223754

UDIN: 20223754AAAAEE9778
Date: May 11, 2020
Place: Chennai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

1. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets:

   b. The Fixed Assets have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification.

   c. The title deeds of immovable properties are held in the name of the Company.

2. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification between physical stock and book records.

3. The Company has not granted unsecured loans which are repayable on demand to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The terms of such loans are not prejudicial to company's interest.

4. According to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 are complied with in respect of loans, investments, guarantees and securities given by the Company, if any.

5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

6. The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of services carried out by the Company.

7. a. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

b. According to the information and explanation given to us, the following dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of dispute.

Name of the Statute	**Nature of the Dues**	**Amount ₹**	**Period to which amount relates**	**Forum where dispute is pending**
The Greater Hyderabad Municipal Corporation Act, 1955	Advertisement Tax	4,34,50,683	2016 -19	GHMC, Hyderabad

8. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders, if any.

9. The Company has not taken any term loans or raised any money by way of initial public offer or further Public offer during the year. The money's raised by way of debt instruments and term loans were applied for the purposes for which those are raised.

10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us and based on our examination of the records of the Company, 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.

12. The Company is not a Nidhi Company and hence clause3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.

13. 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 sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14. 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.

15. According to the information and explanations 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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M.K. Dandeker & Co.,
(ICAI Regn. No. 000679S)

Sd/-
S. Poosaidurai
Partner
Chartered Accountants
Membership No. 223754

UDIN: **20223754AAAAEE9778**
Date: May 11, 2020
Place: Chennai

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **L&T Metro Rail (Hyderabad) Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS 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 (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations 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 subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. K. Dandeker & Co.,
(ICAI Regn. No. 000679S)

Sd/-
S. Poosaidurai
Partner
Chartered Accountants
Membership No. 223754

UDIN: **20223754AAAAEE9778**
Date: May 11, 2020
Place: Chennai

L&T Metro Rail (Hyderabad) Limited
Balance Sheet as at March 31, 2020

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, Plant and Equipment	1	1,31,97,76,833	1,86,64,78,184
b) Investment property	2	12,51,54,06,072	11,97,43,03,687
c) Intangible assets	3	1,58,20,15,47,326	35,80,25,53,686
d) Intangible assets under development	4	-	1,07,54,38,28,386
e) Other financial assets	5	10,55,50,602	7,44,19,459
f) Deferred tax assets (net)	6	-	5,97,014
g) Other non-current assets	7	48,14,57,293	1,23,45,40,037
		1,72,62,37,38,126	**1,58,49,67,20,453**
Current assets			
a) Inventories	8	8,44,73,899	4,32,37,335
b) Financial Assets			
i) Trade receivables	9	29,29,83,663	24,31,38,468
ii) Cash and cash equivalents	10	2,53,75,28,470	31,37,58,257
iii) Bank balances other than ii above	10	5,00,12,08,921	38,71,04,420
iv) Other financial assets	5	45,09,400	1,63,98,062
c) Other current assets	7	8,56,03,083	7,19,61,703
		8,00,63,07,436	**1,07,55,98,245**
TOTAL ASSETS		**1,80,63,00,45,562**	**1,59,57,23,18,698**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11	24,39,00,00,000	24,27,17,59,650
b) Other equity	12	(5,96,28,57,773)	(2,18,93,47,057)
		18,42,71,42,227	**22,08,24,12,593**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	13	1,38,13,36,77,411	1,20,48,78,80,499
ii) Other financial liabilities	14	63,63,86,392	60,78,97,256
b) Provisions	15	28,53,85,334	6,50,85,213
		1,39,05,54,49,137	**1,21,16,08,62,968**
Current liabilities			
a) Financial liabilities			
i) Borrowings	13	2,53,80,46,355	1,06,85,62,400
ii) Other financial liabilities	14	20,31,17,36,986	15,00,56,24,603
b) Other current liabilities	16	25,35,60,084	21,10,38,962
c) Provisions	15	4,41,10,773	4,38,17,172
		23,14,74,54,198	**16,32,90,43,137**
TOTAL EQUITY AND LIABILITIES		**1,80,63,00,45,562**	**1,59,57,23,18,698**
Contingent liabilities	17		
Commitments	18		
Notes forming part of the Financial Statements	1 to 25		
Significant accounting policies	26		

As per our report attached
For M.K.Dandeker & Co.,
Firm registration number : 000679S
Chartered Accountants
by the hand of

Sd/-
S.Poosaidurai
Partner
Membership No : 223754

Place : Chennai
Date : 11.05.2020

For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited

Sd/-
K.V.B.Reddy
[Managing Director & Chief Executive Officer]
DIN No: 01683467

Sd/-
Ajit Rangnekar
[Director]
DIN No: 01676516

Sd/-
J.Ravi Kumar
[Chief Financial Officer]
Membership No: 023240

Sd/-
Chandrachud D Paliwal
[Company Secretary]
Membership No: F5577

Place : Hyderabad
Date : 11-May-2020

L&T Metro Rail (Hyderabad) Limited
Statement of Profit and loss for the year ended March 31, 2020

Particulars	Note No	2019-20	2018-19
INCOME			
Revenue from Operations	19	5,87,28,10,955	3,13,03,12,864
Construction contract revenue		7,72,36,67,275	13,16,00,39,806
Other income	20	10,92,01,185	5,42,88,353
Total Income		**13,70,56,79,415**	**16,34,46,41,023**
EXPENSES			
Construction contract expenses		7,72,36,67,275	13,16,00,39,806
Operating expenses	21	2,36,90,30,582	1,54,64,31,591
Employee benefit expenses	22	24,25,16,636	16,00,78,601
Administration and other expenses	23	30,91,18,255	17,78,34,006
Finance costs	24	5,42,79,23,637	2,15,37,58,487
Depreciation and amortisation		1,45,54,80,173	61,97,18,958
Total Expenses		**17,52,77,36,558**	**17,81,78,61,449**
Profit/(loss) before tax for the period		(3,82,20,57,143)	(1,47,32,20,426)
Tax Expense:			
Deferred tax	6	-	82,43,905
		-	**82,43,905**
Profit/(loss) after tax for the period		**(3,82,20,57,143)**	**(1,48,14,64,331)**
Other Comprehensive Income			
Items that will be reclassified to Profit & Loss			
Changes in fair value of cash flow hedges		4,85,46,427	(72,46,696)
Total Comprehensive Income for the period		**(3,77,35,10,716)**	**(1,48,87,11,027)**
Earnings per equity share	25.8		
Basic & Diluted		(1.569)	(0.629)
Face value per equity share		10.00	10.00
Notes forming part of the Financial Statements	1 to 25		
Significant accounting policies	26		

As per our report attached
For M.K.Dandeker & Co.,

Firm registration number : 000679S
Chartered Accountants
by the hand of

Sd/-
S.Poosaidurai
Partner
Membership No : 223754

Place : Chennai
Date : 11.05.2020

For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited

Sd/-
K.V.B.Reddy
[Managing Director & Chief Executive Officer]
DIN No: 01683467

Sd/-
Ajit Rangnekar
[Director]
DIN No: 01676516

Sd/-
J.Ravi Kumar
[Chief Financial Officer]
Membership No: 023240

Sd/-
Chandrachud D Paliwal
[Company Secretary]
Membership No: F5577

Place : Hyderabad
Date : 11-May-2020

L&T Metro Rail (Hyderabad) Limited
Statement of Cash Flows for the year ended March 31, 2020

S. No.	Particulars	2019-20 ₹	2018-19 ₹
A	**Net profit / (loss) before tax**	(3,82,20,57,143)	(1,47,32,20,426)
	Adjustment for		
	Depreciation and amortisation expense	1,45,54,80,173	61,97,18,958
	Finance Cost	5,42,79,23,637	2,15,37,58,487
	Interest income	(1,95,77,203)	(1,16,10,671)
	(Profit)/loss on sale of current investments(net)	(2,89,33,792)	(4,26,18,663)
	(Profit)/loss on sale of fixed assets	-	20,306
	Other non cash items	4,85,46,427	(72,46,696)
	Operating profit before working capital changes	**3,06,13,82,099**	**1,23,88,01,295**
	Adjustments for:		
	Increase / (Decrease) in long term provisions	22,03,00,121	7,42,83,078
	Increase / (Decrease) in other current liabilities	1,51,20,05,077	1,21,75,32,061
	Increase / (Decrease) in other current financial liabilities	9,53,25,383	3,13,30,52,022
	Increase / (Decrease) in other non-current financial liabilities	17,45,23,522	(24,53,38,096)
	Increase / (Decrease) in short term provisions	2,93,601	(7,74,502)
	(Increase) / Decrease in long term loans and advances	89,45,74,344	(30,67,66,047)
	(Increase) / Decrease in other non-current financial assets	(3,11,31,143)	(4,45,47,704)
	(Increase) / Decrease in other non-current assets	(14,08,94,586)	(11,20,43,976)
	(Increase) / Decrease in Inventories	(4,12,36,564)	(1,74,98,902)
	(Increase) / Decrease in Trade Receivables	(4,98,45,195)	(17,98,59,398)
	(Increase) / Decrease in short term loans and advances	1,18,88,662	(1,55,15,145)
	(Increase) / Decrease in other current assets	(4,62,77,45,881)	(24,20,71,691)
	Net cash generated from/(used in) operating activities	**1,07,94,39,440**	**4,49,92,52,994**
	Direct taxes paid (net of refunds)	(14,60,34,386)	(11,03,20,593)
	Net Cash(used in)/generated from Operating Activities	**93,34,05,054**	**4,38,89,32,401**
B	**Cash flow from investing activities**		
	Purchase of fixed assets	(16,30,50,46,461)	(22,84,16,41,087)
	Sale of fixed assets	-	(20,306)
	Purchase of current investments	(10,35,03,28,035)	(11,83,47,30,773)
	Sale of current investments	10,37,92,61,826	11,87,73,49,435
	Interest received	1,95,77,203	1,16,10,671
	Net cash (used in)/generated from investing activities	**(16,25,65,35,467)**	**(22,78,74,32,059)**
C	**Cash flow from financing activities**		
	Proceeds from issue of Equity Share Capital	11,82,40,350	2,20,19,86,309
	Proceeds from long term borrowings	22,85,65,83,912	18,37,55,64,352
	Interest paid	(5,42,79,23,636)	(2,15,37,58,486)
	Net cash (used in)/generated from financing activities	**17,54,69,00,626**	**18,42,37,92,174**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**2,22,37,70,213**	**2,52,92,516**
	Cash and cash equivalents as at the beginning of the year	31,37,58,257	28,84,65,741
	Cash and cash equivalents as at the end of the year	2,53,75,28,470	31,37,58,257

Notes: 1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
2. Purchase of Fixed assets represents additions to property, plant and equipment, investment property and intangible assets adjusted for movement of (a) capital work in progress for property plant and equipment and investment property & (b) intangible assets under development during the year
3. Cash and cash equivalents represent cash and bank balances.
4. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached
For M.K.Dandeker & Co.,

Firm registration number : 000679S
Chartered Accountants
by the hand of

Sd/-
S.Poosaidurai
Partner
Membership No : 223754

Place : Chennai
Date : 11.05.2020

For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited

Sd/-
K.V.B.Reddy
[Managing Director & Chief Executive Officer]
DIN No: 01683467

Sd/-
Ajit Rangnekar
[Director]
DIN No: 01676516

Sd/-
J.Ravi Kumar
[Chief Financial Officer]
Membership No: 023240

Sd/-
Chandrachud D Paliwal
[Company Secretary]
Membership No: F5577

Place : Hyderabad
Date : 11-May-2020

L&T Metro Rail (Hyderabad) Limited
Statement of changes in Equity for the year ended 31 March, 2020

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	2,42,71,75,965	24,27,17,59,650	2,20,69,77,334	22,06,97,73,340
Issued during the year as fully paid	1,18,24,035	11,82,40,350	22,01,98,631	2,20,19,86,310
At the end of the year	**2,43,90,00,000**	**24,39,00,00,000**	**2,42,71,75,965**	**24,27,17,59,650**

B. Other Equity
Other Equity as on 31.03.2019 ₹

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance as at 1.4.2018	-	(4,12,99,731)	2,82,08,066	(68,75,44,365)	(70,06,36,030)
Profit/(loss) for the year	-	-	-	(1,48,14,64,331)	(1,48,14,64,331)
Other comprehensive income	-	(72,46,696)	-	-	(72,46,696)
Issue of Share Capital	-	-	-	-	-
Balance as at 31.03.2019	**-**	**(4,85,46,427)**	**2,82,08,066**	**(2,16,90,08,696)**	**(2,18,93,47,057)**

Other Equity as on 31.03.2020 ₹

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance as at 1.4.2019	-	(4,85,46,427)	2,82,08,066	(2,16,90,08,695)	(2,18,93,47,056)
Profit/(loss) for the year	-	-	-	(3,82,20,57,143)	(3,82,20,57,143)
Other comprehensive income	-	4,85,46,427	-	-	4,85,46,427
Issue of Share Capital	-	-	-	-	-
Balance at the end of the reporting period	**-**	**-**	**2,82,08,066**	**(5,99,10,65,838)**	**(5,96,28,57,772)**

As per our report attached
For M.K.Dandeker & Co.,

Firm registration number : 000679S
Chartered Accountants
by the hand of

Sd/-
S.Poosaidurai
Partner
Membership No : 223754

Place : Chennai
Date : 11.05.2020

For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited

Sd/-
K.V.B.Reddy
[Managing Director & Chief Executive Officer]
DIN No: 01683467

Sd/-
Ajit Rangnekar
[Director]
DIN No: 01676516

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J.Ravi Kumar
[Chief Financial Officer]
Membership No: 023240

Sd/-
Chandrachud D Paliwal
[Company Secretary]
Membership No:F5577

Place : Hyderabad
Date : 11-May-2020

L&T Metro Rail (Hyderabad) Limited
Notes forming part of the Financial Statements

1 Property, Plant and Equipment

₹

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2019	**Additions**	**Deductions**	**As at March 31, 2020**	**As at April 01, 2019**	**For the year**	**Deductions**	**As at March 31, 2020**	**As at March 31, 2020**	**As at March 31, 2019**
Tangible Assets										
Plant and Machinery										
Leased out	1,75,01,52,320	27,04,16,280	67,15,10,475	1,34,90,58,125	13,21,85,886	13,16,42,875	5,49,33,287	20,88,95,474	1,14,01,62,651	1,61,79,66,434
Computers	2,56,51,249	4,04,542	3,77,836	2,56,77,955	1,76,55,205	33,50,405	3,54,678	2,06,50,932	50,27,023	79,96,044
Furniture & Fixtures	27,88,37,400	22,25,598	-	28,10,62,998	8,80,17,942	4,36,46,017	-	13,16,63,959	14,93,99,039	19,08,19,457
Office Equipment	14,52,92,543	5,04,930	-	14,57,97,473	9,57,31,259	2,50,13,059	-	12,07,44,318	2,50,53,155	4,95,61,284
Vehicles	13,62,250	-	-	13,62,250	12,27,285	-	-	12,27,285	1,34,965	1,34,965
Total	**2,20,12,95,762**	**27,35,51,350**	**67,18,88,311**	**1,80,29,58,801**	**33,48,17,577**	**20,36,52,356**	**5,52,87,965**	**48,31,81,968**	**1,31,97,76,833**	**1,86,64,78,184**

2 Investment Property

A) Completed property - leased out

₹

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2019	**Additions**	**Deductions**	**As at March 31, 2020**	**As at April 01, 2019**	**For the year**	**Deductions**	**As at March 31, 2020**	**As at March 31, 2020**	**As at March 31, 2019**
Tangible Assets										
Buildings	5,31,83,36,133	1,06,32,84,833	-	6,38,16,20,966	9,44,03,723	10,97,52,027	-	20,41,55,750	6,17,74,65,216	5,22,39,32,411
Land License rights	62,17,07,691	5,77,77,162	-	67,94,84,853	1,15,22,922	1,19,77,727	-	2,35,00,649	65,59,84,204	61,01,84,769
Total	**5,94,00,43,824**	**1,12,10,61,995**	**-**	**7,06,11,05,819**	**10,59,26,645**	**12,17,29,754**	**-**	**22,76,56,399**	**6,83,34,49,420**	**5,83,41,17,180**

a) Amounts recognised in profit or loss for investment properties

₹

Particulars	**31.03.2020**	**31.03.2019**
Rental Income	89,55,78,879	59,35,37,426
Direct operating expenses from property that generated rental income	-	90,31,640

L&T Metro Rail (Hyderabad) Limited
Notes forming part of the Financial Statements

B) Capital work in Progress

₹

Particulars	As at April 01, 2019	Additions	As at March 31, 2020
Free hold land	15,57,000	-	15,57,000
Transit oriented development			
Work in progress	6,66,44,96,308	83,55,97,755	750,00,94,063
Land license rights	4,89,53,57,651		489,53,57,651
Salaries and wages	23,11,99,345	2,51,20,097	25,63,19,442
Interest expenses	1,30,76,10,503	5,39,34,956	136,15,45,459
Other expenses	5,86,42,110	1,85,95,611	7,72,37,721
	1315,88,62,917	**93,32,48,418**	**1409,21,11,336**
Transfer to Building	(5,31,83,36,133)	(1,06,32,84,833)	(6,38,16,20,966)
Transfer to Land license rights	(62,17,07,691)	(5,77,77,162)	(67,94,84,853)
Transfer to Property, Plant & Equipment	(1,07,86,32,585)	(27,04,16,280)	(1,34,90,48,865)
Total	**6,14,01,86,508**	**(45,82,29,857)**	**5,68,19,56,652**

b)

₹

Particulars	As at March 31, 2020	As at March 31, 2019
Contractual obligations to construct / develop the investment property	1,12,72,11,182	1,83,83,29,406

c)

₹

Amount shown under Investment property	As at March 31, 2020	As at March 31, 2019
Completed property leased out	6,83,34,49,420	5,83,41,17,180
Capital work in progress	5,68,19,56,652	6,14,01,86,507
TOTAL	**12,51,54,06,072**	**11,97,43,03,687**

i) There are no restrictions on realisability of income from investment property.

ii) The investment property comprises of various independent components for Transit Oriented Development having total development potential of about 18.5 million sq ft. Each Transit Oriented Development component is capable of independent exploitation and constitute independent business activities / undertakings and are currently in various stages of development.

iii) The company considers the carrying value of the investment property as its fair value as on the date of the Balance Sheet.

3 Intangible Assets

₹

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Intangible Assets	36,24,55,19,388	1,23,54,65,79,160	-	1,59,79,20,98,548	46,43,48,508	1,13,96,75,445	-	1,60,40,23,953	1,58,18,80,74,595	35,78,11,70,880
Specialised Software	5,45,27,167	11,67,492	-	5,56,94,659	3,31,44,360	90,77,568	-	4,22,21,928	1,34,72,731	2,13,82,806
Total	**36,30,00,46,555**	**1,23,54,77,46,652**	**-**	**1,59,84,77,93,207**	**49,74,92,868**	**1,14,87,53,013**	**-**	**1,64,62,45,881**	**1,58,20,15,47,326**	**35,80,25,53,686**

L&T Metro Rail (Hyderabad) Limited
Notes forming part of the Financial Statements

₹

Particulars	As at April 01, 2019	Additions	As at March 31, 2020
Fare collection rights			
Construction work in progress	12009,84,45,564	7,26,76,23,559	12736,60,69,123
Salaries and wages	199,77,22,483	9,61,23,918	209,38,46,401
Staff welfare and other expenses	16,89,63,443	1,03,47,674	17,93,11,117
Managerial Remuneration	10,95,14,776	94,64,494	11,89,79,270
Concession fees	7	1	8
Travelling & conveyance	19,00,37,708	63,56,557	19,63,94,265
Facility management, communication and other expenses	93,48,25,984	31,82,25,165	125,30,51,149
Interest expenses	3748,90,04,394	7,60,75,73,025	4509,65,77,419
Depreciation/ amortization	25,99,06,725	1,54,93,816	27,54,00,541
Other expenses	14,97,48,449	32,091	14,97,80,541
Total	**16139,81,69,535**	**15,33,12,40,300**	**17672,94,09,834**
Less			
Transfer to PPE	(67,15,10,475)	67,15,10,475	-
Transfer to Intangible asset	(36,24,55,19,388)	(1,23,54,65,79,160)	(15979,20,98,548)
Transfer to Investment property capital work in progress	(4,89,53,57,651)	-	(489,53,57,651)
Viability Gap Fund	(1204,19,53,635)	-	(1204,19,53,635)
Total	**10754,38,28,386**	**(1,07,54,38,28,385)**	**0**

5 Other financial assets ₹

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Security deposits	1,40,254	7,88,32,044	7,45,323	4,33,31,755
Financial Guarantee Assets	43,69,146	2,67,18,558	48,15,906	3,10,87,704
Derivative assets	-	-	1,08,36,833	-
Total	**45,09,400**	**10,55,50,602**	**1,63,98,062**	**7,44,19,459**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Deferred tax assets	-	5,97,014
Deferred tax liabilities	-	-
Total	**-**	**5,97,014**

Major components of deferred tax assets and liabilities are as follows : ₹

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
(i) Deferred tax liability		
(a) Tax effect on account of Cash flow hedges	-	-
	-	-
(ii) Deferred tax asset		
(a) Tax effect on account of difference between tax depreciation and book depreciation on fixed assets	-	-
(b) Tax effect on account of Preliminary and other expenses deductible u/s 35D	-	-
(c) Tax effect on account of capital gain on Land	-	-
(d) Tax effect on account of cash flow hedges	-	5,97,014
	-	5,97,014
Net Deferred tax liability [(i) - (ii)]	-	(5,97,014)
Increase / (decrease) in deferred tax asset charged / (credited) to the Statement of Profit and Loss	(5,97,014)	2,51,80,584
Less: Adjusted against Other Equity	(5,97,014)	3,34,24,489
Net increase / (decrease) in deferred tax asset charged / (credited) to the Statement of Profit and Loss	-	82,43,905

Deferred Tax

Major components of Deferred tax liabilities and assets ₹

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Balance Sheet		
Tax effect on account of Hedging Reserve	-	5,97,014
Tax effect on account of preliminary expenses and others	-	-
Profit and Loss		
a) Tax effect on account of capital gain on Land	-	-
b) Tax effect on account of difference between tax depreciation	-	-
Net Deferred Tax Assets/ (Liabilities)	**-**	**5,97,014**

Disclosure pursuant to Ind AS 12 - "Income taxes"

Major components of income tax expense

₹

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Current income Tax :		
Current income tax charge	-	-
Adjustments of current tax of previous year	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	-	-
Arising due to a write down of a deferred tax asset	-	82,43,905
Income tax reported in the statement of profit and loss	-	**(82,43,905)**
Current Tax and Deferred Tax - Equity		
Tax effect on account of Hedging Reserve	-	5,97,014
	-	**5,97,014**

7 Other non-current and current assets ₹

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Capital advances				
Related parties	-	14,13,53,500	-	7,66,44,660
Others	-	8,82,91,600	-	1,04,75,74,784
Advance recoverable other than in cash				
Prepaid Expenses	6,96,02,533	-	5,96,42,293	-
Others	1,60,00,550	-	1,23,19,410	-
Income tax (net)	-	25,18,12,193	-	11,03,20,593
Total	**8,56,03,083**	**48,14,57,293**	**7,19,61,703**	**1,23,45,40,037**

8 Inventories (at cost or net realisable value whichever is lower) ₹

Particulars	As at March 31, 2020	As at March 31, 2019
Stores and spares	8,44,73,899	4,32,37,335
Total	**8,44,73,899**	**4,32,37,335**

9 Trade receivables ₹

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current
Considered good Unsecured	41,48,12,981	-	27,99,74,368	-
Less : Allowance for doubtful debts	12,18,29,318	-	3,68,35,900	-
Total	**29,29,83,663**	**-**	**24,31,38,468**	**-**

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

10 Cash and cash equivalents ₹

Particulars	As at March 31, 2020		As at March 31, 2019	
(i) Cash and cash equivalents				
a) Balances with banks in current accounts	1,13,37,57,665		29,42,32,658	
b) Cash on hand	35,29,161		1,45,24,520	
c) Deposits with maturity of less than three months including interest accrued thereon	1,40,02,41,644	2,53,75,28,470	50,01,079	31,37,58,257
(ii) Other bank balances				
a) Earmarked deposit for DSCR support	4,97,57,15,500		-	
b) Balances with banks held as margin money deposits	2,54,93,421	5,00,12,08,921	38,71,04,420	38,71,04,420
Total		**7,53,87,37,391**		**70,08,62,677**

The deposits maintained by the Company with banks under 10(i)(c) above comprise of time deposits which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

L&T Metro Rail (Hyderabad) Limited

11 Share Capital

₹

(i) Authorised, issued, subscribed and paid up	As at March 31, 2020		As at March 31, 2019	
Particulars	**No. of shares**	**₹**	**No. of shares**	**₹**
Authorised:				
Equity shares of ₹ 10 each	2,43,90,00,000	24,39,00,00,000	2,43,90,00,000	24,39,00,00,000
Issued, subscribed and fully paid up	2,43,90,00,000	24,39,00,00,000	2,42,71,75,965	24,27,17,59,650
Equity shares of ₹ 10 each	**2,43,90,00,000**	**24,39,00,00,000**	**2,42,71,75,965**	**24,27,17,59,650**

₹

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:	As at March 31, 2020		As at March 31, 2019	
Particulars	**No. of shares**	**₹**	**No. of shares**	**₹**
At the beginning of the year	2,42,71,75,965	24,27,17,59,650	2,20,69,77,334	22,06,97,73,340
Issued during the year as fully paid	1,18,24,035	11,82,40,350	22,01,98,631	2,20,19,86,310
At the end of the year	**2,43,90,00,000**	**24,39,00,00,000**	**2,42,71,75,965**	**24,27,17,59,650**

(iii) Terms / rights attached to shares

Equity shares

a) The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

b) The company has not issued any securities during the year with the right/option to convert the same into equity shares at a later date.

c) The company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

d) The shares issued carry equal rights to dividend declared by the company and no restrictions are attached to any specific shareholder.

e) The Company has allotted one non-transferable equity share (the Golden Share) to the Government of Telangana (Government) having a par value of ₹ 10 in pursuance of the Shareholders Agreement entered into with the Government and others. In terms of the said agreement, the Government shall be entitled to appoint a nominee director on the board of directors of the company and so long as the Government holds the Golden Share, an affirmative vote of the Government or the director appointed by the government shall be required for passing of, by the general meeting of the company or the meeting of board of directors thereof, as the case may be, any resolution on all the reserved matters as specified in the said agreement.

(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:	As at March 31, 2020		As at March 31, 2019	
Particulars	**No. of shares**	**₹**	**No. of shares**	**₹**
Larsen & Toubro Limited	2,43,89,99,994	24,38,99,99,940	2,42,71,75,959	24,27,17,59,590
Total	**2,43,89,99,994**	**24,38,99,99,940**	**2,42,71,75,959**	**24,27,17,59,590**

(v) Details of Shareholders holding more than 5% shares in the company:	As at March 31, 2020		As at March 31, 2019	
Particulars	**No. of shares**	**%**	**No. of shares**	**%**
Larsen and Toubro Limited (including nominee holding)	2,43,89,99,994	99.999%	2,42,71,75,959	99.999%

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil

(vii) Calls unpaid : Nil; Forfeited Shares : Nil

L&T Metro Rail (Hyderabad) Limited

Statement of Changes in Equity for the period ended March 31, 2020

12 Other Equity as on 31.03.2020

₹

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	-	(4,85,46,427)	2,82,08,066	(2,16,90,08,695)	(2,18,93,47,057)
Profit for the year	-	-	-	(3,82,20,57,143)	(3,82,20,57,143)
Other comprehensive income	-	4,85,46,427	-	-	4,85,46,427
Issue of share capital	-	-	-	-	-
Balance at the end of the reporting period	**-**	**-**	**2,82,08,066**	**(5,99,10,65,839)**	**(5,96,28,57,773)**

Other Equity as on 31.03.2019

₹

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	-	(4,12,99,731)	2,82,08,066	(68,75,44,365)	(70,06,36,030)
Profit for the year	-	-	-	(1,48,14,64,331)	(1,48,14,64,331)
Other comprehensive income	-	(72,46,696)	-	-	(72,46,696)
Issue of share capital	-	-	-	-	-
Balance at the end of the reporting period	**-**	**(4,85,46,427)**	**2,82,08,066**	**(2,16,90,08,695)**	**(2,18,93,47,057)**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non current	Current	Non current
Secured borrowings				
Term loans				
From banks	-	1,17,24,55,51,994	-	1,10,52,00,79,313
Unsecured borrowings				
a) Debentures	-	9,96,82,25,417	-	9,96,78,01,186
Loans from related parties				
a) Mezzanine debt for cost overrun equity		8,19,00,00,000	-	-
b) Subordinate debt for shortfall in cost overrun rupee facility		2,72,99,00,000	-	-
c) Inter Corporate Deposits	2,53,80,46,355	-	1,06,85,62,400	-
Total	**2,53,80,46,355**	**1,38,13,36,77,411**	**1,06,85,62,400**	**1,20,48,78,80,499**

a) Term loans

Particulars	Details
Interest Rate-Term Loan	Interest rate @ 175 basis points above the base rate of State Bank of India (floating).
Interest Rate- COR Term Loan	Interest rate @ 260 basis points above the one year MCLR of State Bank of India (floating).
Repayment	Repayable in 36 quarterly unequal instalments beginning from September 30, 2020 and ending on June 30,2029.

b) Loans from related parties

Particulars	Details
Interest Rate	
Mezzanine debt for cost overrun equity	Rate of interest is @ 7.50 p.a.
Subordinate debt for shortfall in cost overrun rupee facility	Interest rate @ 260 basis points above the one year MCLR of State Bank of India (floating).
Repayment	
Mezzanine debt for cost overrun equity	Repayable on 30.06.2030.
Subordinate debt for shortfall in cost overrun rupee facility	Repayable in 36 quarterly unequal instalments beginning from September 30, 2020 and ending on June 30,2029, subordinated to the term loans of rupee lenders.

Security

a) Mortgage of non-agricultural land bearing plot no. 19 forming part of land in survey nos. 332A+334A+338A, mouje zaap, sudhagad taluka, Dist. Raigad, Maharashtra.
b) Charge on all tangible movable assets (present and future), including all movable plant, machinery, spares, tools, fittings etc. as specified in Schedule II to Indenture of Mortgage, excluding project assets specified in concession agreement.
c) Charge on rights, interest under/in respect of project documents, approvals, insurance contracts and escrow accounts to the extent permitted to the lenders under escrow agreement together with permitted investments etc. and
d) Charge on right, interest etc. to/in respect of receivables, letter of credit, guarantee, performance bond, other amounts owing to/received by the company, all intangible assets of the company viz goodwill, trademark etc.

b) Debentures

Series	No of Debentures	Face Value of Each Debenture (₹)	Date of Allotment	Coupon Rate	Terms of Repayment
9.81% L&T MRHL June 2035	2,500	10,00,000	18th June, 2015	> 9.81% p.a. payable semi Annually until the maturity date.	-Redeemable at Face value at the end of 20th Year from the Date of Allotment.
9.81% L&T MRHL November 2035	2,500	10,00,000	2nd November, 2015	> 9.81% p.a. payable semi Annually until the maturity date.	
9.85% L&T MRHL January 2036	2,500	10,00,000	28th January, 2016	> 9.85% p.a. payable semi Annually until the maturity date.	-Put & Call option available to Debenture Holders & Company respectively on expiry of 10th & 15th Year from the Date of allotment
9.55% L&T MRHL September 2030	1,000	10,00,000	28th September, 2018	> 9.55% P.a. payable Annually from the Date of allotment.	>Redeemable at Face value at the end of 12th Year from the Date of Allotment. ->Put & Call option available to Debenture Holders & Company respectively on expiry of 3rd, 5th & 7th Year from the Date of allotment
9.50% L&T MRHL November 2030	1,500	10,00,000	26th November, 2018	9.50% P.a. payable Annually from the Date of allotment.	>Redeemable at Face value at the end of 12th Year from the Date of Allotment. ->Put & Call option available to Debenture Holders & Company respectively on expiry of 3rd, 5th & 7th Year from the Date of allotment

14 Other financial liabilities

₹

Particulars	As at March 31,2020		As at March 31, 2019	
	Current	Non current	Current	Non current
a) Security deposits	2,55,40,314	57,89,29,395	3,96,46,646	52,38,20,436
b) Premium payable on Financial guarantee contracts	43,69,146	2,67,18,558	48,15,906	3,10,87,704
c) Current maturities of long term borrowings	5,21,07,87,000	-	-	-
d) Interest accrued	4,24,00,97,997	-	1,62,00,44,828	-
e) Other liabilities		-		-
i) Creditors for capital supplies- Related parties	7,01,60,84,045	-	7,21,99,28,212	-
ii) Creditors for capital supplies-others*	1,80,23,31,876	-	4,68,35,06,243	-
iii) Retention money	1,20,30,62,888	-	1,05,30,12,079	-
iv) Derivative Liabilities	-	-	7,12,31,465	-
v) Other payables	80,94,63,720	3,07,38,439	31,34,39,223	5,29,89,116
Total	**20,31,17,36,986**	**63,63,86,392**	**15,00,56,24,603**	**60,78,97,256**

*The principal amount of outstanding dues to Micro, small and medium enterprises under MSMED Act 2006 as at 31 March 2020 is Rs.18,59,244/- (PY. Rs 62,77,572/-) and the interest payable thereon is Nil. (PY Nil).

15 Provisions

₹

Particulars	As at March 31,2020		As at March 31, 2019	
	Current	Non current	Current	Non current
Provision for employee benefits	4,41,10,773	-	4,38,17,172	-
Provision for major maintenance and overhaul expenses*	-	28,53,85,334	-	6,50,85,213
Total	**4,41,10,773**	**28,53,85,334**	**4,38,17,172**	**6,50,85,213**

* The Company is required to operate and maintain the Project assets in a serviceable condition which requires periodical replacement and overhaul of certain components and project assets. The Company has accordingly recognised a provision in respect of this obligation. The measurement of this provision considers the estimates of future replacement/ overhaul. These amounts have been discounted to Present value since the time value of money is material.

16 Other current liabilities

₹

Particulars	As at March 31,2020		As at March 31, 2019	
	Current	Non current	Current	Non current
Statutory payables	25,35,60,084	-	21,10,38,962	-
Total	**25,35,60,084**	**-**	**21,10,38,962**	**-**

17 Contingent Liabilities

₹

Particulars	As at March 31,2020	As at March 31, 2019
(i) Claims against the company not acknowledged as debts	77,29,55,096	68,03,62,360
(ii) Liability for duties, Cess and taxes that may arise in respect of matters in appeal /under dispute	21,06,34,746	6,53,27,43,803
Total	**98,35,89,842**	**7,21,31,06,163**

Notes:

1. The company expects reimbursements of Rs.11,25,19,858/- (PY Rs.9,29,74,955) in respect of contingent liabilities
2. It is not practicable to estimate the timing of cash outflows, if any, in respect of the above matters.

18 Commitments

₹

Particulars	As at March 31,2020	As at March 31, 2019
Capital Commitments	2,95,76,68,500	11,02,01,93,779
Total	**2,95,76,68,500**	**11,02,01,93,779**

19 Revenue from operations

₹

Particulars	2019-20	2018-19
Fare revenue	3,70,04,26,938	1,66,41,47,670
Lease rentals	1,09,42,12,144	80,73,85,643
Advertising revenue	52,74,07,571	29,56,37,631
Consultancy and training	4,11,82,553	1,36,11,712
Other revenue	50,95,81,749	34,95,30,208
Total	**5,87,28,10,955**	**3,13,03,12,864**

20 Other Income

₹

Particulars	2019-20	2018-19
Interest income	1,95,77,203	1,16,10,671
Dividend/Income from Mutual Funds	2,89,33,793	4,26,18,663
Miscellaneous income	6,06,90,189	59,019
Total	**10,92,01,185**	**5,42,88,353**

21 Operating expenses

₹

Particulars	2019-20	2018-19
Power & fuel	59,44,48,955	35,28,29,321
Operations and maintenance expenses	1,55,85,40,662	1,12,74,80,321
Provision for major maintenance and overhaul expenses	20,49,92,066	6,03,70,718
Others	1,10,48,899	57,51,231
Total	**2,36,90,30,582**	**1,54,64,31,591**

22 Employee benefit expenses

₹

Particulars	2019-20	2018-19
Salaries and wages	22,49,92,866	14,61,63,717
Contribution to provident and other funds	69,36,755	44,33,690
Staff welfare expenses	1,05,87,015	94,81,194
Total	**24,25,16,636**	**16,00,78,601**

23 Administration and other expenses

₹

Particulars	2019-20	2018-19
Advertisement and publicity	4,56,42,571	3,36,60,152
MTM/Exchange gain/ loss on derivatives	1,35,90,185	86,28,782
Office maintenance and other expenses	12,78,66,275	7,28,87,868
Allowance for doubtful debts	8,90,25,848	3,68,35,900
Insurance	3,19,93,286	2,48,86,103
Audit Fees*	10,00,090	9,35,202
Total	**30,91,18,255**	**17,78,34,006**

*Auditors remuneration ₹

Particulars	2019-20	2018-19
a) As auditor	8,08,300	7,49,300
b) For other services	1,47,500	1,50,450
c) Reimbursement of expenses	44,290	35,452
Total	**10,00,090**	**9,35,202**

24 Finance costs

₹

Particulars	2019-20	2018-19
Finance Cost		
Interest expenses	5,38,14,56,578	2,12,35,64,730
Premium on forward conrtracts	-	23,21,327
Other borrowing costs	4,64,67,059	2,78,72,429
Total	**5,42,79,23,637**	**2,15,37,58,487**

Notes forming part of the Financial Statements

25.1 Disclousure in pursuant to Ind AS 107- Financial Instruments:

25.1.1 Financial Risk Management

The Company’s business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Financial Treasury & Investment Committee, which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The activities of Finance, Treasury & Investment Committee of the Company are designed to:
-protect the Company's profit/ loss from material adverse movements and undesired volatility due to interest rate changes, foreign exchange rate changes
- protect returns, while exploring opportunities to optimize returns/interest cost through structuring appropriate derivative instruments and proactive hedging ; and
-protect the company from liquidity risks and accordingly manages its finances

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letters of credit/bank guarantees
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Foreign currency options and Currency and Interest rate swaps
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Refinancing options, Currency Interest rate swaps

(A) Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, investments carried at amortised cost or fair value through profit & loss and deposits with banks and financial institutions, as well as credit exposures to trade/non-trade customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed depending on the policy surrounding credit risk management. For investments into mutual funds only high rated funds and into fixed assets and Deposits only scheduled banks are accepted. The Company analyses and manages the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. For other financial assets, the Company assesses and manages credit risk based on the assumptions, inputs and factors specific to the class of financial assets and allocates internal credit rating which considers the quality of asset based on the risk associated with it.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Notes forming part of the Financial Statements

25.1.1 Financial Risk Management contd….

Liquidity risk

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period: ₹

Particulars	As at March 31, 2020	As at March 31, 2019
Floating rate		
Expiring beyond one year (bank loans)		
Fund Based limits	6,81,03,00,000	4,14,20,71,662
Non Fund Based limits	-	-
Total	**6,81,03,00,000**	**4,14,20,71,662**
Fixed rate		
Expiring beyond one year (Non Convertible Debentures)	-	-
Total	**-**	**-**

Contractual maturities of financial liabilities including estimated interest payments on borrowings ₹

Particulars	As at March 31, 2020		As at March 31, 2019	
	Less than 12 months	**More than 12 months**	**Less than 12 months**	**More than 12 months**
A. Non- derivative liabilities:				
Borrowings	8,93,68,98,561	2,06,61,64,42,875	12,62,12,26,684	2,04,04,35,60,511
Trade payables	10,02,14,78,808	-	10,85,04,22,376	-
Other fiancial liabilities	83,93,73,180	63,63,86,392	1,40,60,97,949	57,68,09,552
Total	**19,79,77,50,551**	**2,07,25,28,29,267**	**24,87,77,47,009**	**2,04,62,03,70,063**
B. Derivative liabilities:				
Forward contracts/ currency swaps	-	-	7,12,31,465	-
Embedded derivatives	-	-	-	-
Total	**-**	**-**	**7,12,31,465**	**-**

Notes forming part of the Financial Statements

25.1.1 Financial Risk Management contd….

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. Company policy is to maintain most of its foreign currency borrowings at fixed rate using Cross Currency Interest Rate Swaps to achieve this when necessary. During 31 March 2020 and 31 March 2019, the Company's borrowings at variable rate were mainly denominated in INR and USD

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its cash flow interest rate risk by using floating-to-fixed Currency interest rate swaps. Under these swaps, the Company agrees with other parties to exchange, at specified intervals , the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the Company raises foreign currency borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Company borrowed at fixed rates directly.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period

₹

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Variable rate borrowings	1,25,18,62,38,994	86,68,64,64,437
Fixed rate borrowings	20,72,80,46,355	35,02,00,26,301
Total borrowings	**1,45,91,42,85,349**	**1,21,70,64,90,738**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

₹

Particulars	**As at March 31,2020**			**As at March 31,2019**		
	Weighted average interest rate	**Balance**	**% of total loans**	**Weighted average interest rate**	**Balance**	**% of total loans**
Bank overdrafts, bank loans Fund Based Limits	10.60%	1,25,18,62,38,994	100%	10.20%	1,10,63,79,28,338	100%
Net exposure to cash flow interest rate risk		**1,25,18,62,38,994**			**1,10,63,79,28,338**	

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

₹

Particulars	**Impact on profit after tax**	
	March 31, 2020	**March 31, 2019**
Interest rates – increase by 25 basis points	11,21,50,437	4,48,68,613
Interest rates – decrease by 25 basis points	(11,21,50,437)	(4,48,68,613)

Notes forming part of the Financial Statements

25.1.2 Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:

1. Total equity – retained profit, general reserves and other reserves, share capital and viability gap fund
2. Term Loan borrowings , Non-convertible debentures (subordinated debt instruments), Mezzanine debt for cost overrun equity,Subordinate debt for shortfall in cost overrun rupee facility.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Total Debt	**1,25,18,62,38,994**	**1,10,63,79,28,338**
Total equity	24,39,00,00,000	24,27,17,59,650
Add Non convertible debentures (Subordinated debt instruments) *	10,00,00,00,000	10,00,00,00,000
Add Inter Corporate deposits *	2,53,80,46,355	1,06,85,62,400
Add mezzanine debt for cost over run *	8,19,00,00,000	-
Add Viability Grant Fund*	12,04,19,53,635	12,04,19,53,635
Less: amounts accumulated in equity as cash flow hedges		-
Adjusted capital	**57,15,99,99,990**	**47,38,22,75,685**
Debt-to-adjusted capital	2.19	2.34

* These items are permitted to be treated as equity by the senior lenders for the purpose of computation of debt-equity ratio

25.1.3 Foreign Currency Exposure

The Company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the Company is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

As per the risk management policy, the company requires to hedge 30% to 100% of net currency risks based on forecasted cash flows and in the case of balance sheet exposures the company seeks to hedge 80% to 100% of its net balance sheet exposures

The exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Foreign Currency exposure - on-balance sheet exposure and related hedges ₹

Particulars	As at March 31,2020			As at March 31,2019		
	USD	Euro	Total	USD	Euro	Total
Financial Liabilities						
Payables - Creditors on account of Capital Expenditure	7,12,59,254	-	7,12,59,254	10,11,85,466	-	10,11,85,466
Less : Derivatives taken to hedge the above Exposure						
Currency and Interest Rate Swaps	-	-		3,60,57,154	-	3,60,57,154
Forward Contracts	-	-	-	-	-	-
Options contracts	-	-	-	-	-	-
Net Exposure	**7,12,59,254**		**7,12,59,254**	**6,51,28,312**		**6,51,28,312**

Derivatives taken against Highly Probable Forecast Transactions ₹

Particulars	As at March 31,2020			As at March 31,2019		
	USD	Euro	Total	USD	Euro	Total
Financial Liabilities						
Forward Contracts	-	-	-	1,02,88,66,099	12,23,99,976	1,15,12,66,075
Options contracts	-	-	-	76,07,05,000	-	76,07,05,000
Total	**-**	**-**	**-**	**1,78,95,71,099**	**12,23,99,976**	**1,91,19,71,075**

Details of outstanding hedge instrument accounted as cash flow hedge ₹

Particulars	As at March 31,2020				As at March 31,2019			
Payables Hedge	Nominal Amt	Average Rate	Within Twelve months	After Twelve Months	Nominal Amt	Average Rate	Within Twelve months	After Twelve Months
Forward Contracts in USD	-	-	-	-	1,02,88,66,099	69.16	1,02,88,66,099	-
Forward contracts - Euro/USD	-	-	-	-	12,23,99,976	77.67	12,23,99,976	-
Cross Currency Interest Rate Swaps- USD	-	-	-	-	3,60,57,154	64.07	3,60,57,154	-
Foreign Currency Option Contracts	-	-	-	-	76,07,05,000	69.16	76,07,05,000	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, Currency Interest Rate Swaps and from foreign exchange forward contracts.

₹

Particulars	Impact on other components of equity	
	As at March 31, 2020	As at March 31, 2019
USD sensitivity		
INR/USD -Increase by 5% (31 March 2020-5%)	(35,62,693)	(52,02,359)
INR/USD -Decrease by 5% (31 March 2020-5%)	35,62,693	52,02,359

Notes forming part of the Financial Statements

25.1.4 Fair value measurements

(a) Financial instruments by category

₹

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets						
Investments						
- Mutual funds	-	-	-	-	-	-
Security deposits	-	-	7,88,32,044	-	-	4,33,31,755
Financial Guarantee Assets	-	-	3,10,87,704	-	-	3,59,03,610.00
Other advances	-	-	1,40,254	-	-	7,45,323
Derivative asset - Foreign exchange forward contracts	-	-	-	-	-	-
Derivative asset - Options contracts	-	-	-	-	-	81,27,292.00
Derivative asset - Currency and Interest rate swap	-	-	-	-	-	27,09,541.00
Other Receivables	-	-	29,29,83,663	-	-	24,31,38,468
Cash and cash equivalents	-	-	7,51,32,43,970	-	-	31,37,58,257
Balances with Banks held as margin money deposits	-	-	2,54,93,421	-	-	38,71,04,420
Bank deposits with more than 12 months maturity	-	-	-	-	-	-
Total financial assets	**-**	**-**	**7,94,17,81,056**	**-**	**-**	**1,03,48,18,667**
Financial liabilities						
Borrowings	-	-	1,50,12,26,08,763	-	-	1,21,55,64,42,899
other payables	-	-	87,12,89,863	-	-	2,02,23,76,777
Security deposits	-	-	60,44,69,709	-	-	56,34,67,082
Derivative liability - Foreign exchange forward contracts	-	-	-	-	6,16,31,465	-
Derivative liability - Currency and Interest rate Swap	-	-	-	-	-	-
Derivative liability - Options contracts	-	-	-	-	96,00,000.00	-
Creditors for capital expenditure	-	-	10,02,14,78,808	-	-	12,95,64,46,535
Total financial liabilities	**-**	**-**	**1,61,61,98,47,144**	**-**	**7,12,31,465**	**1,37,09,87,33,293**

Notes forming part of the Financial Statements
25.1.4 Fair value measurements Contd…
(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹

Assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial instruments at FVTPL				
Mutual funds	-	-	-	-

₹

Assets and liabilities for which fair values are disclosed at March 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Derivative asset - Foreign exchange forward contracts	-	-	-	-
Derivative asset - Options contracts	-	-	-	-
Derivative asset - Currency and Interest rate swap	-	-	-	-
Financial liabilities				-
Derivative liability - Foreign exchange forward contracts	-	-	-	-
Derivative liability - Currency and Interest rate Swap	-	-	-	-
Derivative liability - Options	-	-	-	-

₹

Assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial instruments at FVTPL				
Mutual funds	-	-	-	-

₹

Assets and liabilities for which fair values are disclosed At March 31, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Derivative asset - Foreign exchange forward contracts	-	-	-	-
Derivative asset - Options contracts	-	81,27,292	-	81,27,292
Derivative asset - Currency and Interest rate swap	-	27,09,541	-	27,09,541
Financial liabilities				-
Derivative liability - Foreign exchange forward contracts	-	6,16,31,485	-	6,16,31,485
Derivative liability - Currency and Interest rate Swap	-	-	-	-
Derivative liability - Options contracts	-	96,00,000	-	96,00,000

25.1.4 Fair value measurements Contd…

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level 3.

(c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts, Currency Interest Rate Swaps is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2 except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(d) Valuation processes

The finance department of the company obtains assistance of independent and competent third party values to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. These experts report to the financial risk management team, chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the company's quarterly reporting periods.
The main level 3 inputs used by the company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the company's internal credit risk management company.
- For unlisted equity securities, their fair values are estimated based on the book values of the companies.

Notes forming part of the Financial Statements
25.1.4 Fair value measurements Contd…
(e) Fair value of financial assets and liabilities measured at amortised cost

₹

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	7,88,32,044	7,88,32,044	4,33,31,755	4,33,31,755
Other advances	1,40,254	1,40,254	7,45,323	7,45,323
Financial Guarantee Assets	3,10,87,704	3,10,87,704	3,59,03,610	7,45,323
Other Receivables	29,29,83,663	29,29,83,663	24,31,38,468	24,31,38,468
Cash and Cash Equivalents	7,51,32,43,970	7,51,32,43,970	31,37,58,257	31,37,58,257
Balances with Banks held as margin money deposits	2,54,93,421	2,54,93,421	38,71,04,420	38,71,04,420
Financial liabilities				
Term Loan Borrowings	1,50,12,26,08,763	1,50,12,26,08,763	1,21,55,64,42,899	1,21,55,64,42,899
Security deposits	60,44,69,709	60,44,69,709	56,34,67,082	56,34,67,082
Creditors for capital expenditure and other paybles	10,89,27,68,672	10,89,27,68,672	12,95,64,46,535	12,95,64,46,535

The carrying amounts of trade receivables, trade payables, advances receivable in cash, short term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents are considered to be the same as their fair values. The fair values for security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(f) Assets pledged as security
The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
First charge		
Freehold land	15,57,000	15,57,000
Receivables	29,29,83,663	24,31,38,468
Total assets pledged as security	**29,45,40,663**	**24,46,95,468**

Notes forming part of the Financial Statements

25.2 Disclosure pursuant to Ind AS 108 - Segment information

(a) Information about reportable segment

The Company operates in two Business Segments namely Fare collection Rights (Metro Rail System) and others. Business segments have been identified as reportable segments based on how the Chief Operating Decision Maker (CODM) examines the Company's performance on service perspective. Segment accounting policies are in line with the accounting policies of the Company.

₹

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue		
Metro Rail System	11,42,40,94,213	15,40,66,15,551
Others	2,28,15,85,202	93,80,25,472
Total	13,70,56,79,415	16,34,46,41,023
Expenditure		
Metro Rail System	11,04,06,87,410	15,10,61,12,899
Others	1,05,91,25,511	55,79,90,063
Total	12,09,98,12,921	15,66,41,02,962
Operating Profit (PBIT)		
Metro Rail System	38,34,06,803	30,05,02,652
Others	1,22,24,59,691	38,00,35,409
Interest expense		
Metro Rail System	4,86,59,53,524	1,70,89,94,300
Others	56,19,70,112	44,47,64,187
PAT		
Metro Rail System	(4,48,25,46,722)	(1,41,67,35,553)
Others	66,04,89,579	(6,47,28,778)

(b) Segment Assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

₹

Particulars	As at March 31, 2020		As at March 31, 2019	
	Segment Assets	Additions to non-current assets	Segment Assets	Additions to non-current assets
Metro Rail System	1,58,72,60,33,504	14,13,89,15,908	1,44,58,71,17,595	23,08,91,58,817
Others	14,39,07,68,088	(28,06,74,757)	14,67,14,42,846	1,50,51,22,330
Total segment assets	**1,73,11,68,01,592**	**13,85,82,41,151**	**1,59,25,85,60,441**	**24,59,42,81,147**
Unallocated:				
Deferred tax assets	-	-	-	-
Investments	-	-	-	-
Cash and cash equivalents	2,53,75,28,470	2,22,37,70,213	31,37,58,257	(4,05,33,218)
Other bank balances	4,97,57,15,500			
Total assets as per the balance sheet	**1,80,63,00,45,562**	**16,08,20,11,364**	**1,59,57,23,18,698**	**24,55,37,47,929**

Notes forming part of the Financial Statements

25.2 Disclosure pursuant to Ind AS 108 - Segment information Contd...

(c) Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

₹

Particulars	As at March 31, 2020	As at March 31, 2019
Metro Rail System	1,55,24,40,21,556	1,30,87,89,46,372
Others	6,95,88,81,779	6,61,09,59,733
Total segment liabilities	**1,62,20,29,03,335**	**1,37,48,99,06,105**
Unallocated:		
Deferred tax liabilities	-	-
Current tax liabilities	-	-
Total liabilities as per the balance sheet	**1,62,20,29,03,335**	**1,37,48,99,06,105**

(d) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, doesnot exceed ten percent of Company's total revenue

(e) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components) (b) whose operating results are regularly reviewed by CODM to make decisions about the resource allocation and performance assessment. (c) For which discrete financial information is available

(ii) Reportable segments :

An operating segment is classified as reportable segment if reported revenue or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segements

(iii) Segment profit :

Performance of a segment is measured based on segment profit (before interest and tax) , as included in the internal management reports that are reviewed by the Company CODM

Notes forming part of the Financial Statements

25.3 Disclosure Under Appendix D to Ind AS 115

Construction, operation and maintenance of the Metro Rail System on Design, Build, Finance , operate and Transfer basis	Period of the Concession	Initial period of 35 years and extendable by another 25 years at the option of the concessionaire subject to fulfilment of certain conditions under concession agreement.
	Remuneration	Fare collection Rights from the users of the Metro Rail System, license to use land provided by the government for constructing depots and for transit oriented development and earn lease rental income on such development and grant of viability gap fund.
	Conditions of Pricing	The concession agreement was entered into on 4th Sept 2010 between the parties under the Andhra Pradesh Municipal Tramways Act, 2008. Subsequently in January 2012 the Central Government extended the provisions of Metro Railways Acts to the Project under a gazette notification. Accordingly, as Metro Rail Authority (MRA), the company has notified the initial fare.
	Investment Grant from grantor	Viability Gap Fund of Rs. 1458 Crores
	Infrastructure return at the end of the concession period	Being DBFOT project , the project assets have to be transferred at the end of concession period
	Renewal and termination Options	The concession period will be extended for a further period of 25 years at the option of the concessionaire upon satisfaction of Key Performance Indicators by the concessionaire under the concession agreement. This option is to be exercised by the concessionaire during the 33rd year of the initial concession period. Termination of the Concession Agreement can either be due to a) Force Majeure b) Non Political event c) Indirect political event d) Political event. On occurrence of any of the above events, the obligations, dispute resolution, termination payments etc are as detailed in the Concession Agreement.
	Rights & Obligations	Major obligations of the concessionaire are a) obligations relating to project agreements b) obligation relating to change in ownership c) obligation relating to issuance of Golden Share to the Government d) Obligation relating to maintaining aesthetic quality of the Rail System e) Obligation to operate and maintain the rolling stock and equipment necessary and sufficient for handling Users equivalent to 110% of the Average PHPDT etc. Major obligations of the Government are a) providing required constructible right of way for construction of rail system and land required for construction of depots and transit oriented development. b) providing reasonable support and assistance in procuring applicable permits required for construction c) providing reasonable assistance in obtaining access to all necessary infrastructure facilities and utilities d) obligations relating to competing facilities e) obligations relating to supply of electricity etc
	Changes in the arrangement occurring during the period	Any changes in the arrangement like change in the Shareholding etc needs approval from the Government.
	Classification of Service Arrangement	The service arrangement has been classified as a Service Concession Arrangement for a PPP project as per Appendix C to Ind AS 115- Revenue from contracts with customers. Accordingly construction revenues and expenses are accounted during construction phase and intangible asset is recognised towards rights to charge the users of the system.

₹

Particulars	As at March 31, 2020	As at March 31, 2029
Construction revenue	7,72,36,67,275	13,16,00,39,806
Profit	-	-

Notes forming part of the Financial Statements

a) Assets taken on operating Lease

The Company has not entered into any finance lease. The Company has taken premises and vehicles under cancellable operating leases. These lease agreements are normally renewed for a period of one year upon expiry. There are no exceptional/restrictive covenants in the lease agreements. The lease expenses in respect of these operating leases have been included in Intangible assets under development,Investment Property and Office maintenance and other expenses. Current Year: ₹ 1,26,27,134/- (Previous Year ₹ 3,88,49,411/-) .

b) Assets given under operating Lease

The company has entered into Agreements with some of the interested parties for giving the space on lease related to Transit Oriented Development and Station Retail.

The company has given its properties under non - cancellable operating lease, the future minimum lease payments receivable in respect of which are as follows:

₹

Sl no	Particulars	31.03.2020	31.03.2019
1	Receivable not later than 1 year	68,88,26,304	80,68,93,125
2	Receivable later than 1 year and not later than 5 years	95,35,86,800	1,40,23,38,136
3	Receivable later than 5 years	60,90,463	7,29,13,744
	Total	**1,64,85,03,566**	**2,28,21,45,004**

25.5 Disclosure pursuant to Ind AS 19 -Employee benefits

(i) Defined contribution plan:

An amount of ₹ 1,10,25,817/- (previous year :₹ 1,24,71,226) being contribution made to recognised provident fund is recognised as expense.

(ii) Defined benefit plans:

a) The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The fund is managed by LIC

b) The plan exposes the company to acturial risks such as: investment risk, interest raterisk, salary risk and longetivity risk

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

Notes forming part of the Financial Statements

Notes forming part of the Financial Statements

25.5 Disclosure pursuant to Ind AS 19 -Employee benefits Contd….

c) Amounts recognised in Balance Sheet are as follows:

₹

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
A) Present value of defined benefit obligation				
- Wholly funded	3,74,25,811	3,52,03,456		
- Wholly unfunded	-	-	3,86,80,941	3,85,16,500
	3,74,25,811	3,52,03,456	3,86,80,941	3,85,16,500
Less : Fair value of plan assets	3,19,95,979	2,99,02,784		
Amount to be recognised as liability or (asset)	54,29,832	53,00,672	3,86,80,941	3,85,16,500
B) Amounts reflected in the Balance Sheet				
Liabilities	54,29,832	53,00,672	3,86,80,941	3,85,16,500
Assets				
Net Liability / (asset)	**54,29,832**	**53,00,672**	**3,86,80,941**	**3,85,16,500**

d) Amounts recognised in the Financials are as follows:

₹

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1. Current service cost	32,22,193	49,30,903	56,21,558	74,14,087
2. Interest on Defined benefit obligation	25,57,796	18,41,127	26,92,756	16,24,523
3. Interest income on plan assets	(19,67,041)	(19,52,753)		
4. Actuarial losses/(gains)				
Remeasurement - Due to financial assumptions	27,09,501	10,23,738	14,85,487	5,62,808
Remeasurement - Due to demographic assumptions				
Remeasurement - Due to experience adjustments	(41,19,550)	53,88,647	(30,01,207)	1,12,90,001
Total (1 to 4)	24,02,899	1,12,31,662	67,98,594	2,08,91,419
I Amount included in financials	24,02,899	1,12,31,662	67,98,594	2,08,91,419
II Amount included as part of "finance costs"	-	-	-	-
Total (I + II)	**24,02,899**	**1,12,31,662**	**67,98,594**	**2,08,91,419**
Actual return on plan assets	-	-	-	-

Notes forming part of the Financial Statements

25.5 Disclosure pursuant to Ind AS 19 -Employee benefits Contd….

e) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

₹

Particulars	**Gratuity plan**		**Compensated absences**	
	As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
Opening balance of the present value of defined benefit obligation	3,52,03,456	2,41,19,613	3,85,16,500	2,29,87,997
Add: Current service cost	46,11,040	50,41,379	56,21,558	74,14,087
Add: Interest cost	25,57,796	18,41,127	26,92,756	16,24,523
Add: Contribution by plan participants				
i) Employer	-	-	-	-
ii) Employee	-	-	-	-
Add : Remeasurements due to experienced adjustments	(41,19,550)	53,88,647	(30,01,207)	1,12,90,001
Less: Benefits paid	35,36,432	22,11,048	66,34,153	53,62,916
Add: 'Remeasurements due to financial assumptions	27,09,501	10,23,738	14,85,487	5,62,808
Add: Past service cost				-
Closing balance of the present value of defined benefit obligation	3,74,25,811	3,52,03,456	3,86,80,941	3,85,16,500

f) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	**Gratuity plan ₹**	
	As at March 31, 2020	**As at March 31, 2019**
Opening balance of fair value of plan assets	2,99,02,784	2,32,32,833
Add: Expected return on plan assets	19,67,041	19,52,753
Add: Remeasurements- return on assets	13,88,847	1,10,476
Add: Contribution by employer	22,73,739	68,17,770
Add: Contribution by plan participants	-	-
Less: Benefits paid	35,36,432	22,11,048
Closing balance of fair value of plan assets	3,19,95,979	2,99,02,784

g) Principal actuarial assumptions at the Balance Sheet date:

₹

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
1) Discount rate	6.72%	7.65%
2) Salary growth rate	10.00%	10.00%
3) Expected rate of return	6.72%	7.65%
4) Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
5) Attrition rate	5.00%	5.00%

Notes forming part of the Financial Statements

25.5 Disclosure pursuant to Ind AS 19 -Employee benefits Contd….

h) A quantitative sensitivity analysis for significant assumption as at 31 March 2020

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
1) Discount rate	1.00%	1.00%	3,45,26,403	3,24,32,132	4,07,77,619	3,84,08,689
2) Salary growth rate	1.00%	1.00%	4,00,08,517	3,78,33,531	3,49,10,701	3,27,32,172
3) Attrition rate	1.00%	1.00%	3,69,73,434	3,48,75,584	3,79,38,001	3,55,72,245

i) Major component of plan assets as a percentage of total plan assets : ₹

Particulars	As at March 31, 2020	As at March 31, 2019
Insurer managed funds	100%	100%

j) Weighted average duration of the defined benefit obligation at the end of the reporting period :

Particulars	As at March 31, 2020	As at March 31, 2019
1. Gratuity	12.9	13.77
2. Compensated absences	6.58	6.75

25.6 Disclosure pursuant to Ind AS 23 -Borrowing Costs

Additions during the year to capital work-in-progress/intangible assets under development include ₹ 7,66,15,07,981/- (previous year: ₹ 918,93,21,420/- being borrowing cost capitalised in accordance with Ind AS 23 "Borrowing Costs" Asset wise break-up of borrowing costs capitalised is as follows:

₹

Asset Class	As at March 31, 2020	As at March 31, 2019
Tangible		
Capital work in progress	5,39,34,956	12,50,81,663
Intangible - Intangible Assets under development	7,60,75,73,025	9,06,42,39,757
TOTAL	**7,66,15,07,981**	**9,18,93,21,420**

L&T Metro Rail (Hyderabad) Limited
Notes forming part of the Financial Statements

25.7 Disclosure pursuant to Ind AS 24 -Related party disclosures

I) List of related parties where control exists

(a) Holding Company — 1) Larsen & Toubro Limited

(b) Fellow Subsidiaries — 1) L&T Infotech Limited
2) L&T Realty Limited
3) L&T Technology Services Limited

II) Names of the Key Management Personnel with whom the transactions were carried out during the year

(a) Key Management Personnel : 1) Mr. K V B Reddy, Managing Director and CEO
2) Mr.J. Ravi Kumar, Chief Financial Officer
3) Mr. Chandrachud D Paliwal, Head - Legal & Company Secretary

III) Disclosure of related party transactions: ₹

Name/Relationship/ Nature of transaction	2019-20	2018-19
1. Holding Company		
Larsen & Toubro Limited		
(a) Pay roll & TEMS Processing fees	5,13,842	6,14,498
(b) Cost of Services by	82,46,040	78,70,539
(c) Cost of services to	3,69,10,701	1,08,69,951
(d) Subscription to Equity Shares	11,82,40,350	2,20,19,86,310
(e) Inter Corporate Deposit received	1,46,94,83,955	1,06,85,62,400
(f) Subordinate debt for shortfall in cost overrun rupee facility	2,72,99,00,000	-
(g) Mezzanine debt for cost overrun equity	8,19,00,00,000	-
(h) Interest on Inter corporate deposits	33,37,92,940	2,38,71,379
(i) Corporate Financial Guarantee Charges	57,17,571	23,97,932
(j) Mobilisation advance paid	14,13,53,500	7,06,76,750
(k) Intangible Assets /Construction work in progress	3,74,27,05,386	9,28,82,31,071
(l) Overheads charged by	5,00,04,529	7,01,15,648
(m) Overheads charged to	6,01,530	2,17,710
2. **Fellow Subsidiaries**		
(i) L&T Infotech Limited		
(a) Purchase of services and products	1,24,22,769	2,27,49,566
(i) Larsen & Toubro Realty Ltd		
Cost of services provided by	-	37,09,230
(iii) L&T Technology Services Ltd		
Cost of services provided by	16,63,200	22,68,000

IV) Key Management Personnel Compensation ₹

Particulars	**2019-20**	**2018-19**
Short Term Employee Benefits	4,72,71,906	4,23,68,020
Post-Employee Benefits	11,04,368	10,29,771
Total	**4,83,76,274**	**4,33,97,791**

Notes forming part of the Financial Statements
25.7 Disclosure pursuant to Ind AS 24 -Related party disclosures Contd….

V) Due to / from related parties ₹

Name/Relationship	As at March 31, 2020		As at March 31, 2019	
	Due to	Due from	Due to	Due from
Larsen and Toubro Limited (Holding company)	6,72,65,45,945		7,08,22,41,933	74,71,000
Larsen and Toubro Limited (Holding company-Mobilisation advance)			-	7,06,76,750
Inter Corporate Deposit	2,53,80,46,355		1,06,85,62,400	-
Mezzanine debt for cost overrun equity	8,19,00,00,000		-	-
Subordinate debt for shortfall in cost overrun rupee facility	2,72,99,00,000		-	-
Interest on Intercorporate Deposit	27,03,83,680		2,38,71,379	-
(iii) Fellow subsidiaries				
(a) L&T Infotech Limited	73,53,818		18,33,393	-
(c)L&T Realty Limited	1,89,16,428		1,89,16,428	-
(d) L&T Technology Services Ltd	19,65,600		18,14,400	-

VI) Commitment with Related Parties ₹

Capital commitment in respect of additions to Assets (Tangible & Intangible assets)	As at March 31, 2020	As at March 31, 2019
Larsen & Toubro Limited	1,73,25,26,303	6,61,10,97,155
Larsen & Toubro Infotech Limited	1,97,06,377	2,78,20,767

Note:
1. All the related party contracts/ arrangements have been entered on arms' length basis.
2. No amount pertaining to the related parties have been written off / written back during the year
3. The holding company Larsen & Toubro Limited has furnished promoter support undertaking to fund any coupon shortfall for every coupon period during the tenure of Non-Convertible debentures

25.8 Disclosure pursuant to Ind AS 33 -Earnings per share

Particulars	**₹ / Nos**	**2019-20 ₹**	**2018-19 ₹**
Profit after Tax	₹	(3,82,20,57,143)	(1,48,14,64,331)
Number of equity shares outstanding	Nos	2,43,90,00,000	2,42,71,75,965
Weighted average number of equity shares	Nos	2,43,67,32,377	2,35,51,20,739
Earnings Per Share			
Basic & Diluted	₹	(1.569)	(0.629)
Nominal value per equity share	₹	10.00	10.00

25.9 Expenditure in Foreign Currency ₹

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
On overseas contracts	3,47,25,23,862	3,23,33,45,628
Professional/Consultancy Fees	-	2,55,517
Travelling expenses	1,30,324	2,90,729
Total	**3,47,26,54,186**	**3,23,38,91,874**

25.10 Impact of Covid on Financials :

In the backdrop of spread of Novel Coronavirus which has been declared a global emergency by the World Health Organization (WHO) on 30th January 2020, the Hon Prime Minster of India declared nationwide Janata Curfew on Sunday 22nd March 2020 and subsequently, as directed by the Hon'ble Prime Minister in his address to the Nation, the National Disaster Management Authority has promulgated nationwide lockdown for a period of 21 (twenty one) days from 25th March 2020 and as a consequence the State Government of Telangana ordered through various Government Orders for complete closure of all shops, establishments etc including Metro Operations, in the State from 22nd March 2020 to 14th April 2020 which has been subsequently extended upto 29th May,2020 (Until the date of approval of the financial statements, this is the extended date). This has forced the Company to close down Metro Operations including operation of TOD Malls and other Non-fare businesses from 22nd March 2020.

The impact of the lockdown owing to COVID-19 pandemic currently can't be assessed as on the date of closing of the books of accounts as the lock down is still continuing and there is no clarity on the resumption of operations and amidst with what restrictions. Also, the consequent impact on the financial position and results of the Company for future periods cannot be assessed at present. However, the company is protected by the force majeure clauses of the Concession Agreement to claim extension of concession period equal in length to the period during which the Concessionaire was prevented from collection of Fare and reimbursement of force majeure costs. The management of the Company will study the impact and will lodge appropriate claim within reasonable time once the operations are resumed. Accordingly, the financial position and results of operations as of and for the year ended 31st March, 2020 have not been adjusted to reflect their impact.

25.11 Pursuant to the Employees Stock Options Scheme established by the holding Company (i.e. Larsen & Toubro Limited), stock options were granted to the deputed employees of the Company. Total cost incurred by the holding Company, in respect of the same is ₹ 4,52,28,036/-. The same is being recovered from the company over the period of vesting by the holding Company. Accordingly, cost of ₹ 4,01,55,224/- (P.Y. ₹ 3,13,84,858) has been recovered by the holding Company upto current year, out of which, ₹ 87,70,366 (P.Y.₹ 1,83,94,936) was recovered during the year. Balance of ₹ 50,72,812 will be recovered in future periods

25.12 The corresponding previous year's figures have been regrouped wherever necessary to confirm to the presentation of the current year's accounts

25.13 Figures have been rounded off to the nearest rupee.

Notes forming part of the Accounts

Note 26. Significant Accounting Policies

I. Corporate Information:

L&T Metro Rail (Hyderabad) Limited was incorporated on 24th August 2010 as a Special Purpose Vehicle to undertake the business to construct, operate and maintain the Metro Rail System (including Transit Oriental Development) in Hyderabad under Public Private Partnership model.

The Company signed Concession Agreement with the Government of Telangana State (erstwhile unified state of Andhra Pradesh) on 04.09.2010 which granted the exclusive right, license and authority to the Company to construct, operate and maintain the Metro Rail System (The 'Concession') on three elevated corridors from Miyapur to L.B.Nagar (Corridor I), Jubilee Bus Station to Falaknuma (Corridor II) and from Nagole to Shilparamam (Corridor III) in Hyderabad covering a total distance of 71.16 KMs and the Transit oriented development(TOD) in accordance with the provisions of the Concession Agreement on Design, Build, Finance, Operate and Transfer (DBFOT) basis in Public Private Partnership mode. The concession period of the project is for 35 years commencing from the Appointed Date including the construction period which is extendable for a further period of 25 years subject to fulfilment of certain conditions by the Company and the company does not foresee any challenge in complying with such conditions. The Government had declared Appointed Date as 5th July 2012.

The construction work in three corridors of the Project namely Corridor-1: Miyapur to LB Nagar (29.55 KM), Corridor-2: JBS to MGBS (10.65 KM) and Corridor-3: Nagole to Raidurg (29.00 KM) further divided in stage-wise manner is complete and the same were opened for public use w.e.f. various dates starting from 29th November,2017 to 8th February 2020.

The Company also completed construction of 1.28 million sft space of Transit oriented development(TOD) consisting of 4 malls and an office block at Punjagutta, Errum Manzil, Hitec City and Moosarambagh locations and commenced commercial operations w.e.f. various dates starting from 29.11.2017 to 09.08.2019,The construction work for an office block of 0.5 Million sft at Raidurg site is under progress.

The project has been funded by promoters' share capital, viability gap fund and term loans from a consortium of banks with State Bank of India, as lead bank.

II. Significant Accounting policies:

1. Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act , 2013.

2. Basis of accounting

The Company maintains its accounts on accrual basis following historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

Fair Value measurements are categorized as below, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities that the company can access at measurement date.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability and ;

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

3. **Presentation of financial statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

4. **Operating cycle for current and non-current classification**

An asset shall be classified as current when it satisfies any of the following criteria:

a. it is expected to be realized within twelve months after the reporting date; or

b. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:

a. it is due to be settled within twelve months after the reporting date; or

b. the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

5. **Revenue recognition**

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue"

The company recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (goods or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

Fare Revenue

Revenue 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.

Concession arrangements:

The company has concession arrangement for construction of 'Metro Rail system' followed by a period in which the company maintains and services the infrastructure. These concession arrangements set out rights and obligations relating the infrastructure and the service to be provided.

For fulfilling those obligations, the company is entitled to receive from the grantor, viability gap fund, license rights to use and commercially explore land for transit oriented development and a contractual right to charge the users of the service. The consideration received or receivable is allocated by reference to the relative fair value of the construction services provided

As set out in (9) below, the right to consideration gives rise to an intangible asset and financial asset:

- Income from the concession arrangements earned under the intangible asset model consists of the fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset and payments actually received from the users.

Other Income

Interest income: Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit and loss account or fair value through Other comprehensive income. Interest receivable on customer dues is recognized as income in the Statement of profit and loss on accrual basis provided there is no uncertainty towards its realization.

Dividend income: Dividends income is accounted in the period in which the right to receive the payment is established.

Consulting & Training Income: Income from Consulting & Training is recognized over time as and when the customer receives the benefit of the company's performance and the company has enforceable right to payment for services rendered.

6. Property, plant and equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost includes purchase price and any cost that is directly attributable to bringing the asset to the location and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The carrying value was original cost less accumulated depreciation and cumulative impairment. PPE not ready for the intended use on the date of the Balance Sheet are disclosed as 'capital work-in-progress'.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The following asset category has useful life different from the life specified in Schedule II of the Companies Act, 2013 based on the management's assessment

Category of Asset	**Useful Life**
Furniture & Fixtures	6- 10 years
Plant & Machinery and Electrical Installations	10-12 years
Desktop and laptop Computers	3 years
Vehicles	5 years
Office Equipment	4-5 Years

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

7. Investment property

The Transit Oriented Development business activities consist of various independent components provided through separate joint memorandum with the Government under Licence basis. Each of the properties/components constitute separate business activities/undertakings and are being developed/ developed/ commercially exploited in phased manner independently into Retail Malls /Office space/Mixed Use Commercial etc, after obtaining necessary statutory approvals for construction and development including approvals for monetisation.

The Transit Oriented Development on the leasehold lands provided by the Government under the Concession Agreement is a resource controlled by the company during the period of concession and is an asset held with the intention of being used for the purpose of earning rental income, hence recognised as an investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with cost model and are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on Investment properties is calculated using the straight-line method over the concession period. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

8. Intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Pre-operative expenses including administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

The intangible assets are amortized over its expected useful life/ over the balance concession period available in a way that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the date when the right to operate starts to be used.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Intangible assets comprising specialized Software is amortized over a period of 6 years on straight line method.

9. Concession intangible and financial assets

The company constructs infrastructure (construction services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the company receives a right to charge users of the public service

An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. Till the completion of the project, the same is recognized as intangible assets under development. In case of part commencement of operations, the intangible assets under development is capitalized based on the relative revenue earning potential of the rights.

10. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

a. the provision for impairment loss, if any; and
b. the reversal of impairment loss recognised in previous periods, if any,

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

a. in the case of an individual asset, at the higher of the net selling price and the value in use;
b. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

11. Employee benefits

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

b) Post-employment benefits:

i. Defined contribution plans: The state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

ii. Defined benefit plans: The employees' gratuity fund schemes, post-retirement medical care scheme, pension scheme and provident fund scheme managed by trust are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (wherever applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit & loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

c) Long term employee benefits:

The present value of the obligation under the long term employee benefit plans such as compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under the defined benefit plans , is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance sheet date.

Remeasurements , comprising actuarial gains and losses, the return on plan assets and any change in the effect of asset ceiling (wherever applicable) are recognized immediately in Profit & Loss.

d) Employee Share Based Compensation:

Equity-settled share-based payments with respect to Employees Stock Options of the holding company granted to the entitled employees are measured at the fair value of the equity instruments of the holding company at the grant date. The fair value of equity-settled share-based payment transactions are recognized in the statement of profit and loss with a corresponding credit to equity, net of reimbursements, if any

12. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

The Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:(i) the contract involves the use of an identified asset(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Rights of use of assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

<u>The Company as a lessor</u>

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease

All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized as per the terms & conditions of the lease agreement entered into with the Lessees over the term of the relevant lease.

13. Inventories

Inventories comprise of stores, spares and consumables. Inventories are stated at the lower of cost or net realizable value. Cost is determined using weighted average basis. Cost of inventories comprise the cost of purchase plus the cost of bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sales

14. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All financial assets are initially measured at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Financial assets in their entirety are subsequently measured either at amortised cost or fair value. Investments in debt Instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (unless the same are designated as fair value through profit or loss)
- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for equity instruments which are not held for trading.

For financial assets that are measured at FVTOCI, interest income, dividend income and exchange difference (on debt instrument) is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments measured at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments measured at FVTOCI, if any, cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

A financial asset is primarily derecognised when:

i. the rights to receive cash flows from the asset have expired, or

ii. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the company has transferred substantially all the risks and rewards of the asset, or b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments measured at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset and financial guarantees not designated for measurement at FVTPL. For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information as permitted under Ind AS 109.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at fair value through profit or loss (FVTPL) are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

(c) hedges of a net investment in a foreign operation (net investment hedge).

The company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The company also documents the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the derivative is more than 12 months and as a current asset or liability when the residual maturity of the derivative is less than 12 months.

(a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the statement of profit and loss from that date.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the other expenses.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.
Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

(c) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of profit and loss on the disposal of the foreign operation.

15. Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

16. Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

17. Foreign currencies

a) The functional currency of the Company is Indian rupee.

b) Foreign currency transactions are recorded on initial recognition using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items, carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognised in profit or loss in the period in which they arise except for:

i. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs in a foreign currency not translated.
ii. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

18. Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief operating decision making body in the company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

i. Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter segment revenue.

ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.

iii. Most of the centrally incurred costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.

iv. Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.

v. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

vi. Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost and is allocated to the segment.

vii. Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis

19. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

20. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

a) the company has a present obligation (legal or constructive) as a result of a past event
b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c) a reliable estimate can be made of the amount of the obligation

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the time value of money is recognized as a finance cost.

Contingent liability is disclosed in case of

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation

b) a present obligation arising from past events, when no reliable estimate is possible

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and Contingent assets are reviewed at each Balance Sheet date.

21. Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

a) Estimated number of contracts remaining to be executed on capitalaccount and not provided for

b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

c) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

22. Statement of Cash Flows

Statement of cash flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature
ii. non-cash items such as depreciation, provisions, deferred taxes, un-realised foreign currency gains and losses, and undistributed profits of associates; and
iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash flows exclude items which are not available for general use as at the date of Balance Sheet.

23. Earnings per share

(i) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

24. Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

III. Recent Indian Accounting Standards (Ind AS) :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

As per our report attached

For M.K. DANDEKER & CO.,

Firm registration No: 000679S
Chartered Accountants
by the hand of

Sd/-

S. Poosaidurai
Partner
Membership No: 223754

Place:
Date: 11.05.2020

For and on behalf of the Board of Directors of
L&T Metro Rail (Hyderabad) Limited

Sd/-	**Sd/-**
K.V.B.Reddy	**Ajit Rangnekar**
[Managing Director & CEO]	**[Director]**
DIN No: 01683467	**DIN No: 01676516**
Sd/-	**Sd/-**
J.Ravi Kumar	**Chandrachud D Paliwal**
[Chief Financial Officer]	**[Company Secretary]**
Membership No: 023240	**Membership No: F5577**

Place: Hyderabad
Date: 11.05.2020