

SERIAL No. 4

ADDRESSED TO: AXIS SHORT TERM FUND

**INFORMATION MEMORANDUM**

L&T Metro Rail (Hyderabad) Limited



CIN: U45300TG2010PLC070121.

PAN: AABCL8521D.

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: 24<sup>th</sup> August, 2010, Place of incorporation: Hyderabad.

Registered Office: Hyderabad Metro Rail Administrative Building,  
Uppal Main Road, Nagole,  
Hyderabad – 500039, Telangana

Corporate Office: Hyderabad Metro Rail Administrative Building,  
Uppal Main Road, Nagole,  
Hyderabad – 500039, Telangana


Telephone No.: +91-040- 2208- 0000

Website: [www.ltmetro.in](http://www.ltmetro.in)

Email address: [rahul.nilosey@ltmetro.com](mailto:rahul.nilosey@ltmetro.com)

Issuance of 86,160 (Eighty Six Thousand One Hundred and Sixty) Senior, Rated, Listed, Redeemable Non-Convertible Debentures of a face value of INR 10,00,000 (Rupees Ten Lakh Only) each, for an aggregate amount of up to INR 86,16,00,00,000 (Rupees Eight Thousand Six Hundred and Sixteen Crore) ("**Debentures**" or "**NCDs**") in 3 (Three) Series, being Series A Debentures, Series B Debentures and Series C Debentures, at par for cash in dematerialised form on a private placement basis ("**Issue**").

This Information Memorandum is neither a Prospectus nor a Statement in Lieu of Prospectus. This Information Memorandum is prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (as the same has been modified and amended from time to time) ("**SEBI Debt Listing Regulations**").

DEBENTURE TRUSTEE	REGISTRAR TO THE ISSUE	CREDIT AGENCIES	RATING
<b>Axis Trustee Services Limited</b> Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 025 Contact person: Chief Operating Officer Telephone: 022 6230 0451 Website: <a href="http://www.axistrustee.in">www.axistrustee.in</a> Email: <a href="mailto:debenturetrustee@axis trustee.in">debenturetrustee@axis trustee.in</a>  <b>AXIS TRUSTEE</b>	<b>NSDL Database Management Limited</b> Address: 4 <sup>th</sup> Floor, Trade World, A wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra Contact person: Nilesh Bhandare Telephone: 022 24994200 Website: <a href="http://www.ndml.in">www.ndml.in</a> Email: <a href="mailto:nilesh@nsdl.co.in">nilesh@nsdl.co.in</a> 	<b>CRISIL Limited</b> Address: Crisil House, Central Avenue, Hiranandani Business Park, Mumbai - 400076 Telephone: 022 -33423000 Email: <a href="mailto:hemant.bilay@crisil.com">hemant.bilay@crisil.com</a> Contact person: Hemanth Bilay  <b>CRISIL</b> An S&P Global Company	

		India Ratings and Research Private Limited Address: 1 <sup>st</sup> Floor, Ozone complex, 6-3-669, Punjagutta Main Road, Hyderabad-500082 Telephone: 040-40178613 Email: suryanarayana.mangina@indiaratings.co.in Contact person: Suryanarayana Mangina  <small>A Fitch Group Company</small>
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COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	PROMOTERS
Name: Chandrachud Durlabh Paliwal Telephone: 040 - 22080562 Email: chandrachud.paliwal@ltmetro.com	Name: Rahul Nilosey Telephone number: 040- 22080511 Email: rahul.nilosey@ltmetro.com	Name: Larsen And Toubro Limited Telephone: 022 67525656 Email: sivaram.nair@larsentoubro.com
COMPLIANCE OFFICER OF THE ISSUER		
Name: Chandrachud Durlabh Paliwal Telephone number: 040 – 22080562 Email address: chandrachud.paliwal@ltmetro.com		

#### CREDIT RATING

CRISIL Limited and India Ratings and Research Private Limited (collectively the "Rating Agencies") have assigned Provisional AAA(CE)/ stable rating to these Debentures. Instruments with such ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The press release issued by CRISIL Limited in respect of the rating of the Debentures is available at: <https://www.crisil.com/en/home/our-businesses/ratings/company-factsheet.LTMRHL.html>

The press release issued by India Ratings and Research Private Limited in respect of the rating of the Debentures is available at: <https://www.indiaratings.co.in/PressRelease?pressReleaseID=56942>

The letter dated December 7, 2021 and December 13, 2021 issued by the Rating Agencies respectively assigning the aforementioned rating in relation to the same is annexed hereto and marked as Annexure V.

All the ratings obtained for private placement: Provisional AAA (CE)/ Stable.

The Rating Agencies reserve the right to suspend, withdraw or revise the ratings at any time on the basis of new information etc. The ratings are not a recommendation to buy / sell or hold the rated instrument.

## LISTING

The Debentures to be issued pursuant to this Information Memorandum are proposed to be listed on the **Wholesale Debt Market ("WDM") segment of The BSE Limited ("BSE")**.

## ISSUE SCHEDULE

Particulars	Date
Issue Opening Date	December 29, 2021
Issue Closing Date	December 29, 2021
Date of earliest closing of the Issue	NA
Pay-in date	December 30, 2021
Deemed Date of Allotment	December 30, 2021

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

## GENERAL RISK

Investment in non-convertible securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to the statement of risk factors contained under Section III(E) of this Information Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or an **investor's decision** to purchase such securities.

## Key Terms

Nature of Issue	Private placement of Senior, Rated, Listed, Redeemable Non-Convertible Debentures, in 3 (Three) Series being Series A Debentures, Series B Debentures and Series C Debentures
Issue Size	Base Issue: Rs.8616 Crore Green Shoe Option: NA
Details about eligible investors:	The following categories of investors, when specifically approached, are eligible to subscribe to this private placement of Debentures on a primary basis, subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form: (a) Scheduled Commercial Banks; (b) Financial Institutions; (c) Primary/ State/ District/ Central Co-operative Banks; (d) Regional Rural Banks; (e) Cooperative bank authorised to invest in Debentures;

	(f) Non-banking finance companies; (g) Companies, Bodies Corporate authorised to invest in Debentures; (h) Insurance Companies; (i) Investment holding companies of high net worth individuals; (j) Mutual Funds; (k) Pension Funds , Provident funds; (l) Foreign Portfolio Investors; (m) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures
Coupon rate:	Series A: 6.37% p.a.  Series B: 6.58% p.a.  Series C: 6.68% p.a.
Coupon payment frequency	In respect of each Series of the Debentures, April 30, 2022 and every anniversary thereafter till the redemption of bonds
Redemption Dates	Series A Debentures: April 30, 2025 Series B Debentures: April 30, 2026 Series C Debentures: April 30, 2027
Redemption Amount	At Par i.e. INR 10,00,000 (Rupees Ten Lakh) per Series of the Debentures
Details of Debenture Trustee	Axis Trustee Services Limited
Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:	Nil

Eligible investors may apply through the electronic book mechanism provided by BSE in line with the EBP Guidelines. The Disclosures required pursuant to the EBP Guidelines are set out below:

Details of size of the Issue including green shoe option, if any	Senior, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of Rs.10,00,000/- each, aggregating up to INR 8616 Crore in the following series: Series A Debentures: INR 28,720,000,000 Crore Series B Debentures: INR 28,720,000,000 Crore Series C Debentures: INR 28,720,000,000 Crore
Mode of Issue	Private placement through the electronic book mechanism
Minimum Bid Lot	In respect of each Series of the Debentures, 1 Debenture and in multiples thereof
Manner of Bidding/ Type of Bidding	Closed
Manner of Allotment	Uniform Yield
Manner of settlement	Through ICCL
Settlement Cycle	T+1
Bidding Date and Time	December 29, 2021; 11AM to 1 PM

This Information Memorandum is dated December 29, 2021

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## ISSUER'S DISCLAIMER

This Information Memorandum of private placement of the Debentures (the **"Memorandum"** or the **"Information Memorandum"**) is being prepared to provide general information to potential Debenture Holders to whom it is addressed and who are willing and eligible to subscribe to the Debentures, in relation to the Issue of the Debentures by the Company. The issue of the Debentures to be listed on the wholesale debt market segment of the stock exchange is being made strictly on a *'private placement'* basis.

The Debentures mentioned herein are not offered for sale or subscription to the public, but are being privately placed with a limited number of eligible investors. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through a resolution passed by the board of directors of the Issuer dated 8<sup>th</sup> September 2021 and the resolution of the shareholders dated 3<sup>rd</sup> November 2021 and in accordance with the operative provisions of the Companies Act, 2013 **and the rules framed thereunder ("Companies Act")**. **This Information Memorandum should not** be treated as an offer for sale or solicitation of an offer to buy the Debentures as prescribed herein by any person who has not been provided with a copy of this Information Memorandum.

This Information Memorandum does not constitute an offer for sale or a solicitation of an offer to buy the Debentures as described herein from any person other than the person whose name appears on the cover page of this Information Memorandum. No person other than such person, receiving a serially numbered copy of this document may treat the same as constituting an offer to sell or a solicitation of an offer to buy the Debentures. This Information Memorandum is not intended to be circulated to more than 200 persons in the aggregate in a financial year. The Company is not liable if this Information Memorandum has been received by an arranger, or by a Person who was provided a copy of this Information Memorandum by an arranger.

The distribution of this Information Memorandum and offer and sale of Debentures in certain jurisdiction may be restricted by law. It does not constitute an offer for sale or solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction.

As per the applicable provisions of the Companies Act, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the ROC or SEBI for its review and/or approval.

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. This Information Memorandum is intended for private use and should not be construed to be a prospectus and/or an invitation to the public or a section of the public so as to constitute a *'public offer'* for subscription to the Debentures under any Applicable Law for the time being in force. This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations.

All the information contained in this Information Memorandum has been supplied by or on behalf of the Company and the Company confirms that it has taken reasonable care to ensure that the information is true and accurate in all material respects as at the date shown on the cover of this Information Memorandum and does not contain any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein that would be in the light of circumstances under which they are made, and are not misleading.

Each copy of this Information Memorandum is serially numbered and the recipient of the Memorandum is alone entitled to apply for the Debentures. No invitation is being made to any persons other than those to whom this Information Memorandum is being sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The Issuer certifies that the disclosures made in this Information Memorandum are adequate and in conformity with the SEBI Debt Listing Regulations.

This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only by those Investors to whom it is distributed. This Information Memorandum does not purport to contain all the information that any potential investor may require. Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any Debentures. It is not intended for distribution to any other person and should not be reproduced by the recipient. Each investor contemplating the purchase of any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the **suitability of such investment to such investor's particular circumstances. It is the responsibility** of potential investors to also ensure that they will sell these Debentures in strict accordance with this Information Memorandum and other Applicable Laws.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Information Memorandum nor any sale of debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

The Company and its directors have not been prohibited from accessing the capital or financial market under any order or directions passed by SEBI or RBI.

#### DISCLAIMER CLAUSE OF STOCK EXCHANGE

As required, a copy of this Information Memorandum is being filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the

contents of this Information Memorandum, nor does the BSE **warrant that the Issuer's Debentures** will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

#### DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

#### DISCLAIMER CLAUSE OF DEBENTURE TRUSTEE

**The Debenture Trustee, "ipso facto" does not have the obligations** of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Debentures/bonds. While the debt securities are backed by corporate guarantee as per the terms of offer document/ Information Memorandum, in favour of Debenture Trustee, however the recovery of the outstanding amounts shall depend on the market scenario prevalent at the time of invocation of the guarantee. The Debenture Trustee does not make nor deems to have made any representation on the Issuer, its operations, the details and projections about the Issuer or the Debentures under Offer made in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Issuer, its performance and profitability and details in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document before taking their investment decision. The Debenture Trustee shall not be responsible for the investment decision and its consequences.

#### DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors who shall be specifically approached by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and will be construed in accordance with Indian law. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts at Hyderabad (unless otherwise specified in the respective Transaction Documents). This private placement offer of Debentures is made in India to persons resident in India and non-residents as permissible. Nothing in this Information Memorandum shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof, at large, through this Information Memorandum, and this Information Memorandum and its contents should not be construed to be a prospectus under the Companies Act. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

#### DISCLAIMER IN RESPECT OF RATING AGENCY

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating

obtained is subject to revision at any point of time in the future. The rating agency has a right to suspend, withdraw the rating at any time on the basis of new information etc.

## ISSUE OF DEBENTURES IN DEMATERIALIZED FORM

The Debentures will be issued in dematerialized form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialized form. Investors will have to hold the Debentures in dematerialized form as per the provisions of Depositories Act. The DP's name, DP ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Issuer will make the Allotment to investors on the Date of Allotment after verification of the Application Form, the accompanying documents and on realization of the application money. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant.

## DISCLAIMER CLAUSE OF THE ARRANGER TO ISSUERS

The Issuer is solely responsible for the truth, accuracy and completeness of all the information provided in this Information Memorandum. Neither is the Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Information Memorandum, nor is the Arranger responsible for doing any due diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum. The Arranger shall be entitled to rely on the truth, correctness and completeness of this Information Memorandum. It is to be distinctly understood that the aforesaid use of this Information Memorandum by the Arranger should not in any way be deemed or construed to mean that the Information Memorandum has been prepared, cleared, approved, scrutinized or vetted by the Arranger. Nor should the contents of this Information Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Arranger as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Information Memorandum.

The Arranger has not conducted any due diligence review on behalf or for the benefit of the Debenture Trustee or any of the Debenture Holder. Each Debenture Holder should conduct such due diligence on the Issuer and the Debentures, as it deems appropriate and make its own independent assessment thereof.

Distribution of this Information Memorandum does not constitute a representation or warranty, express or implied by the Arranger that the information and opinions herein will be updated at any time after the date of this Information Memorandum. The Arranger does not undertake to notify any recipient of any information coming to the attention of the Arranger after the date of this Information Memorandum. No responsibility or liability or duty of care is or will be accepted by the Arranger for updating or supplementing this Information Memorandum nor for providing access to any additional information as further information becomes available.

Neither the Arranger nor any of their respective directors, employees, officers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Information Memorandum or in any other information or communications made in connection with the Debentures.

The Arranger is acting for the Company in relation to the Issue of the Debentures and not on behalf of the recipients of this Information Memorandum. The receipt of this Information Memorandum by any recipient is not to be constituted as the giving of investment advice by the Arranger to that recipient, nor to constitute such a recipient a customer of the Arranger. The Arranger is not responsible to any other person for providing the protection afforded to the customers of the Arranger nor for providing advice in relation to the Debentures.

Each recipient of this Information Memorandum acknowledges that:

- (a) each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- (b) such recipient has not relied on the Arranger in connection with its investigation of the accuracy of such information or its investment decision.

## SECTION II: DEFINITIONS

Application Form	The application form for subscription to the Debentures to be issued by the Company, to any person to whom this Information Memorandum is addressed.
Applicant	Those institutions, Foreign Institutional Investors registered with SEBI or corporations, to whom a copy of the Information Memorandum may be sent, specifically addressed to such persons, with a view to offering the Debentures.
Applicable Law	any statute, law, bylaw, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority whether in effect as of the date of any of the Transaction Documents or thereafter and in each case as amended.
Beneficial Owner	The owner of the Debentures in electronic (dematerialized) form held through a Depository and whose name is so recorded by the Depository in the register maintained by it for this purpose.
Board	Board of Directors of the Company.
BSE	The BSE Limited.
Business Day	A day (other than a Public Holiday or a Saturday or a Sunday) on which banks and money markets are generally open for business in Hyderabad and Mumbai, India.
CDSL	Central Depositories Services (India) Limited
Company/ Issuer	L&T Metro Rail (Hyderabad) Limited.
Companies Act	Companies Act, 2013 along with the rules framed thereunder, as amended from time to time.
Concession Agreement	The concession agreement dated September 4, 2010 entered into by and between GoAP and the Company whereby the GoAP had awarded the Project to the Company on design, build, finance, operate and transfer basis and transit oriented development in and around the selected metro stations including parking and circulation areas as specified therein and any amendments made thereto in accordance with the provisions therein
Debenture Holder(s)/ Investor	A person who is for the time being a holder of the Debentures and whose name is last mentioned in the Debenture Register and shall include a Beneficial Owner of the Debentures.
Debenture Register	The register of Debenture Holders.
Debenture Trustee	SEBI Registered Debenture Trustee, being Axis Trustee Services Limited.
Debenture Trust Deed	The debenture trust entered into between the Debenture Trustee and the Company in respect of the Debentures.
Debenture Trustee Agreement	The agreement entered into between the Debenture Trustee and the Issuer on or about the date hereof, setting out the terms and conditions for the appointment of the Debenture Trustee to act as the trustee for the Debenture Holders, and such other terms as may be agreed between the Issuer and the Debenture Trustee thereto.
Depository (ies)	A depository registered with the SEBI in accordance with the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, and

	in this case being the National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DP/Depository Participant	A depository participant as defined in the Depositories Act.
DP-ID	Depository Participant identification number.
Escrow Account	Account opened with the Escrow Bank in terms of the Escrow Agreement
Escrow Bank	State Bank of India
Escrow Agreement	shall mean the escrow agreement to be executed among the Company, GoTS, Escrow Bank and the Debenture Trustee (in its <b>capacity as the lenders' representative</b> )
FII's	Foreign Institutional Investors.
FY/ Financial Year	The financial year of the Company which commences on April 1 of a calendar year and ends on March 31 of the immediately succeeding calendar year.
GoTS	Government of Telangana
Governmental Authority	Any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other Law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
Guarantee	The unconditional and irrevocable continuing corporate guarantee proposed to be executed by Larsen & Toubro Limited in connection with the Debentures in favour of the Debenture Trustee (on behalf of the Debenture Holders).
Information Memorandum	This information memorandum of private placement of the Debentures.
INR/Rs./Rupees	The lawful currency of the Republic of India.
Letter of Allotment	A letter of allotment evidencing the title to the Debentures to be issued immediately to the Debenture Holder.
Majority Debenture Holders	Such Debenture Holders who hold an aggregate amount representing at least 75% of the aggregate principal amount of the Debentures. It is however clarified that if a resolution is required to be passed or consent is required to be provided in relation to a matter concerning only a particular Series of Debentures then the term "Majority Debenture Holder(s)" shall mean the Debenture Holder(s) of that Series holding an aggregate amount representing not less than 75% of the aggregate principal amount of the said Series for the time being outstanding
Memorandum and Articles of Association	The memorandum and articles of association of the Issuer, as the case may be.
N.A	Not Applicable
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Project	Shall have the meaning assigned to such term in the Concession Agreement.

Promoter/L&T	Larsen and Toubro Limited
Private Placement Offer Letter	the private placement offer letter prepared under rule 14 and in form PAS – 4 as set out under the Companies (Prospectus and Allotment of Securities) Rules, 2014 issued by the Issuer to any person to whom this Information Memorandum is addressed.
Public Holiday	Any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai and New Delhi, India.
Rating Agencies	CRISIL Limited and India Ratings and Research Private Limited
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
Record Date	15 days prior to each Coupon Payment Date/ Change in Control Call Option Date / Promoter Call Options Date / Redemption Date
Registrar and Transfer Agent	NSDL Database Management Limited.
ROC	Registrar of Companies
RTGS	Real Time Gross Settlement System.
SEBI	Securities and Exchange Board of India.
Senior Lenders	Shall have the meaning assigned to such term in the Concession Agreement
Series	Each series of Debentures referred to and issued pursuant to this Information Memorandum, individually or collectively, as the context may require.
Subscribers	The initial subscribers to the Debentures.
Substitution Agreement	shall mean the substitution agreement to be executed among the Company, GoTS and the Debenture Trustee (in its capacity as the <b>lenders' representative</b> )
TDR Monetisation	Any assignment or relinquishment or transfer of rights (including by way of sub-licensing of rights) by the Company in relation to Real Estate Development segment of the Project in favour of third party(ies), for a consideration received/ to be received (whether lump sum or in tranches), for the entire or part duration of the concession granted under the Concession Agreement
Term-Sheet	Term sheet set out in Annexure I of this Information Memorandum.

Transaction Documents	<ul style="list-style-type: none"> <li>(i) the Debenture Trust Deed;</li> <li>(ii) the Debenture Trustee Agreement;</li> <li>(iii) this Information Memorandum (including the Term Sheet);</li> <li>(iv) the Corporate Guarantee;</li> <li>(v) Escrow Agreement;</li> <li>(vi) Supplementary Escrow Agreement;</li> <li>(vii) Substitution Agreement; and</li> <li>(viii) all agreements, instruments, undertakings, indentures, deeds, writings and other documents (whether financing or otherwise) executed or entered into, or to be executed or entered into, by the Issuer or as the case may be, any other person, in relation, or pertaining, to the transactions contemplated by, or under this Information Memorandum or any other document so designated collectively by the Issuer and the Debenture Trustee, from time to time.</li> </ul>
WDM	Wholesale Debt Market
Working Day(s)	<p>All days on which commercial banks in Mumbai and Hyderabad, are open for business;</p> <p><i>Explanation:</i> For the purpose of this definition, in respect of:</p> <ul style="list-style-type: none"> <li>(i) issue period: working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in and Mumbai and Hyderabad are open for business;</li> <li>(ii) the time period between the issue closing date and the listing of the Debentures on the stock exchanges: working day shall mean all trading days of the stock exchanges for Debentures, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.</li> </ul>

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SECTION III: REGULATORY DISCLOSURES

A. Issuer Information

a. Name and Address of the following

Debenture Trustee of the issue	Legal Counsel to the Issuer	Guarantor
<p>Axis Trustee Services Ltd. Address: Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 025 Website: axistrustee.in Email: debenturetrustee@axistrustee.in Telephone: 022 6230 0451 Contact Person: Chief Operating Officer</p> 	<p>Name: AZB &amp; Partners Address: AZB House, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 Website: azbpartners.com Email: gautam.ganjawala@azbpartners.com Telephone: 022 6639 6880 Contact Person: Mr. Gautam Ganjawala</p> 	<p>Larsen &amp; Toubro Limited Address: L&amp;T House, Ballard Estate, Mumbai- 400001, Maharashtra CIN-L99999MH1946PLC004768 Website: larsentoubro.com Email: sivaramnair@larsentoubro.com Telephone: 022 67525656 Contact Person: Mr. Sivaram Nair</p> 
Registrar of the issue	Credit Rating Agencies of the issue	Auditors of the Issuer
<p>NSDL Database Management Limited 4th Floor, Trade World A-Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Website: www.ndml.co.in Email: Nileshb@nsdl.co.in Telephone: 022 24994200 Contact Person: Nilesh Bhandare</p> 	<p>CRISIL Limited Crisil House, Central Avenue, Hiranandani Business Park, Mumbai - 400076 Telephone : 022-33423000 Email address: Hemant.bilay@crisil.com Contact person: Hemanth Bilay</p>  <p>India Ratings and Research Private Limited Address: 1<sup>st</sup> Floor, Ozone complex, 6-3-669, Punjagutta Main Road, Hyderabad-500082 Telephone: 040-40178613 Email address: suryanarayana.mangina@indiaratings.co.in Contact person: Suryanarayana Mangina</p> 	<p>M Bhaskara Rao &amp; Co, Chartered Accountants 6-3-652, 5th Floor, Kautilya, Somajiguda, HYDERABAD - 500082</p>

## Arranger(s) to the Issue

Name: SBI Capital Markets Limited  
 Address: **202, Maker Tower 'E', Cuffe Parade,**  
 Mumbai 400 005, Maharashtra India  
 Website: www.sbicaps.com  
 Email: dcm@sbicaps.com  
 Telephone: +91 22 22178300  
 Contact Person: Mr. Sanjay Sethia



- b. A brief summary of the business/ activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business

i. Overview

L&T Metro Rail (Hyderabad) Limited is a special purpose vehicle formed for the development of Hyderabad Metro Rail Project. The Project spans 69.20 Km across in three elevated corridors in Hyderabad City. The Project has been developed on DBFOT (Design, Build, Finance, Operate and Transfer) basis under a public private partnership model.

The shareholding pattern of L&T MRHL is as follows:

Larsen & Toubro Limited	: 99.99%
Others	: 0.01%

The three corridors constituting the Rail System are: Corridor-I: Miyapur - L.B Nagar with a length of 29.20 Km. and 27 Stations; Corridor-II: Jubilee Bus Station (JBS) - MGBS with a length of 11.00 Km. and 8 Stations; and Corridor-III: Nagole- Raidurgam with a length of 29 Km. and 22 Stations. There are independent depots at Miyapur and Nagole for the maintenance and overhaul of the Rail System.

A brief overview of the Corridors and the chainage details of the Station locations are as given in the following table.

	Section	Length (Km.)	Stations
Corridor 1	Miyapur-L. B. Nagar	29.20	27
Corridor 2	Jubilee Bus stand –MGBS	11.00	8
Corridor 3	Nagole – Raidurgam	29.00	22
	Total	69.20	57

The Project also includes rights for real estate development and licensing (“TOD”) with a total development potential of 18.5 million square feet and co-terminus with the Concession Period. The land for the same has been procured and allotted to the Company by GoTS. The Company has so far developed 1.2 million square feet of retail mall assets at 4 locations in Hyderabad and all of these assets are generating revenues currently. In the future, the Company intends to collect upfront revenues against its TOD assets through TDR Monetisation.

The Company is also free to exploit any other non-fare revenue streams such as advertising, station retail, consultancy and training opportunities to supplement its revenues from the rail operations.

## Project Cost and Means of Finance

The Total Project Cost for the Project as per latest financial closure is given in the following table:

Cost Component	Amount (Rs. Cr)
EPC Cost	12581
Interest During Construction	4573
Project Management Consultancy	1324
DSRA	497
<b>Total Project Cost</b>	<b>18975</b>

The Means of Finance for the Total Project Cost as tied up in the latest financial closure is as follows:

Source:	Amount (Rs. Cr)	
<b>Promoters' Contribution</b>		
Equity	2439	
Mezzanine Debt/Unsecured Loans	2073	
Total Equity		4512
Equity Support (Grant)		1204
Senior Debt		13259
<b>Total</b>		<b>18975</b>

## Sources of Revenue:

Under the provisions of the Concession Agreement, in addition to the fare revenues, the Issuer is entitled to commercially develop the Parking & Circulation (P&C) areas adjacent to 25 Stations and at the Depots and also collect advertising and parking revenues.

Thus, the revenue streams for the Project comprise of:

- Fare revenues from the metro rail system
- Revenues from leasing of developed Transit Oriented Development assets or from TDR Monetisation of the P&C and Depot areas
- Non-fare revenues like advertising, parking, etc.

*Fare Revenues:*

L&T Metro Rail (Hyderabad) Limited is authorised to demand, collect and appropriate Fare from Users of the Rail System in accordance with the Concession Agreement.

The Concessionaire being the Metro Rail Administration, under Section 2(j)(ii) of the Metro Railways (Operation and Maintenance) Act, 2002 read with the proviso to Section 33, had fixed the fare structure for the Hyderabad Metro on initial opening and the same is as follows:

Serial No.	Distance to be travelled (in Km.)	Basic fare (in Rs.)
1	Up to 2	10
2	More than 2 and up to 4	15
3	More than 4 and up to 6	25
4	More than 6 and up to 8	30
5	More than 8 and up to 10	35
6	More than 10 and up to 14	40
7	More than 14 and up to 18	45
8	More than 18 and up to 22	50
9	More than 22 and up to 26	55
10	More than 26	60

This fare was effective from 28th November 2017 and shall be revised subsequently as per the provisions of the Metro Railways (Operation and Maintenance) Act, 2002. Under the provisions of the Metro Railways (Operation and Maintenance) Act, any subsequent revision in the Fare shall be decided under Section 33 by the Fare Fixation Committee constituted pursuant to Section 34.

*Transit Oriented Development at Parking & Circulation areas:*

L&T Metro Rail (Hyderabad) Limited is entitled to undertake Transit Oriented Development (TOD) over the parking and circulation areas. The cumulative permissible built up area at all the stations shall be restricted to 6 million sq. ft.

The different types of commercial activity possible are development of Mall, High Street Retail, Commercial Office Space, Hospitality, Warehousing and Leisure & Entertainment are the options possible at the sites. The basement of the land parcels can be used for Parking and Warehousing.

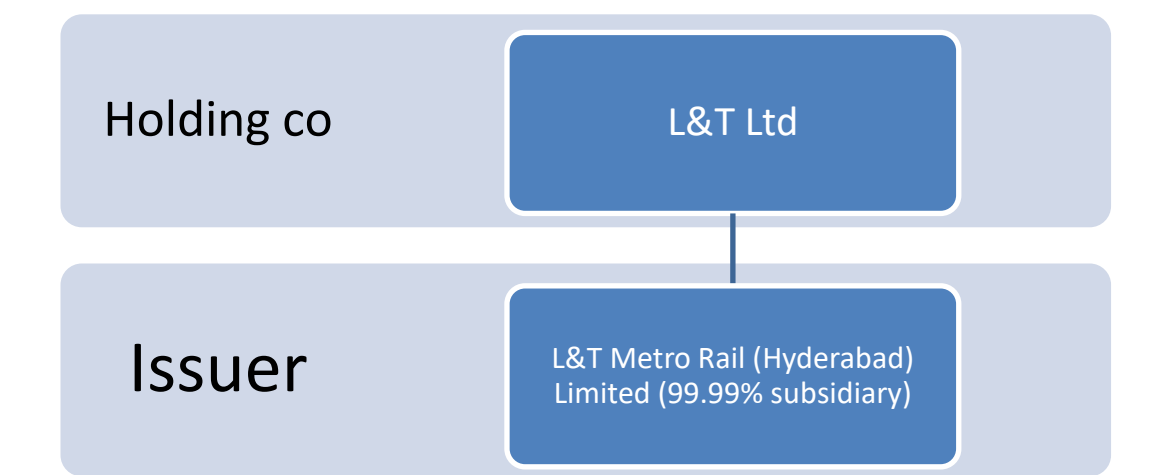
The company is currently seeking potential investors for TDR Monetisation in consideration for upfront revenue realisation which is planned to be utilized within the Project for debt service. As such the Debenture holders shall not be provided any encumbrance/security over the TOD assets of the Issuer. Furthermore, the Issuer does not need to seek any approvals for the TDR Monetisation in any form and structure.

**Depot Development**

The cumulative permissible built up area to be utilised for Real Estate Development at the Depots shall be restricted to a maximum of 12.5 million sq. ft., excluding the basement. The basement may also be used for Real Estate Development and its area shall be in addition to the aforesaid 12.5 million sq. ft.

**Non-Fare Revenues**

Advertising revenues and parking revenues are the other sources of revenue available for the Project.

ii. Corporate Structure

## B. Details of the Promoters of the Issuer

1. Larsen & Toubro Limited (L&T)

Name	Larsen And Toubro Limited
Date of Incorporation	07/02/1946
CIN	L99999MH1946PLC004768
PAN	AAACL0140P
Registered Office	L&T House, Ballard Estate, Mumbai – 400001, Maharashtra
Corporate Office	L&T House, Ballard Estate, Mumbai – 400001, Maharashtra
Business and financial activities of the Promoter	Engaged in EPC Projects, Hi-Tech Manufacturing and Services/ provided below
Other ventures of the promoters	Detailed in the writeup below

The Issuer confirms that the Permanent Account Number and Bank Account Number(s) of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the Debentures are proposed to be listed, at the time of filing the draft Information Memorandum.

Larsen & Toubro Limited (L&T) is a technology, engineering, construction manufacturing and financial services company. It is one of the largest and most respected companies in India's private sector. More than seven decades of a strong, customer-focused approach and the continuous quest for world-class quality have enabled it to attain and sustain leadership in all its major lines of business. L&T has an international presence, with a global spread of offices. A thrust on international business has seen overseas earnings grow significantly. It continues to grow its global footprint, with offices and manufacturing facilities in multiple countries. The company's businesses are supported by a wide marketing and distribution network, and have established a reputation for strong customer support.

L&T believes that progress must be achieved in harmony with the environment. A commitment to community welfare and environmental protection are an integral part of the corporate vision.

In response to changing market dynamics, L&T has gone through a phased process of redefining its organisation model to facilitate growth through greater levels of empowerment. The new structure is built around multiple businesses that serve the needs of different industries.

*Hydrocarbon:* L&T Hydrocarbon Engineering Limited (LTHE) operates as a wholly owned subsidiary of Larsen and Toubro Limited. LTHE delivers 'design to build' world-class engineering and construction solutions on turnkey basis in oil & gas, petroleum refining, chemicals & petrochemicals and fertiliser sectors. In-house expertise and experience, synergised with strategic partnerships enables it to deliver single point solution for every phase of a project - right from the front end design through engineering, fabrication, project management, construction and installation up to commissioning. The key aspects of business philosophy are: on-time delivery, cost competitiveness, and high quality standards with focus on best in class HSE practices. Integrated strengths coupled with experienced highly-skilled engineers and workmen, are the key enablers in delivering critical and complex projects in India and in select countries overseas.

*Heavy Engineering:* L&T's Heavy Engineering has established a reputation in global markets for quality products. It manufactures and supplies custom designed and engineered critical equipment and systems to the needs of core-sector industries and the defence sector. It is the preferred supplier of equipment for a select range of products, globally.

*Shipbuilding:* L&T's shipbuilding facility has been created to cater to the needs of growing global demand for construction of specialized oceangoing vessels. The shipyard is geared up to take up construction of niche vessels such as specialized Heavy lift Cargo Vessels, CNG carriers, Chemical tankers, defense & para military vessels and other role specific vessels.

*Construction:* **L&T Construction is India's largest construction organisation with over 65 years of experience and expertise in the field. L&T Construction figures among the World's top contractors and ranks 35th among top global contractors and 60th among international contractors as per the survey conducted by Engineering News Record magazine, USA. Many of the country's prized landmarks – its exquisite buildings, tallest structures, largest airports/ industrial projects, longest flyovers, highest viaducts, longest pipelines including many other benchmark projects have been built by L&T Construction. L&T Construction's leading edge capabilities cover every discipline of construction: civil, mechanical, electrical and instrumentation engineering and services extend to all core sector industries and infrastructure projects.**

*Power:* **L&T Power is a business brand of L&T, with a mandate to integrate L&T's varied offerings** in the thermal power sector. The Company is uniquely positioned to combine rich and diverse strands of experience in engineering, manufacturing and project execution with strong management focus on providing turnkey solutions.

*Machinery & Industrial Products:* L&T Machinery and Industrial Products (MIP) comprises two Strategic Business groups (SBGs) – Machinery and Industrial Products. Machinery SBG consists of Construction & Mining Machinery, Rubber Processing Machinery and Foundry Business Units. The Industrial Products (IP) SBG consists of businesses related to industrial valves, welding equipment & products and cutting tools

*Financial Services:* L&T Finance Holdings Limited is a financial holdings company registered with the RBI as an NBFC, majority held by L&T and with listed equity on the stock exchanges, offering a diverse range of financial products and services across retail, corporate, housing and

infrastructure finance sectors as well as mutual fund products and investment management services.

*Information Technology & Technology Services:* L&T Infotech, a subsidiary of L&T, is a global IT services and solutions provider. It provides the winning edge to clients by leveraging its Business-to-IT Connect and deeply committed people. Clients find in it a right-size partner who combines scale, stability and customer-centricity. The rich corporate heritage has given it many inherent advantages that translate into tangible benefits for clients. Another subsidiary, L&T Technology Services, offers design and development solutions throughout the entire development chain across various industries such offering include Industrial Products, Medical Devices, Transportation, Telecom and Hi-tech and to the Process Industry. The company also offers solutions in the areas of Mechanical engineering Services, Embedded Systems Services, and Product Lifecycle Management (PLM).

*Development Projects:* The operations of developmental projects business segment, carried out through subsidiary companies, primarily involves development, operation and maintenance of basic infrastructure projects in the Public Private Partnership format, toll collection including annuity based road projects, power development and power transmission, development & operation of port facilities and providing related advisory services.

*Realty:* L&T Realty, the real estate arm of L&T, has a portfolio of trend-setting real estate developments across the country. Leveraging the values of the parent company - the expertise, the professionalism, the trust, the quality commitment associated with L&T, L&T Realty is setting up large developments redefining urban living. These include Residences, Corporate offices, Retail, Leisure & Entertainment spaces.

C. Key Operational and Financial Parameters:

Amount in Rs.

	Upto latest half year i.e. September 30, 2021	FY 20-21	FY 19-20	FY 18-19
<b>Balance Sheet</b>				
Net Fixed assets	170,742,809,180	171,800,767,393	172,036,730,231	157,187,163,943
Current assets	6,719,765,017	7,149,128,762	8,006,307,436	1,075,598,245
Non-current assets	533,425,170	517,724,617	587,007,895	1,309,556,510
Total assets	177,995,999,367	179,467,620,772	180,630,045,562	159,572,318,698
<u>Non-Current Liabilities</u>				
(including maturities of long-term borrowings and short-term borrowings)	124,112,245,497	132,133,308,967	129,943,677,411	120,487,880,499
Financial (borrowings, trade payables, and other financial liabilities)	193,783,081	216,512,272	605,647,953	554,908,140
Provisions	902,806,517	668,573,300	285,385,334	65,085,213
Deferred tax liabilities (net) Other non-current liabilities	-	-	-	-

	Upto latest half year i.e. September 30, 2021	FY 20-21	FY 19-20	FY 18-19
Other non-current liabilities	1,892,809	17,472,633	30,738,439	52,989,116
<u>Current Liabilities</u>				
(including maturities of long-term borrowings)	12,973,316,567	10,090,099,000	5,210,787,000	-
Financial (borrowings, trade payables, and other financial liabilities)	46,812,385,103	34,313,679,482	25,811,523,708	15,760,747,779
Provisions	34,085,698	32,946,371	44,110,773	43,817,172
Current tax liabilities (net)	95,853,134	220,975,475	253,560,084	211,038,962
Other current liabilities	1,266,710,457	1,014,361,028	17,472,633	313,439,223
Total liabilities	186,393,078,864	178,707,928,528	162,202,903,334	137,489,906,105
Equity (equity and other equity)	(8,397,079,496)	759,692,245	18,427,142,227	22,082,412,593
Total equity and liabilities	177,995,999,368	179,467,620,773	180,630,045,561	159,572,318,698
<b>Profit and Loss</b>				
Total revenue from operations	1,307,686,147	1,896,185,902	5,872,810,955	3,130,312,864
Other Income	121,742,475	383,334,799	109,201,185	54,288,353
Total Expenses	10,589,787,001	19,946,970,683	9,804,069,283	4,657,821,643
Total comprehensive income	0	0	0	0
Profit / loss	(9,160,358,379)	(17,667,449,982)	(3,822,057,143)	(1,473,220,426)
Other comprehensive income	0	0	48,546,427	(15,490,601)
Profit / loss after tax	(9,156,771,741)	(17,667,449,982)	(3,773,510,716)	(1,488,711,027)
Earnings per equity share: (a) basic; and (b) diluted	(0.38)	(7.24)	(1.57)	(0.63)
From continuing operations	(0.38)	(7.24)	(1.57)	(0.63)
From Discontinued operations	-	-	-	-
From continuing and discontinued operations	(0.38)	(7.24)	(1.57)	(0.63)
<b>Cash Flow</b>				
Net cash generated from operating activities	125,390,014	7,785,632,001	38,815,172	4,388,932,401

	Upto latest half year i.e. September 30, 2021	FY 20-21	FY 19-20	FY 18-19
Net cash used in / generated from investing activities	(1,530,524,440)	(2,873,059,736)	(15,361,961,122)	(22,787,432,059)
Net cash used in financing activities	(155,096,960)	(5,860,273,270)	17,546,900,626	18,423,792,174
Cash and cash equivalents	29,580,542	1,589,811,928	2,537,512,933	313,758,257
Balance as per statement of cash flows	29,580,542	1,589,811,928	2,537,512,933	313,758,257
<b>Additional Information</b>				
Net worth	(8,397,079,496)	759,692,245	18,427,142,227	22,082,412,593
Cash and Cash Equivalents	29,580,542	1,589,811,928	2,537,512,933	313,758,257
Current Investments	1,176,487,116	0	0	0
Net Sales	1,429,428,622	2,279,520,701	5,982,012,140	3,184,601,217
EBIDTA	(122,362,326)	(471,806,016)	3,061,346,667	1,300,257,019
EBIT	(1,651,811,027)	(3,456,777,020)	1,605,866,494	680,538,061
Dividend amounts	0.00	0.00	0.00	0.00
Long term debt to working capital**	n/m	n/m	Not Applicable*	Not Applicable*
Current ratio	0.11	0.16	0.26	0.07
Current liabilities / Non-current liabilities	0.49	0.34	0.24	0.13
Total Debts to Total assets	0.98	0.92	0.81	0.76
Debt Service Coverage Ratios***	1.35	1.30	Not Applicable*	Not Applicable*
Interest service coverage ratio***	1.63	1.54	Not Applicable*	Not Applicable*
	* The company was in construction phase for significant part of the year. Hence the disclosure of the ratios are not applicable			
	** The company has negative working capital, hence this item is not reported			
	*** Numerator for these ratios include DSCR reserve and all operational cash support provided by the promoters			

D. Debt: Equity Ratio of the company\*: -

Before the issue of debt securities (as at Sep-21)	2.74*
After the issue of debt (proforma as at Sep-21)	2.74*

\*The Mezzanine NCDs, Sub-ordinate debt and the ICDs provided by the promoters for operational cash support are considered as equity in debt equity mix

E. **Management's perception of risk factors:**

The following are some of the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company.

1. General Risks

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including SEBI nor does SEBI guarantee the accuracy or adequacy of this document. Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments.

Potential Investors should carefully consider all the risk factors stated in this Information Memorandum for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is in the descending order of materiality. Potential Investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, **the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations** in respect of the Debentures could be affected. More than one risk factor may have a simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures **and/or the Company's ability to meet its obligations in respect of the Debentures. Potential** investors should perform their own independent investigation of the financial condition and affairs of the Company, and their own appraisal of the creditworthiness of the Company. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Debentures. Potential investors should thereafter reach their own views prior to making any investment decision.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but the inability of the Company, as the case may be, to pay principal or other amounts on or in connection with any Debentures may occur for other reasons and the Company does not represent that the statements below regarding the risks of holding any Debentures are exhaustive.

2. RISK IN RELATION TO NON-CONVERTIBLE SECURITIES:

- (a) Repayment is subject to the credit risk of the Issuer

Potential investors should be aware that receipt of the principal amount, coupon and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

- (b) Changes in general interest rates in the economy may affect the price of the **Company's Debentures**

All securities where a fixed rate of interest is offered, such as the Debentures, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our Debentures

- (c) Credit Risk and Rating Downgrade Risk

The Rating Agencies have assigned a rating of Provisional AAA (CE)/ Stable to the Debentures. In the event of deterioration in the financial health of the Company, there is a possibility that the Rating Agencies may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. The rating is not a recommendation to purchase, hold or sell the Debentures in as much as the ratings do not comment on the market price of the Debentures or its suitability to a particular investor. There is no assurance either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the Rating Agencies. In the event of deterioration in the rating of the Debentures, the investors may have to incur loss on revaluation of their investment.

### 3. REVENUE RISK

**The Company's ability to fulfil its obligations under the Debentures is dependent on the revenues being realised from the Project.** The Company is a special purpose vehicle and its sources of revenue are the fare revenues, income from leasing of its developed TOD assets, and non-fare revenues like advertising and parking as per the Concession Agreement. The revenues projected presents, to the **best of management's knowledge and belief, the Company's expected financial position based on information currently available.** Financial projections require the exercise of judgement and are subject to uncertainties. The ability of the Company to meet its obligations to pay any amounts due to Debenture Holders under the Debentures will therefore ultimately be dependent upon the aforementioned sources of revenue. If there is a shortfall in either the fare revenues or the revenue from leasing of its developed TOD assets or non-fare revenues, the

Company may not have sufficient funds to make payments on the Debentures, and the Debenture Holders may incur a loss on the Debentures.

4. Pandemic Risk (eg. Covid 19)

A resurgence in Corona virus cases or other such pandemic which might arise in the future may have a devastating effect on the Metro Business which will lead to insufficient funds for payment of dues to the Debenture Holders.

5. Risks to TDR Monetization

The Company expects to realize significant cash flows in the future from TDR Monetisation. Such TDR Monetisation is dependent on various regulatory approvals as well as prevailing market conditions from time to time. In case the Company is not able to secure the requisite approvals there may be no realization of cash flows from TDR Monetisation. Due to the impact of market conditions, the realisations from TDR Monetisation may be lower than expected.

6. Disputes

The Company is engaged in or may be engaged in the future in various types of disputes such as responses to notices, arbitrations, proceedings, etc. with its vendors, partners, customers, lessees, tenants, regulators, governmental authorities, etc from time to time. While the Company shall use all possible means to defend its rights under the relevant provisions of law, contracts, etc, such matters may lead to financial liabilities or other action being enforced against the Company, ultimately leading to potential losses for the Debenture Holders.

7. Additional indebtedness

The Company may undertake additional indebtedness in the future for working capital or for incurring future capital expenditures or for funding of any potential losses in the future. The Company is not required to seek the consent of the Debenture Holders for such additional indebtedness. The Company may, however, offer first ranking pari passu charge or second ranking charge over the Security which has currently been offered to the Debenture Holders under the Transaction Documents. The additional liability on the Company as well as potential for dilution of Security to Debenture Holders could lead to potential losses for the Debenture Holders.

8. Losses from permitted investments

Subject to the provisions of the Concession Agreement and the Escrow Agreement, the Company may invest surplus monies lying to the credit of its Escrow Account into instruments which are subject to market risks and may lose value.

9. RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO DEBT SECURITIES, IF ANY:

It is hereby expressly clarified that the Debentures shall be unsecured for the purposes of the Companies Act, 2013 and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

Without prejudice to the aforesaid paragraph and pursuant to the terms of the Concession Agreement, the Issuer intends to create security over certain of its assets as more

particularly provided for in the **row titled** '*Description regarding Security (where applicable) including type of security (movable/immovable tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum*' **of the Term Sheet** set out in Annexure I of this Information Memorandum.

In that regard, the Debenture Holders may not be able to recover the full amounts in connection with the Debentures from a sale or disposition of the assets charged as Security. Failure or delay to recover the expected value from a sale or disposition of the assets charged as Security in connection with the Debentures could expose the holders to a potential loss.

10. IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWING, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE  
N.A
11. REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD:  
N.A
12. LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES

The Company intends to list the Debentures on the WDM segment of the BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. Further, the Company may not be able to issue any further Debentures, in case of any disruptions in the securities market.

13. TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of this investment.

14. ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

15. MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD **IMPAIR THE ISSUER'S ABILITY TO MEET** PAYMENT OR OTHER OBLIGATIONS

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise. If the Issuer fails to comply with environmental, employee-related, health and safety laws and regulations or any other local laws or regulations in India, it may adversely **affect the Issuer's business and results of operations**

16. LEGALITY OF PURCHASE

Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

17. POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

18. RESTRICTIVE COVENANTS AND RIGHTS FOR LENDERS

The Issuer may enter into loan agreements / lease contracts / working capital facility documents in the future which may contain covenants which restrict certain activities. They also allow those lenders to sell assets of certain value in the event of non-payment of their dues. Such provisions are common in such agreements and are generally imposed on Indian borrowers, including the Issuer, with little or no variation. Such agreements may also require it to maintain certain financial ratios. Should the Issuer be in breach of any financial or other covenants contained in any of its financing agreements, the Issuer may be required to immediately repay its borrowings either in whole or in part, together with any related costs. The Issuer may be forced to sell some or all of the assets in its portfolio if it does not have sufficient cash or credit facilities to make repayments. **Furthermore, the Issuer's financing arrangements may contain cross default provisions** which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default.

19. OTHER RISKS

The Company has not yet received the required ROW for execution of stage 6/2, and may be required to execute the same as and such RoW is received. This may or may not entail financial implications for the Company. The company is required to maintain certain performance obligations and KPIs as per the Concession Agreement and other agreements entered with various stakeholders. Non-performance of obligations by the company under these agreements based on internal/external factors may result in penalties / legislative actions against the Company.

Further, there may be unexpected events that might occur which might lead to Termination of Concession Agreement for the default committed by either the company/ Government Tax notices from Government Authorities, Claims pending to vendors etc. which might crop up during the subsistence of the Debenture Holders which will impact the business and the cash flows of the company as a result of which the interest/principal obligations of the Debenture holders cannot be met by the company.

- F. Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability as on 31.03.2021

S No	Nature of liability	Rs. in Crs
1	Electricity Dues: The company is paying electricity under HT (V) (B) category, whereas TSSPDCL claiming under specific category, even though TSERC has given favourable order to the company.  During COVID period, the company has paid tariff at derate tariff, whereas TSSPDCL charging as per the applicable tariff Issue against billing period towards advertisement boxes For all the above issues company has filed appeal before TSERC against TSSPDCL	8.58
2	Transmission Corporation of Telangana Ltd: Dispute against claim settlement with TSSPDCL towards underground damaged cable works	0.42
	TOTAL	9.00

- G. A brief history of the issuer since its incorporation giving details of its following activities:

- i. Details of Share Capital as on last quarter end (30-09-2021)

Share capital	
Authorized share capital	Rs. 24,39,00,00,000.00
Issued, subscribed and paid up share capital	Rs. 24,39,00,00,000.00

- ii. Changes in its capital structure as on last quarter end (30-09-2021), for the last three years:-

Date of Change(AGM/EGM)	Rs.	Particulars
(a). Equity Share Capital		
19-07-2018	214,00,00,000.00	Allotment
11-6-2019	11,82,40,350.00	Allotment

- iii. Equity Share Capital history of the Company for the last three years:-

Date of Allotment	No. of Equity shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other)	Nature of Allotment	Cumulative			Remark
						No of equity shares	Equity Share Capital (Rs)	Equity Share Prem	

				than cash, etc)				ium (in Rs)	
19.07.18	21,40,00,000	10/-	10/-	Cash	Rights Issue	2427175965	24271759650	-	Allotted
11.06.19	1,18,24,035	10/-	10/-	Cash	Rights Issue	24271759650	24390000000	-	Allotted

iv. Details of any Acquisition or Amalgamation in the last 1 year.

NIL

v. Details of any Reorganization or Reconstruction in the last 1 year:-

NIL

H. Details of the shareholding of the Company as on the latest quarter end:-

i. Shareholding pattern of the Company as on last quarter end (30-09-2021):-

Sr. No.	Particulars (Name(s) of the Shareholder(s))	Total No. of Equity Shares	No. of shares in demat form	Total Shareholding as % of total No. of equity shares
1.	Larsen and Toubro Limited	243,89,99,994	243,89,99,994	99.99%
2.	Anil Kumar jointly with Larsen and Toubro Limited	1	1	-
3.	Vijayananda Chunduru jointly with Larsen and Toubro Limited	1	1	-
4.	Pullela Ravishankar jointly with Larsen and Toubro Limited	1	1	-
5.	Jayaraman Ravikumar jointly with Toubro Limited	1	1	-
6.	Chandrachud Durlabh Paliwal jointly with Larsen and Toubro Limited	1	1	-
7.	Government of Telangana	1	-	-
	Total	243,90,00,000	243,89,99,999	100%

Notes: - Shares pledged or encumbered by the promoters (if any): 51% in favour of existing Senior Lenders of the Project, which shall be released after completion of the refinancing being undertaken through the issuance of Debentures under the Transaction Documents and the proposed commercial papers to be issued by the Company.

ii. List of top 10 holders of equity shares of the Company as on the latest quarter end (30-09-2021):-

Sr No	Name of the Shareholders	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no. of equity
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				Shares
1	Larsen & Toubro Limited	243,89,99,994	243,89,99,994	99.99%

I. Following details regarding the directors of the company:-

i. Details of current directors of the company

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other directorship	Whether wilful defaulter (Yes/No)
Sekharipuram Narayanan Subrahmanyam Director & Chairman DIN: 02255382	61	E-116, 16 <sup>th</sup> Cross Street, Besant Nagar, Chennai, 600090, Tamil Nadu	08/12/2015	1. Larsen and Toubro Limited 2. Larsen & Toubro Infotech Limited 3. L&T Technology Services Limited 4. Mindtree Limited 5. L&T Realty Developers Limited 6. Mindtree Foundation	No
Ajit Rangnekar Pandurang Independent Director  DIN: 01676516	74	Lodha Bellezza, Baldwin Park, Flat 5B 3000, Off KPHB Road, Kukatpally, Hyderabad – 500 072	11/02/2011	1. Research And Innovation Circle of Hyderabad 2. BTW Build India Foundation 3. BTW Buildtheworld Pvt. Ltd. 4. In-Solutions Global Limited 5. SVP Philanthropy Foundation	No
Vijayalakshmi R Iyer Independent Director DIN-05242960	69	1402, Barberry Tower, NAHAR, Chandivali, Mumbai – 400 072	12/05/2020	1. Magma Fincorp Limited 2. GIC Housing Finance Limited 3. Aditya Birla Capital Limited 4. ICICI Securities Limited 5. Religare Enterprises Limited 6. Computer Age Management Services Limited 7. L&T Infrastructure Development Projects Limited	No

				8. Axis Mutual Fund Trustee Limited 9. Avanse Financial Services Limited 10. BFSI Sector Skill Council of India	
Nallamilli Venkat Satyanarayana Reddy Nominee Director  DIN: 01414254	65	F-103, Block-B, Fortune Icon, Road No. 10, Banjara Hills, Hyderabad-500 034	31/03/2012	1. Hyderabad Metro Rail Limited 2. Urban Mass Transit Company Limited 3. Hyderabad Airport Metro Limited	No
Ramamurthi Shankar Raman Non- Executive Director DIN: 00019798	63	Room No. 123, 12th Floor, Kalpataru Royale, Plot No.110, Road No. 29, SION (East), Mumbai, 400022, Maharashtra, INDIA	08/12/2015	1. L&T Infrastructure Development Projects Limited 2. L&T Finance Holdings Limited 3. L&T Hydrocarbon Engineering Limited 4. L&T Investment Management Limited 5. Larsen and Toubro limited 6. Larsen & Toubro Infotech Limited 7. L&T Seawoods Limited 8. L&T Realty Limited 9. Mindtree Limited	No
Kalakota Vijayabhaskara Reddy Managing Director & Chief Executive Officer  DIN: 01683467	60	3702-C, Lodha Bellisimo, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011	24/01/2018	-	No
Prasanna Rangacharya Mysore	74	B-202, Zen Gardens, No 6 Artillery Road,	24/01/2018	1. Mindtree Limited 2. RSB Transmissions (I) Ltd	No

Independent Director  DIN: 00010264		Ulsoor, Bangalore, Karnataka- 560008		3. Raymond Consumer Care Limited	
Shrikant Prabhakar Joshi Non- Executive Director  DIN: 02278471	63	Flat No. 201, 2 <sup>nd</sup> Floor, Vista III, The Address, Opp. R City Mall, Ghatkopar Mumbai 400086	02/05/2018	1. L&T Realty Developers Limited 2. Chennai Vision Developers Private Limited 3. L&T Seawoods Limited	No

\*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any.

None of the directors of the Issuer are appearing in the RBI defaulter list and/or ECGC default list.

ii. Details of change in directors since last three years:-

Name, Designation and DIN	Date of Appointment	Date of Cessation	Date of Resignation	Remarks
Sheela Bhide (Independent Director) DIN-01843547	Appointment- 11.02.2011	15.02.2020	15.02.2020	Ceased
Mrs. Vijayalakshmi R Iyer (Independent Director) DIN-05242960	Appointment 12.05.2020		NA	Appointment
Mr. Shrikant Prabhakar Joshi (Non-executive Director) DIN: 02278471	Appointed- 02.05.2018		NA	Appointment
Kalakota Vijayabhaskara Reddy (Managing Director & Chief Executive Officer) DIN: 01683467	Appointment 24.01.2018		-	Appointment

J. Following details regarding the auditors of the company:-

i. DETAILS OF THE AUDITOR OF THE COMPANY:-

Name	Address	Auditors Since
M/s Sharp & Tannan	Chartered Accountants, Parsn Manere, Block A -4, 3rd Floor, 602, Chennai – 600 006	1st September 2010

M/s M.K. Dandekar & Co.	Chartered Accountants, No 185, (Old No 100), 2nd Floor, Poonamallee High Road, Kilpauk Chennai – 600010	4th August 2011 to 21 <sup>st</sup> May, 2021
M/s. M. Bhaskara Rao & Co.	M Bhaskara Rao & Co, Chartered Accountants 6-3-652, 5th Floor, Kautilya, Somajiguda, HYDERABAD 500 082	From 21 <sup>st</sup> May, 2021

- ii. DETAILS OF CHANGE IN AUDITOR SINCE LAST THREE YEARS:- There has been no change in the auditors of the Company since the last 3 years.

Name	Address	Date of Appointment	Date of Cessation	Date of Resignation
M/s. M. Bhaskara Rao & Co	M Bhaskara Rao & Co, Chartered Accountants 6-3-652, 5th Floor, Kautilya, Somajiguda, HYDERABAD 500 082	21.05.2021	NA	NA

- K. Details of the following liabilities of the Issuer, as at the end of the last quarter or if available, a later date:-

The outstanding borrowings of the Issuer, as on 30-09-2021 are as follows

- i. Details of Outstanding Secured Loan Facilities

Lender's Name	Type of Facility	Amount Sanctioned (Rs. Cr)	Principal Amount Outstanding (Rs. Cr)	Repayment Date / Schedule	Security
SBI	RTL	3,702.00	3,577.61	Set out in the table below	Set out below after the Repayment Schedule table
SBH	RTL	500.00	485.68		
SBP	RTL	153.00	149.00		
SBM	RTL	125.00	121.73		
Canara	RTL	3,466.00	3,352.80		
IOB	RTL	2,000.00	1,943.07		
Syndicate	RTL	1,155.00	1,121.60		
Indian Bank	RTL	866.00	835.85		
J&K	RTL	500.00	486.92		
PSB	RTL	350.00	338.70		
SCB	RTL	442.00	422.04		
TOTAL		13,259	12,834.99		

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Table for Repayment Date / Schedule:

Particulars	Repayment Schedule (Rs. Cr)
30-Sep-20	173.69
31-Dec-20	173.69
31-Mar-21	173.69
30-Jun-21	173.69
30-Sep-21	278.44
31-Dec-21	278.44
31-Mar-22	278.44
30-Jun-22	278.44
30-Sep-22	278.44
31-Dec-22	278.44
31-Mar-23	278.44
30-Jun-23	278.44
30-Sep-23	271.81
31-Dec-23	271.81
31-Mar-24	271.81
30-Jun-24	271.81
30-Sep-24	298.33
31-Dec-24	298.33
31-Mar-25	298.33
30-Jun-25	298.33
30-Sep-25	331.48
31-Dec-25	331.48
31-Mar-26	331.48
30-Jun-26	331.48
30-Sep-26	324.85
31-Dec-26	324.85
31-Mar-27	324.85
30-Jun-27	324.85
30-Sep-27	304.96
31-Dec-27	304.96
31-Mar-28	304.96
30-Jun-28	304.96
30-Sep-28	77.83
31-Dec-28	77.83
31-Mar-29	77.70
30-Jun-29	3,977.70
30-Sep-29	274.60 *
31-Dec-29	274.60 *
TOTAL	13,808.20

\* Represents payments of interest accrued during the moratorium availed by the Issuer during the Covid-19 lockdowns in accordance with RBI guidelines

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Security for outstanding secured loan facilities:

The outstanding secured loan facilities are shall be secured to the extent permitted under the Concession Agreement by:-

- (a) a first mortgage and charge on all the **Issuer's** immovable properties, both present and future, save and except the Project Assets;
- (b) a first charge on all the **Issuer's** tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets and current assets, both present and future, save and except the Project Assets;
- (c) a charge on all of the **Issuer's** bank accounts including, but not limited to the escrow account/ its sub-accounts where all revenues, disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all permitted investments or other securities representing all amounts credited to the escrow account;

Provided that:

- (i) the charge as aforesaid, and any enforcement thereof, shall always be subject to, and limited to the extent permissible under the waterfall of the priorities as per Article 31 of the Concession agreement and Article 4 of the escrow agreement;
- (ii) in the event the Issuer opens any other bank account(s) in breach of the escrow agreement, such bank account(s) and all monies lying in all such accounts shall also be treated as escrow account(s) of the issuer for the purposes of this paragraph; and
- (iii) all the receivables and revenues shall be collected by the Issuer and deposited in the escrow account and shall be utilized in the manner provided in the escrow agreement.

Provided further that the lenders of the outstanding secured facilities shall also have the right to collect all the receivables and revenues to ensure that the same are deposited in the escrow account.

- (d) a charge on the uncalled capital of the Issuer provided that the same shall be limited for ensuring that the Issuer calls the balance uncalled capital and makes the shares fully paid up;
- (e) an assignment by way of security:
  - (i) of the right, title, interests, benefits, claims and demands of the Issuer in, to and under the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents to the extent not expressly provided in each such project document, all as amended, varied or supplemented from time to time;
  - (ii) of the right, title, interests, benefits, claims and demands of the Issuer in, to and under all the approvals and insurance contracts; and
  - (iii) of the right, title, interests, benefits, claims and demands of the Issuer in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents.

Provided that the assignment mentioned above shall be limited to and shall arise only in the event of the substitution under the substitution agreement and to the extent provided

under the substitution agreement;

- (f) charge on all intangibles of the Issuer, present and future, provided any realisation thereof shall be credited to the escrow account and the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per Article 31 of the Concession Agreement and Article 4 of the escrow agreement;
- (g) pledge of equity shares aggregating 51% (fifty one percent) of the paid up and voting equity share capital of the Issuer. However, the enforcement of the pledge shall be subject to prior approval of GoTS and in accordance with the terms of the Concession Agreement and any dilution in the equity of the consortium in the Issuer due to enforcement of pledge of shares shall be subject to minimum equity obligations of the consortium in the Issuer as stipulated in the Concession Agreement and shall be subject to prior approval of GoTS and in the manner as provided in the Clauses 5.3 and 7.1(k) of the Concession Agreement.

Provided that the assets that may be charged in pursuance of (a) to (f) above shall exclude Project Assets

ii. Details of Outstanding Unsecured Loans Facilities(as on 30.09.2021):-

Lenders Name	Type of Facility	Amt. Sanctioned (Rs. In Cr.)	Principal Amt. Outstanding (Rs. In cr)	Repayment Date / Schedule
Larsen & Toubro Limited	Inter Corporate Borrowing	2377.19	2377.19	
Various Debenture Holders*	Non-Convertible Debentures	900	900	Refer Point G(iii) below

\* The Issuer has redeemed 150 Cr principal out of the non-convertible debentures mentioned in the table above by exercising its call option in November 2021.

iii. Details of Outstanding Non- Convertible Securities as on 30.09.2021:-

Name	Tenor/ Period of Maturity	Coupon (Rate of Interest)	Amount	Amount outstanding (Rs in crores)	Date of allotment	Redemption Date/ Schedule	Credit Rating (Current)	Secured/ Unsecured	Security
9.81% L&T MRHL 2035 - INE128M08 011	20 Years from the Deemed Date of Allotment	9.81%	Rs. 250 Crore	Rs. 250 Crore	18 <sup>th</sup> June 2015	18 <sup>th</sup> June 2035	ICRA & India Ratings AAA(C E)/ Stable	Un Secured	NA

9.81% L&T MRHL November 2035 - INE128M08 029	20 Years from the Deemed Date of Allotment	9.81%	Rs. 250 Crore	Rs. 250 Crore	2 <sup>nd</sup> November 2015	2 <sup>nd</sup> November 2035	ICRA & India Rating s AAA(C E)/ Stable	Un Secure d	NA
9.85% L&T MRHL January 2036 - INE128M08 037	20 Years from the Deemed Date of Allotment	9.85%	Rs. 250 Crore	Rs. 250 Crore	28 <sup>th</sup> January 2016	28 <sup>th</sup> January 2036	ICRA & India Rating s AAA(C E)/ Stable	Un Secure d	NA
9.50% L&T MRHL November 2030 - INE128M08 052*	12 Years from the Deemed Date of Allotment	9.50%	Rs. 150 Crore	Rs. 150 Crore	26 <sup>th</sup> November, 2018	26 <sup>th</sup> November, 2030	ICRA & India Rating s AAA(C E)/ Stable	Un Secure d	NA

\* The Issuer has redeemed this NCD by exercising its call option in November 2021.

- iv. List of top 10 holders of non-convertible securities in terms of value (in cumulative basis), (as per BENPOS as on 19<sup>th</sup> November 2021)

Sl. No.	Name of holders of Non-convertible Securities	Amount (in Rs. cr.)	% of total NCS outstanding
1	LARSEN AND TOUBRO LIMITED	734	81.56%
2	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA CREDIT RISK FUND	40	4.44%
3	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	25	2.78%
4	RELIANCE GENERAL INSURANCE COMPANY LIMITED -SH	25	2.78%
5	L AND T MUTUAL FUND TRUSTEE LIMITED - L AND T RESURGENT INDIA BOND FUND	16	1.81%
6	The Provident Fund Trust For The Employees Of Indian Oil Corporation Ltd (MD)	15	1.67%
7	INDIAN OIL CORPORATION LTD (REFINERIES DIVISION) EMPLOYEES PROVIDENT FUND	10	1.11%
8	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA STRATEGIC DEBT FUND	10	1.11%
9	MMTC LIMITED CPF TRUST	6	0.61%
10	CHHATTISGARH STATE ELECTRICITY BOARD GRATUITY AND PENSION FUND TRUST	5	0.56%

- v. Details of outstanding Commercial Paper as at the end of the last quarter in the following format:-

S. No.	ISIN of Commercial Paper	Maturity Date	Amount Outstanding
	NA	NA	NA

- vi. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares): as on 30.09.2021

Name of Party ( in case of facility)/ Name of Instrument	Type of facility / Instrument	Amount sanctioned / issued	Principal Amount outstanding	Date of Repayment/ Schedule	Credit Rating	Secured/ Unsecured	Security
L&T Limited	ICDs	3730,70,07,810	3730,70,07,810	30/06/2030	NA	Unsecured	NA

- vii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year.

NIL

- viii. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/debt securities have been taken/issued (i) whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option;

NIL

- L. A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the placement memorandum or issue opening date, as applicable.

Balance Sheet				
	For the 6 months period ending September 30, 2021	FY 20-21	FY 19-20	FY 18-19
Net Fixed assets	170,742,809,180	171,800,767,393	172,036,730,231	157,187,163,943
Current assets	6,719,765,017	7,149,128,762	8,006,307,436	1,075,598,245
Non-current assets	533,425,170	517,724,617	587,007,895	1,309,556,510
Total assets	177,995,999,367	179,467,620,772	180,630,045,562	159,572,318,698
<u>Non-Current Liabilities</u>				

(including maturities of long-term borrowings and short-term borrowings)	124,112,245,497	132,133,308,967	129,943,677,411	120,487,880,499
Financial (borrowings, trade payables, and other financial liabilities)	193,783,081	216,512,272	605,647,953	554,908,140
Provisions	902,806,517	668,573,300	285,385,334	65,085,213
Deferred tax liabilities (net)				
Other non-current liabilities				
Other non-current liabilities	1,892,809	17,472,633	30,738,439	52,989,116
<u>Current Liabilities</u>				
(including maturities of long-term borrowings)	12,973,316,567	10,090,099,000	5,210,787,000	0
Financial (borrowings, trade payables, and other financial liabilities)	46,812,385,103	34,313,679,482	25,811,523,708	15,760,747,779
Provisions	34,085,698	32,946,371	44,110,773	43,817,172
Current tax liabilities (net)	95,853,134	220,975,475	253,560,084	211,038,962
Other current liabilities	1,266,710,457	1,014,361,028	17,472,633	313,439,223
Total liabilities	186,393,078,864	178,707,928,528	162,202,903,334	137,489,906,105
Equity (equity and other equity)	(8,397,079,496)	759,692,245	18,427,142,227	22,082,412,593
Total equity and liabilities	177,995,999,368	179,467,620,773	180,630,045,561	159,572,318,698
<b>Profit and Loss</b>				
Total revenue from operations	1,307,686,147	1,896,185,902	5,872,810,955	3,130,312,864
Other Income	121,742,475	383,334,799	109,201,185	54,288,353
Total Expenses	10,589,787,001	19,946,970,683	9,804,069,283	4,657,821,643
Total comprehensive income		0	0	0

Profit / loss	(9,160,358,379)	(17,667,449,982)	(3,822,057,143)	(1,473,220,426)
Other comprehensive income		0	48,546,427	(15,490,601)
Profit / loss after tax	(9,156,771,741)	(17,667,449,982)	(3,773,510,716)	(1,488,711,027)
Earnings per equity share: (a) basic; and (b) diluted	(0.38)	(7.24)	(1.57)	(0.63)
Discontinued operations				
Continuing and discontinued operations				
<b>Cash Flow</b>				
Net cash generated from operating activities	125,390,014	7,785,632,001	38,815,172	4,388,932,401
Net cash used in / generated from investing activities	(1,530,524,440)	(2,873,059,736)	(15,361,961,122)	(22,787,432,059)
Net cash used in financing activities	(155,096,960)	(5,860,273,270)	17,546,900,626	18,423,792,174
Cash and cash equivalents	29,580,542	1,589,811,928	2,537,512,933	313,758,257
Balance as per statement of cash flows	29,580,542	1,589,811,928	2,537,512,933	313,758,257

- M. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the **investor's decision** to invest / continue to invest in the non-convertible securities.  
There are various litigations against the Issuer and Promoters. However, none of them are likely to have an adverse impact on the investor's decision to invest / continue to invest in the Debentures.
- N. Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company;  
There are various legal actions pending against the Promoter of the Issuer. However, none **of them are likely to have an adverse impact on the investor's decision to invest / continue** to invest in the Debentures.
- O. Details of default and non-payment of statutory dues.  
NIL

- P. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent for his appointment along with the copy of consent letter from debenture trustee.

The debenture trustee of the proposed Debentures is:

Axis Trustee Services Ltd.  
Axis House, Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli, Mumbai – 400 025  
Contact person: Chief Operating Officer  
Telephone number: 022 6230 0451  
Website: [www.axistrustee.in](http://www.axistrustee.in)  
Email Address: [debenturetrustee@axistrustee.in](mailto:debenturetrustee@axistrustee.in)

The consent letter issued by Axis Trustee Services Limited for appointment as debenture trustee in respect of the Debentures is annexed hereto and marked as Annexure VI.

- Q. Details of credit rating along with reference to the rating letter issued (not older than one month on the date of the opening the issue) by the rating agencies in relation to the issue shall be disclosed

CRISIL Limited and India Ratings and Research Private Limited have assigned Provisional AAA(CE)/stable rating to these Debentures. The press release issued by CRISIL Limited in respect of the rating of the Debentures is available at:  
<https://www.crisil.com/en/home/our-businesses/ratings/company-factsheet.LTMRHL.html>.

The press release issued by India Ratings and Research Private Limited in respect of the rating of the Debentures is available at:  
<https://www.indiaratings.co.in/PressRelease?pressReleaseID=56942>

The letter dated December 7, 2021 and December 13, 2021 issued by each of the Rating Agencies respectively assigning the aforementioned rating in relation to the same is annexed hereto and marked as Annexure V of this Information Memorandum

- R. Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this Information Memorandum, if any.

The private placement offer cum application letter in respect of the proposed issuance of the Debentures in form PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 is annexed hereto and marked as Annexure IX hereto

- S. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

A copy of the format for the guarantee deed is attached as Annexure III of this Information Memorandum.

- T. Undertaking-Creation of Security

NA. The Debentures shall be unsecured for the purposes of the Companies Act, 2013 and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

- U. Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee:

The fees charged by the Debenture Trustee shall be as agreed in fee letter reference no. ATSL/CO/2021-2022/253.

Details of security to be created **are provided in the section "Description regarding Security"** of the Term Sheet placed at Annexure I of this Information Memorandum.

The due diligence process followed by the Debenture Trustee is in accordance with the applicable SEBI guidelines.

- V. Due diligence certificate

The due diligence certificate issued by the Debenture Trustee is annexed hereto and marked as Annexure VII.

- W. **Copy of Debenture Trustee's consent letter** shall be disclosed

Attached as Annexure VI of this Information Memorandum

- X. Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s)

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001 Tel No. 91-22-22721233/4, 91-22-66545695  
Fax: 91-22-22721919  
Website: <http://www.bseindia.com>

The in-principle approval obtained by the Issuer from BSE Limited is annexed hereto and marked as Annexure VIII hereto

- Y. Other details

- i. DRR Creation – Relevant regulations and applicability

As per Section 71 of the Companies Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures.

- ii. Issue / instrument specific regulations – relevant details (Companies Act, RBI guidelines, etc.)

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act 2013

iii. Application Procedure

The application procedure for the Issue is as provided in this Information Memorandum.

iv. Delay in Allotment of Securities

Interest on application money shall be paid at the Coupon Rate (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) up to one day prior to the Deemed Date of Allotment.

v. Delay in Listing

In the event of any delay in listing of the Debentures beyond 4 (Four) Working Days from the Issue Closing Date, the Issuer will pay to the investors penal interest of 1% p.a. (One percent per annum) over the applicable Coupon Rate for the period of delay (i.e. from the Deemed Date of Allotment till the listing of the Debentures).

vi. Default in Payment

In the event of delay in the payment of Coupon amount and/or Redemption Amount on the respective Coupon Payment Date(s) and/ or Redemption Date, the Company shall pay Default Interest of 2.00% (two percent) per annum in addition to the Coupon Rate payable on the Debentures, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and up to but excluding the date on which such amount is actually paid.

vii. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project;

*Vide* letter dated April 3, 2020 issued by Hyderabad Metro Rail Limited (HMRL), the three corridors of Hyderabad Metro Rail Project namely Corridor 1: Miyapur to LB Nagar, Corridor 2: JBS to MGBS and Corridor 3: Nagole to Raidurg have been opened for public use.

viii. Issue Details

As per Annexure I of this Information Memorandum

Z. Undertakings of the Issuer

(a) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited **to the statement of 'Risk factors'** provided in Section III(E) of this Information Memorandum.

(b) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this offer document contains all information with regard to the issuer

and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

- (c) The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

AA. Disclosures pertaining to wilful default

In case of listing of debt securities made on private placement, the following disclosures shall be made:

- (a) Name of the bank declaring the entity as a wilful defaulter: NA
- (b) The year in which the entity is declared as a wilful defaulter: NA
- (c) Outstanding amount when the entity is declared as a wilful defaulter: NA
- (d) Name of the entity declared as a wilful defaulter: NA
- (e) Steps taken, if any, for the removal from the list of wilful defaulters: NA
- (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions: NA
- (g) Any other disclosure as specified by the Board: NA

## SECTION IV: OTHER INFORMATION AND ISSUE PROCEDURE

The Debentures being offered as part of the Issue are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, the Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

### 1.1 Mode of Transfer/Transmission of the Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act and the Applicable Law. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by CDSL/NSDL and the relevant DPs of the transferor or transferee and the Applicable Laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of Debenture Holder maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery **instructions containing details of the buyer's DP account to his DP.**

### 1.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialized form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of **beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records** on the relevant Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. In case of incorrect details provided by the investors and inability of the Company to credit the depository account, the Debentures will be issued in physical form to such investors.

**The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number** will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by NEFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

### 1.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Axis Trustee Services Ltd to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/ intend to enter into the Debenture Trust Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made

by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of the principal and yield thereon and the Debenture Trustee will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, consistently fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder and the manner of enforcement thereof. The Debenture Trustee, ipso facto does not have the obligations of a borrower or issuer or a principal debtor or a guarantor as to the monies paid/invested by investors for the Debentures. While the debt securities are backed by guarantee as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, however the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of invocation of the guarantee.

#### 1.4 Sharing of Information

The Issuer may, at its option, but subject to Applicable Law, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder available with the Issuer, its affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its affiliates nor their agents shall be liable for use of the aforesaid information.

#### 1.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any rights and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holder the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

#### 1.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures or the Transaction Documents shall require approval by the Majority Debenture Holders either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holder. Upon obtaining such approval, the Debenture Trustee and the Issuer shall give effect to the same by executing necessary document (s) as may be necessary.

#### 1.7 Right to accept or reject Applications

The Board of Directors of the Issuer reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

#### 1.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holder through registered post, recognised overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognised overnight courier service, hand delivery or by facsimile transmission to the Issuer/Debenture Trustee or to such persons at such address/ facsimile number as may be notified by the Issuer/Debenture Trustee from time to time through suitable communication. Provided however, that in case of a notice delivered by facsimile, the Party delivering such notice shall also deliver a copy of the same by hand, registered mail/speed post (postage prepaid), recognised overnight courier service. All correspondence regarding the **Debentures should be marked "Private Placement of Debentures"**.

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (b) 1 (One) Business Day after delivery by recognised overnight courier service, if sent for next Business Day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission or (d) in the case of personal delivery, at the time of delivery.

#### 1.9 Issue Procedure

Only eligible investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof are set out in this document. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected.

An Application Form must be accompanied by either demand draft(s) or cheque(s) drawn or made payable in favour of the Issuer or otherwise as may be set out in the Application Form and **crossed "Account Payee Only"**. Cheque(s) or demand draft(s) may be drawn on any bank including a co-operative bank, which is a member or a sub-member of the bankers clearing house located at Mumbai. Alternatively, the applicant may transfer payments required to be made in any relation by NEFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form or this document.

#### 1.10 Application Procedure

During the period of the issue, investors can subscribe to the Debentures by completing the application forms for the Debentures in the prescribed form. The application form should be filled in block letters in English.

Eligible Investors may apply through the electronic book mechanism provided by BSE Limited in line with the guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI circular dated August 10, 2021 (bearing reference number SEBI/HO/DDHS/P/CIR/2021/613) and the operational guidelines issued by the electronic book provider, as may be amended, modified or supplemented from time to time.

#### 1.11 Fictitious Application

All fictitious applications will be rejected. As a matter of abundant caution, attention of applicants is specially drawn to the provisions of subsection (1) of Section 38 of the Companies Act, 2013: **"Any person who-**(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name shall be punished with imprisonment for a term not less than 6 (six) months but which

may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud".

#### 1.12 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to investors on a first cum first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

#### 1.13 Payment Instructions

The Application Form should be submitted along with application amount through RTGS on the Pay-in Date. The RTGS details of the ICCL are as under:

Beneficiary Name: INDIAN CLEARING CORPORATION LTD  
Beneficiary Bank : ICICI Bank  
Account Number: ICCLEB  
IFSC Code : ICIC0000106  
Mode: NEFT/RTGS

#### 1.14 Eligible Investors

The following categories of investors, when specifically approached, are eligible to subscribe to this private placement of Debentures on a primary basis, subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

- (a) Scheduled Commercial Banks;
- (b) Financial Institutions;
- (c) Primary/ State/ District/ Central Co-operative Banks;
- (d) Regional Rural Banks;
- (e) Cooperative bank authorised to invest in Debentures;
- (f) Non-banking finance companies;
- (g) Companies, Bodies Corporate authorised to invest in Debentures;
- (h) Insurance Companies;
- (i) Investment holding companies of high net worth individuals;
- (j) Mutual Funds;
- (k) Pension Funds , Provident funds;
- (l) Foreign Portfolio Investors;
- (m) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

#### 1.15 Procedure for Applying for Dematerialised Facility:

- (a) **The applicant must have at least one beneficiary account with any of the DP's of CDSL/NSDL prior to making the application.**
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) **appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".**
- (c) Debentures allotted to an applicant will be **credited to the applicant's respective beneficiary account(s) with the DP.**
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details maintained with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the R&T Agent to the Issue.
- (f) **If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.**
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, till such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

#### 1.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL/NSDL for issue and holding of Debenture in dematerialised form.

#### 1.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment of interest or repayment of redemption monies.

#### 1.18 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the executor or administrator or legal representative (being the liquidator) of the Debenture Holder appointed by a competent court having title to the Debentures provided that such person obtains a probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity. Provided that the Issuer shall have the option of depositing the amounts due to any such Debenture Holder in an escrow account maintained by it with any scheduled commercial bank in India, after intimating the Debenture Trustee. Such a deposit into the escrow account will discharge the Issuer of its obligations towards such Debenture Holder(s) in relation to the Debentures.

#### 1.19 Mode of Payment

Refer clause 1.13 (*Payment Instructions*) of this Section above.

#### 1.20 Effect of Holidays

In case an interest payment date falls on a Saturday or Sunday or a day that is not a Business Day, the payment due shall be made on the next Business Day. However the calculation for **payment of interest will be only till the "Coupon Payment Dates" which would have been the case if "Coupon Payment Dates" were not a holiday. In case the principal redemption date falls on a** Saturday or Sunday or a day that is not a Business Day, the payment due shall be made on the previous Business Day together with interest accrued till the date of actual payment.

#### 1.21 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agent or the Issuer at least 30 (thirty) calendar days before the relevant payment becoming due and if required, be submitted afresh annually and/or as and when called upon for the same by the Company. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form. Failure to comply with the above shall entitle the Company to deduct tax at source as may be advised to it.

#### 1.22 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is December 30, 2021.

#### 1.23 Record Date

The Record Date will be 15 (Fifteen) calendar days before the due date for payment of interest /principal.

#### 1.24 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 15 (Fifteen) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

#### 1.25 PAN

Every applicant should mention its Permanent Account Number ("**PAN**") allotted under the Income Tax Act, 1961, on the Application Form and attach a self attested copy as evidence. Application Forms without PAN will be considered as incomplete and are liable to be rejected.

#### 1.26 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform CDSL/NSDL and accordingly the account of the Debenture Holder(s) with CDSL/NSDL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

## DECLARATION

The directors of the Issuer hereby declare that-

- a) the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Information Memorandum;
- d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

**Signed by:**

Name & Designation	Signature
Rahul Nilosey Authorised Signatory	
Vipul Chandra Authorised Signatory	

**Place: Hyderabad**

**Date: December 29, 2021**

Private & Confidential - For Private Circulation Only  
ANNEXURE I : TERM-SHEET

Term sheet for private placement of Senior, Listed, Rated NCDs of LTMRHL

Security Name	Series A: 6.37% LTMRHL 2025 Series B: 6.58% LTMRHL 2026 Series C: 6.68% LTMRHL 2027
Issuer / Company	L&T Metro Rail (Hyderabad) Limited (LTMRHL)
Promoter	Larsen & Toubro Limited (L&T)
Guarantor	Larsen & Toubro Limited (L&T)
Type of Instrument	Senior, Rated, Listed, Redeemable Non-Convertible Debentures <b>("NCDs" or "Debentures")</b> in 3 (Three) Series, being Series A Debentures, Series B Debentures and Series C Debentures
Nature of Instrument	The Debentures shall be unsecured for the purposes of the Companies Act, 2013 and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
Seniority	Senior
Mode of Issue	Private Placement
Arranger(s)	SBI Capital Markets Limited
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to subscribe to this private placement of Debentures on a primary basis, subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:</p> <ul style="list-style-type: none"> <li>(a) Scheduled Commercial Banks;</li> <li>(b) Financial Institutions;</li> <li>(c) Primary/ State/ District/ Central Co-operative Banks;</li> <li>(d) Regional Rural Banks;</li> <li>(e) Cooperative bank authorised to invest in Debentures;</li> <li>(f) Non-banking finance companies;</li> <li>(g) Companies, Bodies Corporate authorised to invest in Debentures;</li> <li>(h) Insurance Companies;</li> <li>(i) Investment holding companies of high net worth individuals;</li> <li>(j) Mutual Funds;</li> <li>(k) Pension Funds, Provident funds;</li> <li>(l) Foreign Portfolio Investors;</li> <li>(m) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.</li> </ul>
Listing (name of stock exchange(s) where it will be listed and timeline for listing)	<p>Proposed to be listed on Debt Segment of BSE within 4 Working Days from the Issue Closing Date.</p> <p>In the event of any delay in listing of the Debentures beyond 4 (Four) Working Days from the Issue Closing Date, the Issuer will pay to the investors penal interest of 1% p.a. (One percent per annum) over the applicable Coupon Rate for the period of delay (i.e. from the Deemed Date of Allotment till the listing of the Debentures).</p>
Rating	Provisional AAA (CE)/ stable by CRISIL Limited and India Ratings and

	Research Private Limited
Issue Size	<b>Aggregate Issue Size of ₹8616 Cr</b> in the following 3 Series: Series <b>A Debentures</b> : ₹2872,00,00,000 (Rupees Two Thousand Eight Hundred and Seventy Two Crores) Series <b>B Debentures</b> : ₹2872,00,00,000 (Rupees Two Thousand Eight Hundred and Seventy Two Crores) Series <b>C Debentures</b> : ₹2872,00,00,000 (Rupees Two Thousand Eight Hundred and Seventy Two Crores)
Minimum Subscription	1 Debentures and in multiples thereof
Option to retain oversubscription	NA
Objects of the Issue/ Purpose for which there is requirement of funds	<p>The proceeds of the issuance shall be utilised towards refinancing of the existing senior secured bank loans availed from existing Senior Lenders of the Company and towards meeting costs and expenses related to the issuance of the Debentures. The refinancing shall be executed under the applicable terms of the Concession Agreement dated 4 September 2010 executed between the Government of Telangana (erstwhile Government of Andhra Pradesh) and the <b>Company as Concessionaire ("CA")</b>. However, the Issuer shall not use the issue proceeds towards investment in capital markets and real estate or any other purpose ineligible for bank finance by the RBI.</p> <p>The Company has broadly earmarked the following percentage of the issue proceeds for each of the objects of the Issue:</p> <ul style="list-style-type: none"> <li>(a) Repayment of existing senior secured bank loans availed from existing Senior Lenders of the Company: 100%;</li> <li>(b) Towards meeting costs and expenses related to the issuance of the Debentures: 0%.</li> </ul> <p>The above mentioned earmarking of the Issue proceeds for each of the objects of the issue is indicative and based on estimates and the Company reserves the right to change the percentage of the issue proceeds utilized for each of the aforesaid objects.</p>
Details of Utilization of proceeds	The proceeds shall be used to refinance the existing senior secured bank loans availed from existing Senior Lenders of the Company
Coupon Rate	Series A Debentures: 6.37% p.a.  Series B Debentures: 6.58% p.a.  Series C Debentures: 6.68% p.a.
Step up/ Step Down Coupon	NA
Coupon Payment Frequency	In respect of each Series of the Debentures, Annual on each Coupon Payment Date
Coupon Payment Date	In respect of each Series of the Debentures, April 30, 2022 and each anniversary of this date thereafter till the redemption of the Debentures

Coupon Type	Fixed
Coupon Reset Process	NA
Day Count Basis	<p>Actual/Actual</p> <p>Interest in respect of the Debentures comprised in each Series for each Interest Period shall accrue from day to day and shall be computed on the outstanding principal amount of the relevant Series prorated on an actual basis (i.e. 365 days a year (366 days, in case of a leap year) basis) for the actual number of days in the relevant Interest Period and be payable in arrears on the Interest Payment Date.</p>
Interest on Application Money	<p>Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money <b>in the Issuer's bank account up to one day prior to the Deemed Date</b> of Allotment.</p> <p>The Issuer shall not be liable to pay any interest in case of invalid applications or applications liable to be rejected including applications made by person who is not an Eligible Investor. If the Pay-In Date and the Deemed Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.</p>
Default Interest Rate	<p>In the event of delay in the payment of Coupon amount and/or Redemption Amount on the respective Coupon Payment Date(s) and/or Redemption Date, the Company shall pay Default Interest of 2.00% (two percent) per annum in addition to the Coupon Rate payable on the Debentures, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and up to but excluding the date on which such amount is actually paid.</p> <p>The Default Interest set out above shall be payable on demand or in the absence of any such demand, on the next Coupon Payment Date falling after the date of default.</p>
Tenor	<p>Series A Debentures: 3 years and 4 months</p> <p>Series B Debentures: 4 years and 4 months</p> <p>Series C Debentures: 5 years and 4 months</p>
Redemption Date	<p>Series A Debentures: April 30, 2025</p> <p>Series B Debentures: April 30, 2026</p> <p>Series C Debentures: April 30, 2027</p>
Redemption Amount	At par i.e. in respect of each Series of the Debentures, INR 10,00,000 (Rupees Ten Lakh) per Debenture
Redemption Premium / Discount	Nil

Issue Price	At Par i.e. in respect of each Series of the Debentures, INR. 10,00,000 (Rupees Ten Lakh) per Debenture
Discount and Effective Yield	Nil
Early Redemption Right	<p>At any time prior to the Redemption Date, on the occurrence of any <b>of the following events (each an "Early Redemption Event")</b>, the Issuer shall have the right, but not the obligation to utilise all or any part of the proceeds received by it as a result of the relevant Early Redemption Event for redemption of the Debentures comprised in each Series, at par, on a pro rata basis across each Series of the Debentures (which is then outstanding) based on principal amounts outstanding in respect of such Series of the Debentures ("<b>Early Redemption Right</b>"), <b>without any prepayment charges or costs (by whatsoever name called)</b>:</p> <ol style="list-style-type: none"> <li>1. Investment by Promoter or any other investor in the equity share capital of the Issuer;</li> <li>2. Issuance by the Issuer of any preference shares or any convertible debentures</li> <li>3. Completion of the TDR Monetisation and deposit of proceeds of the TDR Monetisation into the Escrow Account as per the timelines specified in the respective transaction documents for each TDR Monetisation</li> <li>4. Receipt of grant or any other form of financial support from any Governmental Authority</li> </ol> <p>Provided that the aggregate amount of the Debentures (across all Series) <b>which may be redeemed pursuant to this row titled 'Early Redemption Right' on the occurrence of any one or more Early Redemption Events</b> shall not exceed Rs. 4000 Crore.</p> <p>It is hereby expressly clarified that the proceeds received by the Company upon the occurrence of any Early Redemption Event shall be deposited in the Escrow Account and may be utilised by the Company for redemption of Debentures in terms of this row only subject to the priority cash flow waterfall set out in the Escrow Agreement.</p> <p>In the event that the Issuer is desirous of exercising the <b>Early Redemption Right, the Issuer shall issue a notice, in writing ("Early Redemption Notice") to the Debenture Trustee, informing the Debenture Trustee of the exercise of the Early Redemption Right and setting out the amount which shall be payable by the Issuer in respect of the Debentures comprised in each Series, based on the aggregate amount received by the Issuer as a result of the relevant Early Redemption Event. On the receipt of the Early Redemption Notice, the Debenture Trustee shall inform each of the Debenture Holders, of the exercise of the Early Redemption Right by the Issuer and the amount which shall be payable by the Issuer in respect of the Debentures comprised in each Series. Within 30 (Thirty) calendar days of the date of the Early Redemption Notice, the Issuer shall make payment to the Debenture Holder of the amount set out in the Early Redemption</b></p>

	<p>Notice as payable in respect of the relevant Series held by such Debenture Holder and upon such payment the Debentures comprised in each Series shall be redeemed to the extent of the amount paid by the Issuer in respect of such Debenture. It is hereby expressly clarified that the computation of the amount payable in respect of the Debentures comprised in each Series set out in the Early Redemption Notice shall be binding on the Issuer and each of the Debenture Holders and shall require the Issuer to partly redeem the relevant Debentures by payment of the relevant amounts in the manner set <b>out in this row titled 'Early Redemption Right'.</b></p> <p>For the purposes of this term sheet:  <b>"TDR Monetisation" shall mean any</b> assignment or relinquishment or transfer of rights (including by way of sub-licensing of rights) by the Company (which may be undertaken with the prior consent of the Government of Telangana) in relation to Real Estate Development segment of the Project in favour of third party(ies), for a consideration received/ to be received (whether lump sum or in tranches), for the entire or part duration of the concession granted under the Concession Agreement.</p>
Put Option Date	NA
Put Option Price	NA
Put Option Notification Time	NA
Call Option Date	NA
Call Option Price	NA
Call Option Notification Time	NA
Control Redemption Date	At any time on or after the expiry of 90 days from deemed date of allotment on the occurrence of a Control Redemption Event
Control Redemption Event	<p>The Issuer shall have the right, but not the obligation, to redeem all the Debentures, at any time after any of the events have occurred ("<b>Control Redemption Option</b>"):</p> <ol style="list-style-type: none"> <li>The shareholding of the Promoter Group in the Issuer falls below 26%; or</li> <li>The Promoter Group ceases to have Control of the Issuer; or</li> <li>Definitive agreement for sale of shares of the Issuer has been signed between the Promoter and a proposed buyer which would result in occurrence of any of the events specified in (a) or (b) above.</li> </ol> <p>In the event that the Issuer is desirous of exercising the Control Redemption Option, the Issuer shall issue a notice, in writing ("<b>Control Redemption Notice</b>") <b>to the Debenture Trustee</b>, informing the Debenture Trustee of the exercise of the Control Redemption Option. Within 30 (Thirty) calendar days of the date of the Control Redemption Notice, the Issuer shall redeem each of the Debentures at par, by making payment of the amounts outstanding in respect of the Debentures to the relevant Debenture Holder.</p>

	<p>For the purposes of this row:</p> <p><b>"Promoter Group" shall mean the Promoter and/or any of its Affiliates;</b></p> <p><b>"Affiliate" means</b> in relation to any Person, any entity, directly or indirectly Controlling or Controlled by or under direct or indirect <b>common Control with that Person. "Affiliates" to be construed accordingly.</b></p> <p><b>"Control" means the term 'control'</b> as defined under the Companies Act, 2013. <b>"Controlling"</b> and <b>"Controlled"</b> shall be construed accordingly.</p>
Option Price	shall mean the principal amount in respect of the Debentures, the Coupon accrued thereon and any other amounts due and payable in respect of the Debentures in accordance with the terms of the Transaction Documents
Promoter Call Option	<p>On the occurrence of any Event of Default or issuance of a Termination Notice (as defined in the Concession Agreement) for the termination of the Concession Agreement, the Promoter shall have the right, but not obligation, to require each of the Debenture Holders to sell all the Debentures held by the Debenture Holders on the Promoter Call Date at Option Price to the Promoter or any group entity specified by the Promoter, by provision of a notice in writing to the Debenture Trustee and the Debenture Holders ("Promoter Call Option Notice"), provided that in the event that the Promoter is considering the <b>exercise of a Promoter Call Option in terms of this row titled 'Promoter Call Option', the Promoter shall issue an intimation, in writing to the Debenture Trustee and the Debenture Holders informing the Debenture Trustee and the Debenture Holders of such consideration ("Promoter Call Option Intimation"). It is clarified that the Promoter Call Option Intimation is to be provided for the Debenture Trustee's and Debenture Holders' information only and shall not give rise to any obligation for the Promoter to purchase or the relevant Debenture Holders to sell all the Debentures held by such Debenture Holder, which obligations shall only arise in the event of the issuance of a Promoter Call Option Notice, 1 (One) calendar day prior to the Promoter Call Date.</b></p> <p>Notwithstanding anything to the contrary contained hereinabove, the Promoter agrees and confirms that, upon the termination of the Concession Agreement in terms of Article 37 of the Concession Agreement, the Promoter shall in any event exercise the Promoter Call Option in the manner set out in the foregoing paragraph on or prior to the expiry of 60 (Sixty) calendar days from such termination.</p>
Promoter Call Date	Promoter Call Date shall mean the date immediately succeeding the date of the Promoter Call Option Notice.
Face Value	Rs. 10,00,000 per Debenture
Minimum Application	1 Debentures and in multiples thereof

Minimum Trade Lot	As set out in the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021
Issue Timing:	
Issue Opening Date	December 29, 2021
Issue Closing Date	December 29, 2021
Date of Earliest Closing of Issue	NA
Pay-in Date	December 30, 2021
Deemed Date of Allotment	December 30, 2021
Issuance Mode	Demat Only (for private placement)
Trading Mode	Demat Only (for private placement)
Settlement Mode	Payment to the Debenture holders will be made by way of direct credit through National Electronic Clearing Service (NECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT)
Depository	NSDL & CDSL
Disclosure of Interest/ redemption dates	<p>Coupon Payment Dates: in respect of each Series of the Debentures, April 30, 2022 and each anniversary of this date thereafter until redemption</p> <p>Redemption Dates:</p> <p>Series A Debentures: April 30, 2025</p> <p>Series B Debentures: April 30, 2026</p> <p>Series C Debentures: April 30, 2027</p>
Business Day Convention	In case the date for performance of any event or any Coupon Payment Date falls on a Sunday or a holiday, the payment to be made on such date or the due date for such performance of the event shall be made on the next Working Day, except where the due date for redemption of Debentures falls on a day which is a Sunday or a holiday, in which case all payments to be made on the due date for redemption of Debentures (including accrued Coupon) shall be made on the immediately preceding Working Day
Record Date	15 days prior to each Coupon Payment / Control Redemption Date / Promoter Call Option Date / Redemption Date
All covenants of the issue (including side letters, accelerated payment clause, etc.)	<p>The Issuer shall appoint one Escrow Bank as required under the Concession Agreement and all cash flows of the Issuer shall flow through the Escrow Account as provided for in the Concession Agreement.</p> <p>The Issuer shall appoint the Debenture Trustee to also act as the <b>Lender's Representative to represent the interest of all Senior Lenders</b> including the Debenture Holders for the purposes of the Concession Agreement including as party to the Escrow Agreement and the Substitution Agreement. The Debenture Trustee shall also agree to <b>act as Lender's Representative for all other present and future Senior Lenders</b>, from time to time.</p> <p>All other covenants of the Issue are set out in the Debenture Trust</p>

	Deed dated December 29, 2021 executed by and between the Company and the Debenture Trustee ("Debenture Trust Deed") which has been duly filed with the stock exchanges in terms of SEBI guidelines and notifications and may be accessed on their website.
Corporate Guarantee	Unconditional and irrevocable guarantee from the Guarantor for the discharge of the amounts outstanding in respect of the Debentures.
Invocation of Corporate Guarantee	<p>On <b>the occurrence of a 'Funding Shortfall Event', the Debenture Trustee</b> shall be required to invoke the Corporate Guarantee by giving written notice, through email to Guarantor on the same day as the <b>date of occurrence of the 'Funding Shortfall Event'</b> and such notice shall be deemed to be received on the same day as the date on which such notice is sent by the Debenture Trustee. Upon receipt of the Funding Shortfall Invocation Notice, the Guarantor shall be required to deposit such amounts into the Aggregate Debentures Payout Sub-Sub-Account or any other account specified by the Debenture Trustee, as are required to discharge the obligations of the Issuer in respect of the Debentures (or the relevant Series thereof) on the immediately succeeding due date, which deposit shall be required to be completed by the Guarantor within 1 (One) Business Day of receiving such notice.</p> <p>Notwithstanding anything to the contrary contained above, the Guarantor shall, on the receipt of notice as aforesaid, also have the option to deposit the amounts required to be paid by it in terms of the foregoing paragraph, directly into the accounts of the relevant Debenture Holders and provide proof of such payment to the Debenture Trustee which shall be a valid discharge by it of its obligations.</p> <p>For the purposes of this row:  <b>"Aggregate Debentures Payout Sub-Sub-Account"</b> shall mean the aggregate debenture payout sub-sub account, being a sub-sub-account to the Escrow Account and operated in terms of the Escrow Agreement read with the Supplementary Escrow Agreement;</p>
Funding Shortfall Event	<b>A 'Funding Shortfall Event' shall occur in the event that the amounts</b> required to be paid in respect of any Series of the Debentures by the Issuer on any due date are not available in the NCD Debt Service Sub-Account by 4.00 pm, on the date falling 2 (Two) Business Days prior to the relevant due date.
Permitted indebtedness	Subject to the internal authorizations of the Company and any applicable provisions of the Concession Agreement, the Company may avail / incur further financial indebtedness whether by way of term loans, operating or financial leases, issuance of debentures, commercial papers or redeemable preference shares, fund-based or non fund-based working capital facilities or in any other form as the Company may from time to time deem fit.
Permitted Investments	Subject to applicable provisions of the Concession Agreement and the Escrow Agreement, the Company may suitably invest monies lying to the credit of the Escrow Account or its sub-accounts in such investments as the Company may deem fit from time to time.

<p>Description regarding Security (where applicable) including type of security (movable/immovable tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum</p>	<p>The Debentures shall be unsecured for the purposes of the Companies Act, 2013 and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. However, as additional and partial comfort, the Company has offered and the Debenture Trustee on behalf of the Debenture Holders hereby accepts the following as <b>security in respect of the Debentures ("Security")</b>:</p> <p>(a) a first ranking <i>pari passu</i> charge on <b>all the Company's tangible</b> moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets and current assets, both present and future, save and except the Project Assets;</p> <p>(b) a first ranking <i>pari passu</i> <b>charge on all the Company's bank</b> accounts including, but not limited to the Escrow Account/ its sub-accounts and in all funds from time to time deposited therein and in all investments made out of the proceeds of monies deposited into the Escrow Account or other securities representing all amounts credited to the Escrow Account;</p> <p>Provided that:</p> <ol style="list-style-type: none"> <li>the charge as aforesaid, and any enforcement thereof, shall always be subject to, and limited to the extent permissible under the waterfall of the priorities as per Article 31 of the Concession agreement and Article 4 of the Escrow Agreement;</li> <li>all the Receivables and revenues shall be collected by the Company and deposited in the Escrow Account and shall be utilized in the manner provided in the Escrow Agreement</li> <li>subject to provisions of the Escrow Agreement, the Company is free to make investments out of any surplus monies lying in the credit of the Escrow Account / its sub-accounts.</li> </ol> <p>(c) a first ranking charge by way of hypothecation over all right, title, interests, benefits, claims and demands of the Company in, to and under the Project Agreements;</p> <p>Provided that the security interest set out above shall be limited to and shall arise only in the event of the substitution under the Substitution Agreement and may be enforced in the manner and to the extent provided under the Substitution Agreement; and,</p> <p>(d) a charge on all intangibles of the Company, present and future, provided that any realisation thereof shall be credited to the Escrow Account and the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per Article 31 of the Concession Agreement and Article 4 of the Escrow Agreement.</p> <p>Provided that the -</p> <ol style="list-style-type: none"> <li>assets that may be charged in pursuance of (a) to (d) above shall exclude Project Assets;</li> </ol>
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	<p>ii. the Company shall create and perfect the security stated hereinabove for the benefit of Debenture Holders as security for the Debentures;</p> <p>iii. the security interests on the above referred assets to be created/ created for the benefit of Debenture Holders shall in all respects rank pari passu inter se the Debenture Holders without any preference or priority to one over the other or others;</p> <p>iv. the security interests on the above referred assets to be created/ created for the benefit of the Debenture Holders as security for the Debentures shall in all respects rank pari passu with any security interests on the above referred assets which have been created/ may be created by the Company in favour of/for the benefit of –</p> <p>(a) existing lenders of the Issuer; and</p> <p>(b) any other persons from whom the Issuer avails/ proposes to avail any other financial indebtedness ("New Lenders").</p> <p>Notwithstanding anything to the contrary contained herein, it is hereby expressly clarified that the Security created by the Company shall not extend to the rights of the Company to any financial support, grant or financial indebtedness provided by any governmental authority to the Company, the TDR Monetisation or the receivables which may accrue to the Company from such TDR Monetisation</p> <p>RIGHT TO DEAL WITH SECURITY</p> <p>(a) It is hereby expressly clarified that, as long as no Event of Default has occurred (which is continuing) in respect of which the Company has received a notice in writing accelerating the repayment of the Amounts Outstanding, the Company shall be entitled to create a further security interests over all or any part of the Secured Assets on a first ranking pari passu or on a second ranking basis in favour of/ for the benefit of any of the New Lenders.</p> <p>(b) The Debenture Trustee and the Debenture Holders confirm that this paragraph represent its consent to the Issuer and no separate consents or permissions will be required by the Issuer to undertake the actions contemplated in this paragraph.</p> <p>TDR Monetisation</p> <p>The Debenture Trustee and the Debenture Holders acknowledge and agree that:</p> <p>(a) no security interests have been created by the Company over the rights (including by way of sub-licensing of rights) by the Company in relation to Real Estate Development segment of the Project or the receivables which may accrue to the Company from such TDR Monetisation;</p>
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	<p>(b) the Company shall have the right to undertake the TDR Monetisation from time to time at its sole discretion in such manner and upon such terms and conditions as it may deem fit without any reference to or procuring any consent from the Debenture Trustee and/or the Debenture Holders, so long as the proceeds of such TDR Monetisation are deposited into the Escrow Account. The Debenture Trustee shall, if requested by the Company in this regard, issue such letters, documents or evidences, as may be required by the Company in relation to the TDR Monetisation and the Debenture Holders shall be deemed to have provided their up-front consent and instructions to the Debenture Trustee to issue such letters and evidences.</p> <p>For the purposes of this row:</p> <p>"Project Assets" shall have the meaning assigned to it under the Concession Agreement.</p> <p>"Project Agreements" shall have the meaning assigned to it under the Concession Agreement.</p> <p>"Receivables" shall mean all monies received/ to be received by the Company from any source whatsoever, save and except any cashflows, receivables or consideration received or receivable in respect of the TDR Monetisation.</p> <p><b>"Secured Assets" shall mean all the assets excluding Project Assets</b> (whether tangible or intangible or movable or immovable) of the Issuer over which security shall be created in respect of the Debentures.</p>
Transaction Documents	<ol style="list-style-type: none"> <li>1. Information Memorandum</li> <li>2. Debenture Trustee Agreement</li> <li>3. Debenture Trust Deed</li> <li>4. Escrow Agreement</li> <li>5. Supplementary Escrow Agreement</li> <li>6. Documents executed in relation to creation of Security</li> <li>7. Substitution Agreement</li> <li>8. Corporate Guarantee</li> </ol>
Conditions Precedent	<ul style="list-style-type: none"> <li>• An up-to-date certified true copy of the Memorandum and Articles of association, certificate of incorporation and certificate of commencement of business of the Issuer.</li> <li>• Board resolutions of the Issuer for issuance of the Debentures and of Guarantor for issuing Corporate Guarantee.</li> <li>• A certified true copy of the special resolution of the shareholders of the Issuer approving the private placement of the Debentures.</li> <li>• A certified true copy of the special resolution of the shareholders of the Issuer under section 180(1)(c) of the Companies Act, 2013 setting out the borrowing limit applicable to the Issuer.</li> <li>• A certificate from the Company Secretary of the Company confirming that the issue of the Debentures together with the existing borrowings of the Issuer will not breach any borrowing</li> </ul>

	<p>or similar limit binding on the Issuer or its Board, including pursuant to the special resolution of the shareholders of the Issuer under section 180 (1) (c) of the Companies Act, 2013.</p> <ul style="list-style-type: none"> <li>• Signed copy of latest financial statements of the Issuer.</li> <li>• The Issuer shall appoint a debenture trustee and registrar and transfer agent.</li> <li>• Rating letter (not older than three months) and rating rationale from CRISIL Limited and India Ratings and Research Private Limited.</li> <li>• The Issuer shall arrange for listing of the Instrument on the wholesale debt market segment of BSE, with in principle listing approval from BSE to be obtained beforehand.</li> <li>• A copy of the letter received from the Debenture Trustee providing its consent to act as the debenture trustee in connection with the issue of the Debentures.</li> <li>• Execution of the Corporate Guarantee, Debenture Trust Deed and the Debenture Trust Agreement.</li> </ul>
Conditions Subsequent	<ul style="list-style-type: none"> <li>• The Issuer shall take all steps to ensure the listing of the Debentures on the BSE within the time period stipulated under applicable law.</li> <li>• The Issuer shall sign the Escrow Agreement and Substitution Agreement and submit to GoTS and promptly after the execution of the Escrow Agreement and Substitution Agreement by GoTS and receipt thereof by the Issuer, the Issuer shall submit the same to the Debenture Trustee.</li> <li>• Any other actions required to be completed as conditions subsequent under the terms of the Debenture Trust Deed or the other Transaction Documents.</li> </ul>
Event of Default	<ol style="list-style-type: none"> <li>1. Default has been committed by the Company in payment of any installment of Coupon or redemption amount on the Debentures on the Coupon Payment Date/ Redemption Date (as applicable) and the same is not a case of technical error due to reasons beyond the control of Company;</li> <li>2. Default has occurred in the performance of any other covenants, conditions or agreement on the part of the Company under the Debenture Trust Deed and any other Transaction Document; and not cured within 60 days from intimation, in writing, by the Debenture Trustee.</li> <li>3. Any information given by the Company in its application to the Debenture Holders for financial assistance by way of subscription to the Debentures and the warranties given/deemed to have been given by the Company to the Debenture Holders or Debenture Trustee are misleading or incorrect in any material respect and not cured within 60 days from intimation by the Debenture Trustee.</li> <li>4. The Company has taken or suffered to be taken any action for its liquidation or dissolution;</li> <li>5. When an order has been made by any court or tribunal having jurisdiction over the Company or a special resolution has been passed by the members of the Company for winding up of the Company.</li> </ol>
Consequences of Event of Default	<p>On and at any time after the occurrence of an Event of Default, which is continuing, the Debenture Trustee shall, upon receipt of instructions from Such debenture holders who fulfil the requirements set out in</p>

	<p>paragraph 6.6. the SEBI circular dated October 13, 2020 bearing number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 (as the same may be amended from time to time) by a notice in writing to the Company initiate the following course of action:</p> <ol style="list-style-type: none"> <li>1. <b>declare, in writing, ("Acceleration Notice") that the Debentures</b> shall automatically and without any further action, become due for redemption and all Coupon amounts accrued and Redemption Amount payments be due and payable on the date falling at the expiry of 30 (thirty) calendar days of the date of receipt of the <b>Acceleration Notice ("Accelerated Payment Date")</b>, whereupon they shall become immediately due and payable;</li> <li>2. <b>sue for creditor's process in accordance with the Transaction Documents;</b></li> <li>3. request the Debenture Holders for instructions in relation to enforcement of Security in manner and upon terms and condition set out in SEBI circular dated October 13, 2020 bearing number SEBI/HO/MIRSD/CRADT/P/2020/203 (as the same may be amended or modified from time to time)</li> <li>4. The Debenture Trustee shall also have the following rights (notwithstanding anything in these presents to the contrary): <ol style="list-style-type: none"> <li>a. to enter upon and take possession of the Secured Assets as per the provisions of this Deed;</li> <li>b. to enforce any Security created pursuant to the Transaction Documents in accordance with the terms thereof, as may be set out therein, towards repayment of the outstanding amounts pertaining to the Debentures;</li> <li>c. to transfer the Secured Assets by way of sale upon occurrence of Event of Default in accordance with the terms hereof;</li> <li>d. To exercise the right of substitution of the Company in the manner and upon the terms and conditions set out in the Substitution Agreement</li> <li>e. to initiate any enforcement action including without limitation under SARFAESI Act, 2002, Insolvency and Bankruptcy Code, 2016 (wherever applicable), sale without intervention of Court under Section 69 of Transfer of Property Act, 1882 or any other Applicable Law</li> </ol> </li> <li>5. exercise such other rights as may be available to the Debenture Trustee under the Transaction Documents, the Project Agreements (including without limitation the Concession Agreement) or under Applicable Law.</li> </ol> <p>The conditions of joining Inter Creditor Agreement shall be as per the relevant directions of SEBI issued in terms of the SEBI circular dated October 13, 2020 bearing number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 (as the same may be amended or modified from time to time).</p>
Mandatory Redemption Event	Termination of the Concession Agreement in terms of Article 37 of the Concession Agreement
Mandatory Redemption	Upon the occurrence of a Mandatory Redemption Event, the Company shall within 5 Business Days after the receipt into the Escrow Account of the Termination Payment or the insurance proceeds (as the case may be), redeem each Debenture, at par, in full by paying the principal amount together with Coupon and all other amounts payable under

	the Transaction Documents
Proposed Capital Reduction	<p>Notwithstanding anything to the contrary contained herein or any other Transaction Document, the Debenture Holders hereby acknowledge and agree that:</p> <p>(a) the Debenture Holders have been made aware of and have consented to the Proposed Capital Reduction;</p> <p>(b) the Company shall be entitled to undertake Proposed Capital Reduction in compliance with the provisions of the Concession Agreement and the Shareholders Agreement (as defined in the Concession Agreement) without any further consent of or prior intimation to the Debenture Trustee and/or the Debenture Holders;</p> <p>(c) without prejudice to sub-paragraph (a) and (b) above, the Debenture Holders agree and covenant that it shall where so requested by the Company execute any and all documents, deeds or writings (including any affidavit required to be submitted) to evidence ratify and confirm the consent of the Debenture Holders to the Proposed Capital Reduction.</p> <p>For the purposes of this row:</p> <p><b>"Proposed Capital Reduction" shall mean the proposed reduction</b> of the share capital of the Company upto an amount not exceeding the accumulated losses in the Company as shown in the latest audited / limited reviewed financial statements, which may be undertaken by the Company by undertaking a scheme of reduction of capital under Section 66 of the Act or in any other manner which is permissible under Applicable Law.</p>
Recovery Expense Fund	The Issuer agrees and undertakes to create and maintain a recovery expense fund, in accordance with the regulations, guidelines and circulars issued by SEBI. The purpose and utilization of the recovery expense fund shall be as specified by SEBI.
Conditions for breach of covenants	As set out in the Debenture Trust Deed which has been duly filed with the stock exchanges in terms of SEBI guidelines and notifications and may be accessed on their website.
Cross Default Clause	<p>Any amount equal to or exceeding Rs. 50 crores due and payable by the Issuer under any other financing document executed by the Issuer in relation to its indebtedness is not paid when due, and such default continues for a period of 60 days.</p> <p>Any amount equal to or exceeding Rs. 1000 crores due and payable by the Corporate Guarantor under any other financing document executed by the Guarantor in relation to its indebtedness is not paid when due, and such default continues for a period of 60 days.</p>
Roles & Responsibilities of Trustee	As per Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and Debenture Trust Deed and as specified in the Transaction Documents.
Risk Factors pertaining to the Issue	As specified in Section III(E) of this Information Memorandum

Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the exclusive jurisdiction of Hyderabad (unless otherwise specified in the respective Transaction documents)
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Notes:

- a. *If there is any change in Coupon Rate rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change shall be disclosed.*
- b. *The list of documents, if any, which has been executed in connection with the issue and subscription of debt securities shall be annexed.*
- c. *The issuer has provided granular disclosures in this Information Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".*

ANNEXURE II: ILLUSTRATION OF BOND CASH FLOWSIllustration of Bond Cash Flows\*

<u>Series A Debentures</u>	
Issuer	L&T METRO RAIL (HYDERABAD) LIMITED
Face Value (per security)	Rs.10,00,000/-
Issue Date/Date of Allotment	December 30, 2021
Date of Redemption	April 30, 2025
Tenure	3 years and 4 months
Coupon Type	Fixed
Coupon Rate	6.37% p.a.
Frequency of the Coupon Payment with specified dates	1 <sup>st</sup> Coupon on April 30, 2022 and each anniversary of this date thereafter until redemption
Day Count Convention	actual/actual

Cashflows *	Day and date for coupon/ redemption becoming due *	Number of days for denominator	Amount (In Rs.) per Debenture
1 <sup>st</sup> Coupon	April 30, 2022	365	21,116.99
2 <sup>nd</sup> Coupon	April 30, 2023	365	63,700.00
3 <sup>rd</sup> Coupon	April 30, 2024	366	63,700.00
4 <sup>th</sup> Coupon and Redemption of Series A Debentures	April 30, 2025	365	10,63,700.00

<u>Series B Debentures</u>	
Issuer	L&T METRO RAIL (HYDERABAD) LIMITED
Face Value (per security)	Rs.10,00,000/-
Issue Date/Date of Allotment	December 30, 2021
Date of Redemption	April 30, 2026
Tenure	4 years and 4 months
Coupon Type	Fixed
Coupon Rate	6.58% p.a.
Frequency of the Coupon Payment with specified dates	1 <sup>st</sup> Coupon on April 30, 2022 and each anniversary of this date thereafter until redemption
Day Count Convention	actual/actual

Cashflows *	Day and date for coupon/ redemption becoming due *	Number of days for denominator	Amount (In Rs.) per Debenture
1 <sup>st</sup> Coupon	April 30, 2022	365	21,813.15
2 <sup>nd</sup> Coupon	April 30, 2023	365	65,800.00
3 <sup>rd</sup> Coupon	April 30, 2024	366	65,800.00
4 <sup>th</sup> Coupon	April 30, 2025	365	65,800.00
5 <sup>th</sup> Coupon and Redemption of Series B Debentures	April 30, 2026	365	10,65,800.00

Series C Debentures	
Issuer	L&T METRO RAIL (HYDERABAD) LIMITED
Face Value (per security)	Rs.10,00,000/-
Issue Date/Date of Allotment	December 30, 2021
Date of Redemption	April 30, 2027
Tenure	5 years and 4 months
Coupon Type	Fixed
Coupon Rate	6.68% p.a.
Frequency of the Coupon Payment with specified dates	1 <sup>st</sup> Coupon on April 30, 2022 and each anniversary of this date thereafter until redemption
Day Count Convention	actual/actual

Cashflows *	Day and date for coupon/ redemption becoming due *	Number of days for denominator	Amount (In Rs.) per Debenture
1 <sup>st</sup> Coupon	April 30, 2022	365	22,144.66
2 <sup>nd</sup> Coupon	April 30, 2023	365	66,800.00
3 <sup>rd</sup> Coupon	April 30, 2024	366	66,800.00
4 <sup>th</sup> Coupon	April 30, 2025	365	66,800.00
5 <sup>th</sup> Coupon	April 30, 2026	365	66,800.00
6 <sup>th</sup> Coupon and Redemption of Series C Debentures	April 30, 2027	365	10,66,800.00

\* Actual date of payment may vary in accordance with Business Day Convention as specified in the Term Sheet shown at Annexure 1

ANNEXURE III

CORPORATE GUARANTEE

THIS DEED OF GUARANTEE (**this "Guarantee"**) made at [●] on this [●] day of [●] by:

Larsen & Toubro Limited, a company under the provisions of the Companies Act, 2013 and having its registered office at L&T House, N M Marg, Ballard Estate, Mumbai – 400 001 hereinafter **called the "Guarantor", (which** expressions shall include its successors wherever the context or meaning shall so require or permit);

AT THE REQUEST OF:

L&T METRO RAIL (HYDERABAD) LIMITED, a company under the provisions of Companies Act, 2013 having its corporate identity number U45300AP2010PLC070121 and registered office at Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole, Hyderabad, Telangana 500 039, India **hereinafter called the "Company", (which expression shall unless** repugnant to the context or meaning thereof include its successors and permitted assigns wherever the context or meaning shall so require or permit);

IN FAVOUR OF:

AXIS TRUSTEE SERVICES LIMITED, a company under the provision of Companies Act, 2013, having its registered office at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 025, in its capacity as the Debenture Trustee for the Debenture Holders (as defined hereunder) (hereinafter referred to as the **"Debenture Trustee", (which** expression shall, unless repugnant to the context, be deemed to include its successors and permitted assigns wherever the context or meaning shall so require or permit).

The Guarantor and the Debenture Trustee shall each be hereinafter referred to individually as **"Party"** and collectively as **"Parties"**.

W H E R E A S:

(A) The Company has issued / proposes to issue, certain rated, fixed rate, redeemable, non-convertible INR denominated debentures of the face value of Rs.10,00,000 (Rupees Ten Lakhs **only) each ("Debentures") for an amount of Rs.8,616,00,00,000** (Rupees Eight Thousand Six Hundred and Sixteen Crore), in 3 Series (being Series A Debentures, Series B Debentures and Series C Debentures) to certain identified investors, pursuant to the information memorandum **dated on or about the date of this Guarantee ("Information Memorandum") and a debenture** trust deed, dated on or about the date hereof, executed between the Company and the Debenture Trustee (**"Debenture Trust Deed"**).

(B) Under the conditions of the Transaction Documents (as hereinafter defined), the Guarantor is required to issue a corporate guarantee in favour of the Debenture Trustee for the benefit of **the persons holding the Debentures from time to time ("Debenture Holders"), in** accordance with the terms and conditions provided herein, and the Guarantor has agreed to issue the same.  
NOW THIS DEED WITNESSETH AS FOLLOWS

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein the Guarantor hereby guarantees to and agrees with the Debenture Trustee acting for the benefit of the Debenture Holders as follows:

## 1. DEFINITIONS AND INTERPRETATIONS

Unless otherwise defined, capitalized terms in this guarantee shall have the following meanings. Capitalised terms used herein but not defined shall have the meaning assigned to such term in the Debenture Trust Deed:

**"Accelerated Payment Date" shall be as defined in** the Transaction Documents;

**"Aggregate Debenture Payout Sub-Sub Account" shall mean the aggregate debenture** payout sub-sub account, being a sub-sub-account to the Escrow Account and operated in terms of the Escrow Agreement read with the Supplementary Escrow Agreement;

**"Applicable Law" means any statute, law, equity, regulation,** ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Agency whether in effect as of the date of this Deed or thereafter and in each case as amended, as applicable to a Party;

**"Business Day"** means any day other than Saturday and Sunday on which commercial banks and money markets are open for business in Hyderabad and Mumbai;

**"Call Option" shall mean the** right, but not the obligation, of the Guarantor, to require the Debenture Holders to sell all the Debentures held by them, upon the occurrence of any of the Call Option Exercise Event, at the Call Option Price on the Call Option Date;

**"Call Option Date"** shall mean the date falling on the immediately succeeding day from the date of the Call Option Notice. It is hereby clarified that if either the Call Option Date or the dates falling 1 (One) calendar day prior to the Call Option Date, fall on a date which is not a Business Day, the second day of any two consecutive Business Days immediately succeeding such day(s) shall be deemed to be the Call Option Date;

**"Call Option Exercise Event" shall mean the occurrence of any of the Event of Default and/or** issuance of a Termination Notice (as defined in the Concession Agreement) for the termination of the Concession Agreement;

**"Call Option Notice" shall mean the notice to be issued** by the Guarantor to the Debenture Trustee and the Debenture Holders for the exercise of the Call Option by the Guarantor;

**"Call Option Price"** shall mean the Principal Amounts, the Interest accrued thereon and any other amounts due and payable in respect of the Debentures in accordance with the terms of the Transaction Documents;

**"Escrow Account" has the meaning ascribed to the term in the** Information Memorandum;

**"Final Settlement" shall mean the irrevocable and unconditional payment and discharge of all** Obligations under the Transaction Documents to the satisfaction of the Debenture Trustee;

**"Funding Shortfall Event"** shall mean the event where the amounts required to be paid in respect of any Series of the Debentures on any due date are not available in the Aggregate Debentures Payout Sub-Sub-Account by 4.00 pm, on the date falling 2 (Two) Business Days prior to the relevant due date;

**"Governmental Agency"** means any government or any governmental authority or agency, semi-governmental or judicial or quasi-judicial or administrative entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under any Applicable Law);

**"Obligations"** shall mean all payment obligations of the Company under the Transaction Documents;

**"Rating Agencies" shall mean** CRISIL Limited and India Ratings and Research Private Limited;

**"Transaction Documents" means the following:**

- (a) the Debenture Trust Deed;
- (b) the Debenture Trustee Agreement;
- (c) the Information Memorandum;
- (d) this Guarantee;
- (e) any other document agreed between the Company and the Debenture Trustee to be a transaction document.

## 2. GUARANTEE

### 2.1 Guarantee

The Guarantor shall ensure that the Company shall duly and punctually pay and/or discharge the Obligations in accordance with the Transaction Documents. Upon invocation of this guarantee in the manner set out in Clause 2.2 below, the Debenture Trustee may act as though the Guarantor were the principal debtor. Accordingly the Guarantor shall not be discharged nor shall its liability hereunder be affected by any act or thing or means whatsoever by which its said liability would have been discharged or affected if it had not been the principal debtor.

### 2.2 Obligations

On the occurrence of a Funding Shortfall Event, the Guarantor shall, unconditionally and irrevocably, upon demand, pay into the Aggregate Debenture Payout Sub-Sub Account or an account specified by the Debenture Trustee without any demur or protest, within 1 (one) Business Day of demand by the Debenture Trustee, the amount stated in the demand certificate (the **"Demand Certificate"**), **in the form and manner set out in Schedule I hereto, and limited to** the amount in respect of which any Funding Shortfall Event has occurred and not exceeding, in the aggregate, the Obligations. Provided that if on invocation of this Guarantee, the Guarantor has not made a payment within the time so specified for such payment in this Guarantee, the Guarantor shall be liable to pay default interest in accordance with Clause 3 below.

Notwithstanding anything to the contrary contained above, the Guarantor shall, on the receipt of the Demand Certificate as aforesaid, also have the option to deposit the amounts required to be paid by it in terms of the foregoing paragraph, directly into the accounts of the relevant Debenture Holders and provide proof of such payment to the Debenture Trustee which shall be a valid discharge by it of its obligations.

### 2.3 Independent Obligation

The Guarantor shall, without prejudice to the other provisions contained herein, as a primary obligor and principal debtor and not merely as surety, on a full indemnity basis, indemnify the Debenture Trustee and the Debenture Holders against any losses suffered as a result of the **whole or any of the** Obligations being or becoming void, voidable, unenforceable or ineffective as against the Company for any reason whatsoever. Provided that the Parties agree and

acknowledge that the liability of the Guarantor under such indemnity shall not, in the aggregate, exceed the Obligations.

## 2.4 Demand

Any demand made by the Debenture Trustee to the Guarantor in the form of a Demand Certificate **shall be final, conclusive and binding evidence that the Guarantor's liability** hereunder has accrued except in case of manifest error.

## 2.5 No Requirement to Exhaust Remedies

Prior to making any demand hereunder, the Debenture Trustee shall not be required to take any step, make any demand upon, exercise any remedies or obtain any judgment against the Company.

## 2.6 Additional Security

This Guarantee is in addition and without prejudice to any other guarantee, security, lien, indemnity or other right or remedy which the Debenture Trustee may now or hereafter hold for the Obligations or part thereof.

## 3. DEFAULT INTEREST

In case of default in payment of the Obligations when due in accordance with the Transaction Documents, notwithstanding any other rights that the Debenture Trustee has under this Guarantee, the Guarantor shall pay on the defaulted amounts, default interest at the rate of 2% (two percent) per annum (without double counting any default interest paid by the Company **under the Transaction Documents), for the period of default ("Default Interest").**

The Guarantor agrees that the Default Interest is a genuine pre-estimate of damages that would be caused to the Debenture Holders in case of default in payment of the Obligations or any other amount required to be paid by the Guarantor under the Transaction Documents, on their respective due dates, and the same is not penal in nature.

## 4. Call Option

The Parties hereby agree that the Guarantor shall have the right to exercise the Call Option upon the occurrence of an Call Option Exercise Event, in the manner and upon the terms and conditions provided for in this Guarantee

If the Guarantor is desirous of exercising the Call Option, upon the occurrence of any of the Call Option Exercise Events then it shall issue to the Debenture Trustee and the Debenture Holder, the Call Option Notice, requiring the Debenture Holders to sell all the Debentures held by them at the Call Option Price on the Call Option Date; provided that in the event that the Guarantor is considering the exercise of the Call Option in terms of this Clause 4, the Guarantor shall issue an intimation, in writing to the Debenture Trustee and the Debenture Holders informing the Debenture Trustee and the Debenture Holders of such consideration 30 (thirty) days prior to the proposed Call **Option Date ("Call Option Intimation"). It is clarified that the Call Option Intimation is to be provided for the Debenture Trustee's and Debenture Holders' information only** and shall not give rise to any obligation for the Guarantor to purchase or the relevant Debenture Holders to sell the Debentures, which obligations shall only arise in the event of the issuance of a Call Option Notice, 1 (One) calendar day prior to the Call Option Date.

Notwithstanding anything to the contrary contained hereinabove, the Guarantor agrees and confirms that, upon the termination of the Concession Agreement in terms of Article 37 of the

Concession Agreement, the Guarantor shall in any event exercise the Call Option in the manner set out in the foregoing paragraph on or prior to the expiry of 60 (Sixty) calendar days from such termination.

On the exercise of the Call Option in terms of the foregoing provisions of this Clause 4:

- (a) The Debenture Holders shall transfer the Debentures held by them to the Guarantor on the Call Option Date;
- (b) The Guarantor shall, on the Call Option Date, pay the Call Option Price in respect of the Debentures to the Debenture Holders, by transferring the same to such account of the Debenture Holders, as the Debenture Holders may require.

## 5. WAIVERS

- 5.1 The Guarantor shall not be released by any act or omission on the part of the Debenture Trustee and the Guarantor hereby irrevocably waives in favour of the Debenture Trustee, for the benefit of the Debenture Holders and Debenture Trustee so far as may be necessary to give effect to any of the provisions of this Guarantee, all the suretyship and other rights which the Guarantor might otherwise be entitled to enforce, including but not limited to those arising under Sections 133, 134, 135, 139 and 141 of the Indian Contract Act, 1872.
- 5.2 Any delay or omission by the Debenture Trustee to exercise any rights at any point of time should not be construed as a grant of waiver. A single waiver or partial exercise of any right, power or privilege shall not preclude future exercise thereto.

## 6. NO RELEASE

The rights of the Debenture Holders and the Debenture Trustee against the Guarantor shall remain in full force and effect till the Final Settlement notwithstanding any arrangement, payment or settlement which may be reached or made between the Debenture Trustee or Debenture Holders and the Company or the other guarantor/s or security providers, if any.

## 7. NO PROOF IN LIQUIDATION; NO EXERCISE OF RIGHTS

- (a) Whilst this Guarantee continues and so long as the Guarantor is in breach of its obligations under this Guarantee, the Guarantor agrees that:
  - (i) it shall not in the event of the liquidation of the Company prove in competition with the Debenture Holders and/or the Debenture Trustee in liquidation proceedings; and
  - (ii) it shall have no right of subrogation or indemnity against the Company nor shall it exercise any such rights available under law, to claim any sum relating to the Obligations from the **Company, including those of subrogation and of proof in the Company's insolvency, and** shall hold the benefit of any such rights on trust for the benefit of the Debenture Holders and the Debenture Trustee.

## 8. LIABILITY NOT AFFECTED

Unless otherwise agreed, the liability of the Guarantor under this Guarantee shall not be affected by:

- (i) any change in the constitution, ownership or corporate existence of the Company or the Guarantor or any absorption, merger or amalgamation of the Company or the Guarantor with any other company, corporation or concern;

- (ii) any insolvency, liquidation, bankruptcy, statutory restructuring or similar situation or proceedings in respect of the Company or Guarantor. Without limiting the generality of the foregoing this Guarantee shall continue to be effective and be re-instated should the Debenture Holder and/or the Debenture Trustee be required under any Applicable Law to return to the Company or any other person any payment made by the Company to them;
- (iii) any change in the management of the Company or takeover of the management of the Company or Guarantor by any Governmental Agency;
- (iv) acquisition or nationalisation of the Company or the Guarantor and/ or of any of their undertaking(s) pursuant to any Applicable Law;
- (v) any change in the constitution of the Debenture Trustee and/or the Debenture Holders;
- (vi) absence or deficiency of powers on the part of the Guarantor to give guarantees and/or indemnities or any irregularity in the exercise of such powers;
- (vii) any intermediate payment or satisfaction of any part of the Obligations;
- (viii) the granting of any time or other indulgence to the Company or any other person with respect to the Obligations;
- (ix) any illegality, invalidity, irregularity or unenforceability of all or any part of the Obligations;
- (x) any variation in the terms of the Debentures without the consent of the Guarantor;
- (xi) any reference of the Company to the Board for IBBI, Industrial & Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985 or any other applicable law; or
- (xii) subject to Clause 18, any other act, thing or omission of any nature whereby the liability of the Guarantor under this Guarantee would or may, but for this Clause, have been discharged, impaired or otherwise affected by any other matter or thing whatsoever.

## 9. CONTINUING GUARANTEE

This Guarantee shall be a continuing one and shall remain in full force and effect till Final Settlement. The Guarantor shall not terminate the Guarantee except with the prior approval of the Debenture Trustee (acting on the instructions of 100% (one hundred percent) of the Debenture Holders).

The Guarantor agrees that notice of any termination of this Guarantee in terms of this Clause 9 shall be provided by the Guarantor to the Rating Agency at least 1 (one) Business Day prior to the date of such termination.

## 10. REPRESENTATIONS

The Guarantor makes the following representations and warranties as of the date hereof and which representations and warranties shall survive till Final Settlement:

- (a) It is a company, duly incorporated and validly existing under the laws of India.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

- (c) The obligations expressed to be assumed by it under this Guarantee are legal, valid, binding and enforceable obligations and do not and will not conflict with or cause a default under any applicable law, its constitutional documents or any agreement or instrument binding upon it or any of its assets.
- (d) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Guarantee.
- (e) All the borrowings of and guarantees given by the Guarantor are within the limits contained in its corporate authorizations (including by way of board/ shareholder resolutions under Section 186 of the Companies Act, 2013).

## 11. COVENANTS

The Guarantor covenants and agrees that from the date of this Guarantee and for so long as this Guarantee is outstanding:

- (a) The Guarantor will duly perform and observe the terms of this Guarantee and any other Transaction Document to which it is a party.
- (b) The Guarantor will at all times maintain its corporate existence.
- (c) Whilst any Obligations whatsoever remain under the Transaction Documents, the Guarantor shall not without the prior written consent of the Debenture Trustee, voluntarily wind-up, liquidate or dissolve its affairs.

## 12. NOTICES

- 12.1 Any notice required to be served on the Debenture Trustee may be served on the Debenture Trustee by sending through courier, registered post in prepaid letter, email or fax addressed to the Debenture Trustee at the coordinates mentioned below.
- 12.2 All notice(s) to be given by the Debenture Holder(s) or Debenture Trustee to the Guarantor shall be sent by courier, registered post in prepaid letter, email or fax addressed to the Guarantor, as the case may be, at the coordinates mentioned below. Provided that in the event of a Funding Shortfall Event, any such notice will be provided by fax/ email.
- 12.3 All notices and communications shall be effective (a) if sent by fax/ email, on the same day on which such fax/ email is sent; (b) if sent by hand delivery, when delivered; (c) if sent by courier or registered post acknowledgement due, 2 (two) Business Days after deposit with a courier/ or post office.
- 12.4 All notices shall be issued to the following address:

The address and contact details of the Guarantor:

Address	: L&T House, NM Marg, Ballard Estate, Mumbai 400001
Fax No.	: 91-22-67525893, 91-22-67525871
Tel No.	: 91-22-67525784, 91-22-67525832
Email	: Prasad.shanbhag@larsentoubro.com, Vipul.chandra@larsentoubro.com
Attention	: Prasad Shanbhag, Vipul Chandra

The address and contact details of the Company:

Address : Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole, Hyderabad, Telangana 500 039, India  
Fax No. : 91-22-61952802  
Tel No. : 91-22-66965329  
Email : Rahul.nilosey@ltmetro.com  
Attention : Mr Rahul Nilosey

The address and contact details of the Debenture Trustee:

Address : The Ruby, 2<sup>nd</sup> Floor, SW, Senapati Bapat Marg, Dadar West, Mumbai – 400 028  
Fax No. : 022 6230 0700  
Tel No. : 022 6230 0451  
Email : debenturetrustee@axistrustee.in  
Attention : Chief Operating Officer

### 13. PAYMENTS

All monies payable by the Guarantor under this Guarantee shall be paid in Indian Rupees by electronic mode of transfer such as RTGS/NEFT/Direct Credit or (if payment by electronic mode is not possible or if specifically requested by the Debenture Trustee) by bank draft drawn in favour of the Company and to the Aggregate Debenture Payout Sub-Sub Account or any other account mutually agreed by the Parties. Credit for all payments will be given only on realisation.

### 14. TAXES

#### 14.1 Definitions

In this Clause 14, **"Tax Deduction"** means any amount payable in relation to any present or future taxes, levies, imposts, charges, deduction or withholding of whatsoever nature, for or on account of Tax in relation to any payment arising out of or in connection with the Transaction Documents.

#### 14.2 Tax Withholding

In the event that any payments are made by the Guarantor directly to the Debenture Holders and/or the Debenture Trustee:

- 14.2.1 All payments to be made by the Guarantor to the Debenture Holders and/or the Debenture Trustee under this Guarantee or any of the Transaction Documents shall be made free and clear of and without any set off, counter claim or any Tax Deduction, unless such deduction or withholding is required by Applicable Law.
- 14.2.2 If the Guarantor is required to make a Tax Deduction from a payment to the Debenture Holders or the Debenture Trustee, the Guarantor shall make that Tax Deduction and deliver to such Debenture Holders and/or the Debenture Trustee, a tax deduction certificate in the format prescribed under the Income Tax Rules, 1962 and within the prescribed period under the Income Tax Act, 1961.

### 15. GOVERNING LAW

This Guarantee shall be governed by and construed in accordance with Indian law.

### 16. JURISDICTION

(i) The Guarantor agrees that the courts and tribunals in Hyderabad shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee and that accordingly any suit, action or proceedings (together referred to as **"Proceedings"**) arising out of or in connection with this Guarantee may be brought in such courts or the tribunals and the Guarantor irrevocably submits to the jurisdiction of those courts or tribunals.

## 17. ASSIGNMENT AND TRANSFER

The Debenture Trustee shall be permitted to assign all its rights under this Guarantee to any successor or replacement debenture trustee under the Transaction Documents, without the prior approval of the Guarantor but with prior notice to the Guarantor. The Guarantor shall not be permitted to assign this Guarantee.

## 18. SEVERABILITY

Every provision contained in this Guarantee shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid illegal or unenforceable in any respect under any Applicable Law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

## 19. TERM OF THE GUARANTEE

This Guarantee shall be valid until the Final Settlement Date.

## 20. FURTHER ASSURANCES

The Guarantor shall promptly execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as may be required under Applicable Law or as the Debenture Trustee may reasonably require or consider necessary in relation to perfecting and creation, perfection and enforcing or exercising any of the rights and authorities of the Debenture Trustee;

## 21. DISCLOSURE

(i) Upon the occurrence of a default by the Guarantor under this Guarantee, the Debenture Trustee shall have the right to disclose to TransUnion CIBIL Limited and any other agency so authorized under Applicable Law, the occurrence of such default and the information and data relating to the Guarantor with respect to such default, to the extent required to be disclosed under Applicable Law.

(ii) The Guarantor further undertakes and declares that:

(a) The TransUnion CIBIL Limited and any other agency so authorized under Applicable Law may use, process the said information and data disclosed by the Debenture Trustee in the manner as deemed fit by them, subject to compliance with Applicable Law; and

(b) The TransUnion CIBIL Limited and any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

## 22. AMENDMENTS

The terms and provisions of this Guarantee may be waived, amended, supplemented or otherwise modified only by a written instrument executed by the Parties specifically and clearly stating that it is an amendment to this Guarantee. Any purported amendment to this Guarantee that shall fail to comply with this Clause 22 shall not vary in any respect whatsoever, the terms of this Guarantee.

The Guarantor also agrees that notice of any amendment to the terms of this Guarantee shall be provided by the Guarantor to the Rating Agency at least 1 (one) Business Day prior to the date on which Parties propose to enter into written agreement in respect of such amendment.

IN WITNESS WHEREOF the Parties have caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

SIGNED AND DELIVERED BY the within named Guarantor

---

Authorized Signatory

SIGNED AND DELIVERED BY the within named Debenture Trustee

---

Authorized Signatory

SCHEDULE – I : FORM OF DEMAND CERTIFICATE

To: [insert details of Guarantor]

From: [insert details of Debenture Trustee]

**Dated: [●]**

Dear Sirs,

**Sub: Corporate guarantee dated [ ] (the "Guarantee") executed by the Guarantor in favour of the Debenture Trustee for the benefit of the Debenture Holders in relation to issuance of non-convertible debentures by the Company.**

The Company has not fulfilled its Obligations and an amount of INR [to insert amount payable including interest due] (Indian Rupees [●] only) is due and payable by the Company. Accordingly, we hereby give you notice pursuant to Clause 2.2 of the Guarantee that we require you to pay such amount within 1 (one) Business Day from the date of this notice in the Aggregate Debenture Payout Sub-Sub Account, i.e. account number [●] with [●] Bank, at [●] branch (IFSC code: [●]). Accordingly, we hereby give you notice pursuant to Clause 2.2 of the Guarantee that we require **you to pay such amount as mentioned above by [●].**

Capitalised terms used herein shall have the meaning given to them in the Guarantee.

Yours faithfully,


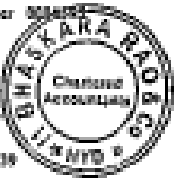



**[●] the Debenture Trustee**


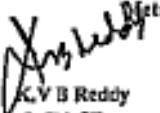


CC: Issuer

## ANNEXURE IV

## STANDALONE FINANCIAL INFORMATION (BALANCE SHEET, PROFIT &amp; LOSS STATEMENT AND CASH FLOW STATEMENT)

L&T Metro Rail (Hyderabad) Limited Balance Sheet as at September 30, 2021				
₹ Crores				
Particulars	Note No	As at September 30, 2021	As at March 31, 2021	
<b>Non-current assets</b>				
a) Property, Plant and Equipment	1	106.65	115.06	
b) Investment property	2	1,379.87	1,355.08	
c) Intangible assets	3	15,561.44	15,606.52	
d) Intangible assets under development	4	26.34	12.41	
e) Other financial assets	5	11.32	13.59	
f) Other non-current assets	6	42.03	38.18	
		17,127.64	17,331.34	
<b>Current assets</b>				
a) Inventories	7	14.91	14.46	
b) Financial Assets				
i) Investments	8	117.63	-	
ii) Trade receivables	9	35.17	39.94	
iii) Cash and cash equivalents	10	2.56	158.93	
iv) Bank balances other than above	10	497.33	498.18	
v) Other financial assets	5	0.38	0.56	
c) Other current assets	6	3.49	11.80	
		671.33	714.92	
<b>TOTAL ASSETS</b>		<b>17,799.63</b>	<b>17,946.76</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital	11	2,439.00	2,439.00	
b) Other equity	12	(2,278.72)	(2,363.03)	
		(839.72)	76.97	
<b>Non-current liabilities</b>				
a) Financial liabilities				
i) Borrowings	13	12,411.23	13,213.33	
ii) Other financial liabilities	14	19.58	23.40	
b) Provisions	15	90.28	66.86	
		12,521.08	13,303.59	
<b>Current liabilities</b>				
a) Financial liabilities				
i) Borrowings	13	3,828.04	3,490.58	
ii) Other financial liabilities	14	1,877.23	1,051.23	
b) Other current liabilities	16	9.59	22.50	
c) Provisions	15	3.41	3.29	
		4,118.27	4,567.59	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,799.63</b>	<b>17,946.76</b>	
As per our report attached				
For M Bhaskara Rao & Co.,				
Firm registration number - 5004533				
Chartered Accountants				
M V Ramana Murthy				
Partner				
Membership No. 200400r HYD *				
Place Hyderabad				
Date 17/10/21				
For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited				
K.V.B Reddy				
(Managing Director & Chief Executive Officer)				
DIN No. 01683467				
Rohini Reddy				
(Chief Financial Officer)				
Place Hyderabad				
Date 11/10/2021				

L&T Metro Rail (Hyderabad) Limited							
Statement of Profit and Loss for the period ended September 30, 2021							
Particulars	Note No	Quarter ended			Period ended		Year ended
		September 30, 2021 (Reviewed)	June 30, 2021 (Reviewed)	September 30, 2020 (Reviewed)	September 30, 2021 (Reviewed)	September 30, 2020 (Reviewed)	March 31, 2022 (Audited)
<b>INCOME</b>							
Revenue from Operations	17	84.73	48.03	24.38	130.77	41.31	189.81
Construction contract revenue		6.83	6.89	28.91	12.93	48.67	131.08
Other Income	18	3.87	6.30	9.62	12.17	18.69	38.33
<b>Total Income</b>		<b>94.63</b>	<b>59.22</b>	<b>42.74</b>	<b>155.87</b>	<b>108.67</b>	<b>266.21</b>
<b>EXPENSES</b>							
Construction contract expenses		6.83	6.89	28.91	12.93	48.67	131.08
Operating expenses	19	62.83	38.24	39.18	130.38	84.74	311.93
Employee benefit expenses	20	6.30	6.43	8.07	12.79	13.84	31.31
Administration and other expenses	21	18.50	11.26	5.33	22.63	16.62	34.89
Finance costs	22	388.90	369.99	361.89	790.83	309.81	1,421.07
Depreciation and amortisation		76.46	76.48	74.68	133.94	149.15	283.49
<b>Total Expenses</b>		<b>549.92</b>	<b>509.07</b>	<b>510.03</b>	<b>1,070.47</b>	<b>519.13</b>	<b>2,183.77</b>
Profit(loss) before tax for the period		(445.41)	(470.43)	(467.29)	(914.60)	(916.00)	(1,766.75)
Tax Expense:							
Income tax of previous year		(8.30)			(8.30)		
Deferred tax							
Profit(loss) after tax for the period		(445.25)	(470.43)	(467.29)	(914.60)	(916.00)	(1,766.75)
Other Comprehensive Income							
Items that will be reclassified to Profit & Loss							
Changes in fair value of cash flow hedges							
<b>Total Comprehensive Income for the period</b>		<b>(445.25)</b>	<b>(470.43)</b>	<b>(467.29)</b>	<b>(914.60)</b>	<b>(916.00)</b>	<b>(1,766.75)</b>
As per our report attached							
For M&A Bankers & Co.,							
For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited							
Firm registration number: 5084755 Chartered Accountants by the hand of  V. Jaisankar Murthy Partner Membership No: 206439							
							
 K.V.D. Reddy Managing Director & Chief Executive Officer DIN No: 01683487  Lakshmi Narayan Managing Director (Chief Financial Officer)							
							
Place: Hyderabad Date: 18/12/21							
Place: Hyderabad Date: 18/12/21							

L&T Metro Rail (Hyderabad) Limited Statement of Cash Flows for the year ended September 30, 2021			
S No	Particulars	2020-21(H1)	2020-21
A	Net profit / (loss) before tax	(915.68)	(1,766.74)
	Adjustment for:		
	Depreciation and amortisation expense	152.94	298.50
	Finance Cost	750.85	1,421.07
	Interest income	(9.42)	(37.17)
	(Profit)/loss on sale of current investments(net)	-	-
	(Profit)/loss on sale of fixed assets	0.00	0.02
	Other non cash items	-	-
	Operating profit before working capital changes	(21.29)	(84.33)
	Adjustments for:		
	Increase / (Decrease) in long term provisions	23.42	38.32
	Increase / (Decrease) in other current liabilities	(12.51)	(3.26)
	Increase / (Decrease) in other current financial liabilities	23.92	89.40
	Increase / (Decrease) in other non current financial liabilities	(3.83)	(61.00)
	Increase / (Decrease) in short term provisions	0.11	(1.12)
	(Increase) / Decrease in other non current financial assets	2.27	(3.04)
	(Increase) / Decrease in other non current assets	(8.22)	29.76
	(Increase) / Decrease in Inventories	(0.46)	(6.00)
	(Increase) / Decrease in Trade Receivables	(4.23)	(1.64)
	(Increase) / Decrease in other current financial assets	0.28	(0.11)
	(Increase) / Decrease in short term loans and advances	-	-
	(Increase) / Decrease in other current assets	8.97	(1.30)
	Net cash generated from/(used in) operating activities	8.43	(13.31)
	Direct taxes refunds (net of payments)	4.11	29.76
	Net Cash/(used in)/generated from Operating Activities	12.54	7.45
B	Cash flow from investing activities		
	Purchase of fixed assets	(44.82)	(324.45)
	Sale of fixed assets	(0.00)	(0.02)
	Purchase of current investments	(117.65)	-
	Sale of current investments	-	-
	Interest received	9.42	37.17
	Net cash (used in)/generated from investing activities	(153.05)	(287.31)
C	Cash flow from financing activities		
	Proceeds from issue of Equity Share Capital	-	(0.00)
	Proceeds from long term borrowings	521.07	1,999.08
	Interest paid	(536.58)	(1,814.00)
	Net cash (used in)/generated from financing activities	(15.51)	185.08
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(156.02)	(94.77)
	Cash and cash equivalents as at the beginning of the year	158.98	253.75
	Cash and cash equivalents as at the end of the year	2.96	158.98
<b>Notes:</b> 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 Bhaskara Rao & Co.,  Firm registration number 0004395 Chartered Accountants by the hand of  M V Ramana Murthy Partner Membership No. 206439		For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited   K V B Reddy [Managing Director & Chief Executive Officer] DIN No. 01683467   Rahul Nilgaj [Chief Financial Officer]	
Place Hyderabad Date 11/10/21			

L&T Metro Rail (Hyderabad) Limited			
Balance Sheet as at March 31, 2021			
₹ Crore			
Particulars	Note No	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant and Equipment	1	115.06	131.98
b) Investment property	2	1,355.08	1,251.54
c) Intangible assets	3	15,696.52	15,820.16
d) Intangible assets under development	4	13.41	-
e) Other financial assets	5	15.59	10.55
f) Other non-current assets	6	38.18	48.15
		17,231.84	17,262.38
<b>Current assets</b>			
a) Inventories	7	14.46	8.45
b) Financial Assets			
i) Trade receivables	8	30.94	29.30
ii) Cash and cash equivalents	9	158.98	253.74
iii) Bank balances other than ii) above	9	498.18	500.12
iv) Other financial assets	5	0.56	0.45
c) Other current assets	6	11.80	8.56
		714.92	800.62
<b>TOTAL ASSETS</b>		<b>17,946.76</b>	<b>18,063.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	10	2,439.00	2,439.00
b) Other equity	11	(2,363.03)	(596.29)
		75.97	1,842.71
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	12	13,213.33	12,994.37
ii) Other financial liabilities	13	25.40	63.63
b) Provisions	14	66.86	28.54
		13,303.59	13,086.54
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	12	2,364.99	1,072.80
ii) Other financial liabilities	13	2,176.83	2,031.18
b) Other current liabilities	15	22.16	25.36
c) Provisions	14	3.28	4.41
		4,567.26	3,133.75
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,946.76</b>	<b>18,063.00</b>
Contingent liabilities	16		
Commitments	17		
Notes forming part of the Financial Statements:	1 to 24		
Significant accounting policies	25		
As per our report attached			
For M.K.Dandekar & Co.,		For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited	
Firm registration number : 0006795			
Chartered Accountants			
by the hand of			
Sd/-		Sd/-	Sd/-
S.Prasadnair		K.V.B.Reddy	Ajit Rangnekar
Partner		[Managing Director & Chief Executive	[Director]
Membership No : 223754		DIN No: 01683467	DIN No: 01676516
		Sd/-	Sd/-
		J.Ravi Kumar	Chandrabud D Pallwal
		[Chief Financial Officer]	[Company Secretary]
		Membership No: 023240	Membership No: F5577
Place: Chennai			Place: Hyderabad
Date : 23.04.2021			Date : 23.04.2021

L&T Metro Rail (Hyderabad) Limited			
Statement of Profit and loss for the year ended March 31, 2021			
₹ Crore			
Particulars	Note No	2020-21	2019-20
<b>INCOME</b>			
Revenue from operations	18	189.61	587.28
Construction contract revenue		158.08	772.37
Other income	19	38.33	10.92
<b>Total Income</b>		<b>386.02</b>	<b>1,370.57</b>
<b>EXPENSES</b>			
Construction contract expenses		158.08	772.37
Operating expenses	20	211.93	236.89
Employee benefit expenses	21	28.31	14.25
Administration and other expenses	22	34.89	30.91
Finance costs	23	1,421.07	542.79
Depreciation and amortisation		298.49	145.56
<b>Total Expenses</b>		<b>1,152.77</b>	<b>1,732.77</b>
<b>Profit/(loss) before tax for the period</b>		<b>(1,766.75)</b>	<b>(382.20)</b>
Tax Expense:			
Current tax		-	-
Deferred tax		-	-
<b>Profit/(loss) after tax for the period</b>		<b>(1,766.75)</b>	<b>(382.20)</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to Profit & Loss			
Changes in fair value of cash flow hedges		-	4.86
<b>Total Comprehensive Income for the period</b>		<b>(1,766.75)</b>	<b>(377.34)</b>
Earnings per equity share:	24.9		
Basic & Diluted		(7.34)	(1.57)
Face value per equity share		10.00	10.00
Notes forming part of the Financial Statements	1 to 24		
Significant accounting policies	25		
As per our report attached			
For M.N.Dandekar & Co.,			
For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited			
Firm registration number : 0006798			
Chartered Accountants			
by the hand of			
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>S.Poosadurala</b>	<b>K.V.R.Reddy</b>	<b>Ajit Rangnekar</b>	<b>Ajit Rangnekar</b>
Partner	[Managing Director & Chief Executive Officer]	[Director]	[Director]
Membership No. : 223754	DIN No: 01683467	DIN No: 01676516	DIN No: 01676516
	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
	<b>J.Ravi Kumar</b>	<b>Chandrabhadra D Palwal</b>	<b>Chandrabhadra D Palwal</b>
	[Chief Financial Officer]	[Company Secretary]	[Company Secretary]
	Membership No. 023240	Membership No. F5577	Membership No. F5577
Place : Chennai		Place : Hyderabad	
Date : 23.04.2021		Date : 23.04.2021	

L&T Metro Rail (Hyderabad) Limited			
Statement of Cash Flows for the year ended March 31, 2021			
S. No.	Particulars	2020-21	2019-20
₹ Crores			
<b>A</b>	<b>Net profit / (loss) before tax</b>	(1,766.74)	(582.21)
	<b>Adjustment for:</b>		
	Depreciation and amortisation expense	298.50	145.55
	Finance Cost	1,421.07	542.79
	Interest income	(37.17)	(1.96)
	(Profit)/loss on sale of current investments(net)	-	(2.89)
	(Profit)/loss on sale of fixed assets	0.02	-
	Other non cash items	-	4.85
	<b>Operating profit before working capital changes</b>	(84.32)	306.13
	<b>Adjustments for:</b>		
	Increase / (Decrease) in long term provisions	38.32	22.03
	Increase / (Decrease) in other current liabilities	(3.26)	151.20
	Increase / (Decrease) in other current financial liabilities	860.51	9.53
	Increase / (Decrease) in other non-current financial liabilities	(61.00)	17.45
	Increase / (Decrease) in short term provisions	(1.12)	0.03
	(Increase)/ Decrease in other non-current financial assets	(3.04)	(0.00)
	(Increase)/ Decrease in other non-current assets	20.76	(3.11)
	(Increase)/ Decrease in inventories	(6.00)	(14.09)
	(Increase)/ Decrease in Trade Receivables	(1.64)	(4.12)
	(Increase)/ Decrease in other current financial assets	(0.11)	(4.98)
	(Increase)/ Decrease in other current assets	(1.30)	(462.77)
	<b>Net cash generated from/(used in) operating activities</b>	757.80	17.30
	Direct taxes refunds (net of payments)	20.76	(14.60)
	<b>Net Cash/(used in)/generated from Operating Activities</b>	778.56	2.70
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(324.45)	(1,541.05)
	Sale of fixed assets	(0.02)	-
	Purchase of current investments	-	(1,035.03)
	Sale of current investments	-	1,037.93
	Interest received	37.17	1.96
	<b>Net cash (used in)/generated from investing activities</b>	(287.30)	(1,536.19)
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of Equity Share Capital	(0.00)	11.82
	Proceeds from long term borrowings	1,227.97	2,283.66
	Interest paid	(1,814.00)	(542.79)
	<b>Net cash (used in)/generated from financing activities</b>	(586.03)	1,754.69
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	(94.77)	222.38
	<b>Cash and cash equivalents as at the beginning of the year</b>	253.75	31.37
	<b>Cash and cash equivalents as at the end of the year</b>	158.98	253.75
<b>Notes:</b> 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.			
<b>As per our report attached</b> <b>For M.K.Dandekar &amp; Co.,</b> Firm registration number - 0006785 Chartered Accountants By the hand of Sd/- S.Prasadnani Partner Membership No : 225734 Place: Chennai Date : 23.04.2021			
<b>For and on behalf of the Board of Directors of L&amp;T Metro Rail (Hyderabad) Limited</b> Sd/- K.V.R.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/- Chandrasekhara D Paliseti [Company Secretary] Membership No: F5577 Place : Hyderabad Date : 23.04.2021			

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																																																
<b>ASSETS</b>																																																			
<b>Non-current assets</b>																																																			
a) Property, Plant and Equipment	1	1,31,97,36,833	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	10,53,50,602	7,44,19,459																																																
f) Deferred tax assets (net)	6	-	5,97,014																																																
g) Other non-current assets	7	48,14,57,293	1,23,43,40,037																																																
		1,72,62,37,38,126	1,58,48,67,20,453																																																
<b>Current assets</b>																																																			
a) Inventories	8	8,44,73,899	4,31,37,335																																																
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	38,71,84,420																																																
iv) Other financial assets	5	45,09,400	1,63,98,062																																																
c) Other current assets	7	8,56,01,083	7,19,61,703																																																
		8,08,63,87,436	1,07,55,98,245																																																
<b>TOTAL ASSETS</b>		<b>1,80,63,08,45,562</b>	<b>1,59,57,23,18,698</b>																																																
<b>EQUITY AND LIABILITIES</b>																																																			
<b>Equity</b>																																																			
a) Equity share capital	11	24,59,00,00,000	24,27,17,59,680																																																
b) Other equity	12	(5,96,28,57,773)	(2,18,91,47,057)																																																
		18,62,71,42,227	22,08,26,12,623																																																
<b>Liabilities</b>																																																			
<b>Non-current liabilities</b>																																																			
a) Financial liabilities																																																			
i) Borrowings	13	1,38,13,56,77,411	1,20,48,78,80,499																																																
ii) Other financial liabilities	14	63,61,86,392	60,78,97,256																																																
b) Provisions	15	28,53,83,334	6,50,83,213																																																
		1,59,05,54,49,137	1,21,16,08,62,968																																																
<b>Current liabilities</b>																																																			
a) Financial liabilities																																																			
i) Borrowings	13	2,53,80,46,355	1,06,55,62,400																																																
ii) Other financial liabilities	14	20,31,17,36,886	15,00,56,24,601																																																
b) Other current liabilities	16	25,35,60,084	21,10,38,962																																																
c) Provisions	15	4,41,83,773	4,38,17,172																																																
		23,14,74,54,198	16,32,99,43,137																																																
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,80,63,08,45,562</b>	<b>1,59,57,23,18,698</b>																																																
Contingent liabilities	17																																																		
Commitments	18																																																		
Notes forming part of the Financial Statements	1 to 25																																																		
Significant accounting policies	26																																																		
<table border="0"> <tr> <td colspan="2">As per our report attached</td><td colspan="2">For and on behalf of the Board of Directors of L&amp;T Metro Rail</td></tr> <tr> <td colspan="2">For M.K.Dandekar &amp; Co.,</td><td colspan="2">(Hyderabad) Limited</td></tr> <tr> <td colspan="2">Firm registration number : 0006795</td><td>Sd/-</td><td>Sd/-</td></tr> <tr> <td colspan="2">Chartered Accountants</td><td>K.V.B.Reddy</td><td>Ajit Rangasakar</td></tr> <tr> <td colspan="2">by the hand of</td><td>(Managing Director &amp; Chief Executive Officer)</td><td>(Director)</td></tr> <tr> <td colspan="2">Sd/-</td><td>DRN No: 01682467</td><td>DRN No: 01676516</td></tr> <tr> <td colspan="2">S. Prasadharan</td><td>Sd/-</td><td>Sd/-</td></tr> <tr> <td colspan="2">Partner</td><td>J.Ravi Kumar</td><td>Chandrasekhara D Palwal</td></tr> <tr> <td colspan="2">Membership No : 228754</td><td>(Chief Financial Officer)</td><td>(Company Secretary)</td></tr> <tr> <td colspan="2"></td><td>Membership No: 023340</td><td>Membership No: F3577</td></tr> <tr> <td colspan="2">Place : Chennai</td><td colspan="2">Place : Hyderabad</td></tr> <tr> <td colspan="2">Date : 11.05.2020</td><td colspan="2">Date : 11-May-2020</td></tr> </table>				As per our report attached		For and on behalf of the Board of Directors of L&T Metro Rail		For M.K.Dandekar & Co.,		(Hyderabad) Limited		Firm registration number : 0006795		Sd/-	Sd/-	Chartered Accountants		K.V.B.Reddy	Ajit Rangasakar	by the hand of		(Managing Director & Chief Executive Officer)	(Director)	Sd/-		DRN No: 01682467	DRN No: 01676516	S. Prasadharan		Sd/-	Sd/-	Partner		J.Ravi Kumar	Chandrasekhara D Palwal	Membership No : 228754		(Chief Financial Officer)	(Company Secretary)			Membership No: 023340	Membership No: F3577	Place : Chennai		Place : Hyderabad		Date : 11.05.2020		Date : 11-May-2020	
As per our report attached		For and on behalf of the Board of Directors of L&T Metro Rail																																																	
For M.K.Dandekar & Co.,		(Hyderabad) Limited																																																	
Firm registration number : 0006795		Sd/-	Sd/-																																																
Chartered Accountants		K.V.B.Reddy	Ajit Rangasakar																																																
by the hand of		(Managing Director & Chief Executive Officer)	(Director)																																																
Sd/-		DRN No: 01682467	DRN No: 01676516																																																
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Place : Chennai		Place : Hyderabad																																																	
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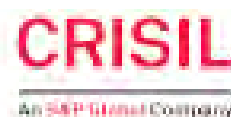
<b>L&amp;T Metro Rail (Hyderabad) Limited</b>			
<b>Statement of Profit and loss for the year ended March 31, 2020</b>			
<b>Particulars</b>	<b>Note No</b>	<b>2019-20</b>	<b>2018-19</b>
<b>INCOME</b>			
Revenue from Operations	19	5,87,28,10,955	5,13,05,12,864
Construction contract revenue		7,72,36,67,275	13,16,00,39,806
Other income	20	10,92,01,185	5,42,88,353
<b>Total Income</b>		<b>13,70,56,79,415</b>	<b>18,34,46,41,023</b>
<b>EXPENSES</b>			
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 amortization		1,45,54,80,173	61,97,18,958
<b>Total Expenses</b>		<b>17,52,77,36,558</b>	<b>17,81,78,61,449</b>
<b>Profit/(loss) before tax for the period</b>		<b>(3,82,20,57,143)</b>	<b>(1,47,32,20,426)</b>
Tax Expense:			
Deferred tax	6	-	82,43,905
		-	82,43,905
<b>Profit/(loss) after tax for the period</b>		<b>(3,82,20,57,143)</b>	<b>(1,48,14,64,331)</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to Profit & Loss			
Changes in fair value of cash flow hedges		4,35,46,427	(72,46,696)
<b>Total Comprehensive Income for the period</b>		<b>(3,77,25,10,716)</b>	<b>(1,48,37,11,027)</b>
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		
<b>As per our report attached</b>			
For M.K.Dandekar & Co.,	For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited		
Firm registration number : 0006798			
Chartered Accountants	Sd/-	Sd/-	
by the hand of	<b>K.V.R.Reddy</b>	<b>Ajit Rangnekar</b>	
	(Managing Director & Chief Executive Officer)	(Director)	
	DIN No. 01683467	DIN No. 01676516	
Sd/-	Sd/-	Sd/-	
<b>S.Poonadural</b>	<b>J.Ravi Kumar</b>	<b>Chandrabhad D Palanisami</b>	
Partner	(Chief Financial Officer)	(Company Secretary)	
Membership No : 223754	Membership No. 023240	Membership No: F5577	
Place : Chennai		Place : Hyderabad	
Date : 11.05.2020		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
<b>A</b>	<b>Net profit / (loss) before tax</b>	(3,82,20,57,143)	(1,47,32,20,426)
	<b>Adjustment for:</b>		
	Depreciation and amortisation expense	1,45,54,80,173	61,97,18,938
	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)	(2,89,33,702)	(4,26,18,663)
	(Profit)/loss on sale of fixed assets	-	20,305
	Other non cash items	4,85,46,427	(72,46,696)
	<b>Operating profit before working capital changes</b>	<b>3,06,13,82,099</b>	<b>1,23,88,01,295</b>
	<b>Adjustments for:</b>		
	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	3,13,80,52,022
	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	(7,34,502)
	(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	(4,98,43,105)	(17,98,59,398)
	(Increase) / Decrease in short term loans and advances	1,18,88,662	(1,35,15,145)
	(Increase) / Decrease in other current assets	(4,62,77,45,881)	(24,20,71,691)
	<b>Net cash generated from/(used in) operating activities</b>	<b>1,07,94,39,448</b>	<b>4,45,92,52,994</b>
	Direct taxes paid (net of refunds)	(14,60,34,386)	(11,03,20,593)
	<b>Net Cash/(used in)/generated from Operating Activities</b>	<b>93,34,05,062</b>	<b>4,38,89,32,401</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(16,30,50,46,461)	(22,84,16,41,087)
	Sale of fixed assets	-	(20,305)
	Purchase of current investments	(10,35,08,28,035)	(11,83,47,30,773)
	Sale of current investments	10,37,92,61,826	11,87,75,49,435
	Interest received	1,95,77,203	1,16,10,671
	<b>Net cash (used in)/generated from investing activities</b>	<b>(16,28,68,35,467)</b>	<b>(22,78,74,32,059)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of Equity Share Capital	11,82,40,350	2,20,19,86,309
	Proceeds from long term borrowings	22,85,65,88,912	18,37,35,64,352
	Interest paid	(5,42,79,23,636)	(2,15,37,58,486)
	<b>Net cash (used in)/generated from financing activities</b>	<b>17,34,69,00,626</b>	<b>18,42,37,92,174</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,22,37,70,213</b>	<b>2,52,92,516</b>
	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>31,37,58,257</b>	<b>28,84,65,741</b>
	<b>Cash and cash equivalents as at the end of the year</b>	<b>2,53,75,28,470</b>	<b>31,37,58,257</b>
<b>Notes:</b> 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.Dandekar & Co.,		For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited	
Firm registration number : 0006798 Chartered Accountants by the hand of			
Sd/- S. Prasadurani Partner Membership No : 223734		Sd/- K.V.R.Reddy (Managing Director & Chief Executive Officer) DIN No: 01683467	Sd/- Ajit Rangnekar (Director) DIN No: 01676516
Place: Chennai Date : 11.05.2020		Sd/- J.Ravi Kumar (Chief Financial Officer) Membership No: 023240	Sd/- Chandrasekhar D.Palival (Company Secretary) Membership No: F3577 Place : Hyderabad Date : 11-May-2020

ANNEXURE V  
CREDIT RATING LETTER BY RATING AGENCIES

## Ratings

CONFIDENTIAL



RL/LTMRHL/282521/NCD/1221/22274/101006333

December 07, 2021

Mr. Rahul Nilgony  
Chief Financial Officer  
L&T Metro Rail (Hyderabad) Limited  
LB Nagar - Uppal Rd.,  
Laxmi Narayan Nagar Colony, Nagole,  
Hyderabad - 500039

Dear Mr. Rahul Nilgony,

**Re: CRISIL Rating on the Rs. 8650 Crore Non Convertible Debentures\* of L&T Metro Rail (Hyderabad) Limited (LTMRHL)**

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a Provisional CRISIL AAA (CE)/Stable (pronounced as Provisional CRISIL triple A credit enhancement rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The rating continues to be based on the credit enhancement structure as communicated and agreed to CRISIL Ratings.

Kindly note that the provisional rating will be converted to final rating after CRISIL Ratings receives following transaction documents duly executed and/or confirmations on completion of the following pending steps, within 90 days from the date of issuance of the instrument and to the satisfaction of CRISIL Ratings.

- Financing agreements and signed term sheet in line with terms assessed are executed
- The provisional rating shall be converted into a final rating after receipt of transaction documents duly executed and on confirmation of completion of pending steps within 90 days from the date of issuance of the proposed NCDs.

The final rating assigned after end of 90 days (or following an extension of upto 90 days, if any, granted by the rating committee of CRISIL Ratings after considering case specific considerations) shall be consistent with the available documents or completed steps, as applicable. CRISIL Ratings will issue a final rating letter on receipt of documents as mentioned above.

Please note that, in arriving at the ratings, CRISIL Ratings has assumed that the representations made by LTMRHL are true and that the structure shall work and operate as represented by LTMRHL. CRISIL Ratings does not guarantee the accuracy, adequacy, or completeness of the representations made by you to CRISIL Ratings and/or the representations made in the transaction documents. CRISIL Ratings is not responsible for any acts of commission or omission of the LTMRHL and/or the Trustee.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (ref. no.: CIR/IMD/DP/1720/13, dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN) along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. Further, SEBI circular dated June 30, 2017 (ref. no. SEBI/HO/MI/SEBI/MI/SEBI/CI/IV/2017/71), requires you to inform CRISIL Ratings with the details of Securities as per the format prescribed, refer Annexure A, immediately but not later than seven (7) days from the date of placing the debt security. We request you to mail us all the necessary and relevant information at [debtor@crsil.com](mailto:debtor@crsil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL, and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtor@crsil.com](mailto:debtor@crsil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Naveen Vaidyanathan  
Director - CRISIL Ratings

Nivedita Shibu  
Associate Director - CRISIL Ratings



Mr. Rahul Hiloway  
Chief Financial Officer  
L&T Metro Rail (Hyderabad) Limited  
Administrative Building, Uppal Main Road, Nagaj  
Hyderabad, Telangana- 500039  
Tel: +91 40 2308 0500-01 Fax: +91 40 2308 0371

December 13, 2021

Dear Sir/Madam,

*Re: Rating Letter for BLR & NCD of L&T Metro Rail (Hyderabad) Limited*

India Ratings and Research (Ind-Ra) has taken the following action on the debt facilities of L&T Metro Rail (Hyderabad) Limited (LTMRHL):

Instrument Type	Size of Issue (millions)	Rating/Action	Rating Action	Historical Rating/Comment as on 28 May 2021
Proposed senior non-convertible debentures (NCDs)*	INR55,500	Provisional IND AAA/CIS/Stable	Assigned	
Bank loan	INR1,28,350 (reduced from INR1,34,710)	IND AA-Stable	Upgraded	IND BBB+/Negative
Bank guarantee	INR20	IND AA-Stable	Upgraded	IND BBB+/Negative
Overdraft facility	INR100	IND AA-Stable	Upgraded	IND BBB+/Negative
Unsecured NCDs*	INR10,000	IND AAA/CIS/Stable	Assigned	IND AAA/CIS/Stable

\*Details in Annexure

#The rating is provisional and in conformance of the associated documents is first with the originally envisaged draft documents. A final rating shall be assigned within 90 days from the date of issuance of the debt instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources. India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is issued and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisors, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisors are responsible for the accuracy of the information they provide to India Ratings, and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and statements with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the rated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time.

India Ratings & Research Private Limited - A Fitch Group Company

Workshare Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN: LLP188-U07108NH138257C143846 | [www.indiaratings.co.in](http://www.indiaratings.co.in)





For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work-product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or feasibility of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, addition to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [info@indiaratings.co.in](mailto:info@indiaratings.co.in).

Sincerely,

India Ratings

Abhishek Bhattacharya  
Senior Director

#### Annexure: Facilities Breakup

Instrument Description	Bank Name	Rating		Outstanding/Total Amount (INR mil/US\$)
Bank Loan	State Bank of India	IND AA-/Stable		41040.1
Bank Loan	Canara Bank	IND AA-/Stable		40746
Bank Loan	Indian Overseas Bank	IND AA-/Stable		19400.7
Bank Loan	Indian Bank	IND AA-/Stable		8158.5
Bank Loan	Jammu and Kashmir Bank	IND AA-/Stable		4899.2
Bank Loan	Punjab & Sind Bank	IND AA-/Stable		3197
Bank Loan	Secured Chartered Bank	IND AA-/Stable		4126.4
Bank Guarantee	NA	IND AA-/Stable		30
Derivative facility	NA	IND AA-/Stable		300

Instrument Type	ISIN	Date Issuance	of Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
Unsecured NCDs	INE128M00011	18 June 2015	9.81	18 June 2016	INR2,500	IND AAA/CT/Stable
Unsecured NCDs	INE128M00029	2 November 2015	9.81	2 November 2016	INR2,500	IND AAA/CT/Stable
Unsecured NCDs	INE128M00037	28 January 2016	9.85	28 January 2016	INR2,500	IND AAA/CT/Stable
Unsecured NCDs	INE128M00045	28 September 2016	9.55	28 September 2019	INR1,000	IND AAA/CT/Stable
Unsecured NCDs	INE128M00052	26 November 2016	9.50	26 November 2019	INR1,500	IND AAA/CT/Stable
Total					INR10,000	

ANNEXURE VI

**DEBENTURE TRUSTEE'S CONSENT LETTER**

ATSL/CO/21-22/0159  
03 December, 2021

L&T Metro Rail (Hyderabad) Limited  
Hyderabad Metro Rail Administrative Building,  
Uppal Main Road, Nagole, Hyderabad - 500038

Dear Sir,

**Sub.: Consent to act as Debenture Trustee for listed unsecured non-convertible debentures (NCDs) aggregating up to Rs.10,000 Crores proposed to be issued by L&T Metro Rail (Hyderabad) Limited ("Issuer Company")**

We, Axis Trustee Services Limited, hereby give our consent to act as the Debenture Trustee for the abovementioned issue of Debentures having a tenure of more than one year and are agreeable to the inclusion of our name as Debenture Trustee in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum and/or application to be made to the Stock Exchange for the listing of the said Debentures.

Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustees is purely its business decision and not an indication on the Issuer Company's standing or on the Debenture Issue. By consenting to act as Debenture Trustees, ATSL does not make nor seems to have made any representation on the Issuer Company, its Operations, the details and projections about the Issuer Company or the Debentures under Offer made in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Issuer Company, its performance and profitability and details in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document before taking their investment decision. ATSL shall not be responsible for the investment decision and its consequence.

We also confirm that we are not disqualified to be appointed as Debentures Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

We hereby clarify that the consent letter refers to "unsecured debentures" since the Debentures do not constitute "secured debt securities" for the purposes of Section 71 of the Companies Act, 2013 and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021.

Yours truly,

For Axis Trustee Services Limited

  
Mangalagouri Bhat  
Assistant General Manager



Registered Office:  
Axis House, Buntary Durgam Choudhury, Panduranga Building/1st Flg, Worli/Mumbai - 400 025

Corporate Office:  
The Ruby, 2nd Floor, SW, 29 Sarojini Bazar Marg, Connaught Place, New Delhi-110003  
Tel No.: 022-52000153, Fax No.: 022- 0230 0703 Website- [www.axis-trustee.com](http://www.axis-trustee.com)  
Corporate Identity Number: L1749995MH2002711152764 | MSME Registered UAN: 14H19084023



## DEBENTURE TRUSTEE'S DUE DILIGENCE CERTIFICATE

ATSL/CO/21-22/6248  
December 24, 2021

To  
Stock Exchange

Dear Sir / Madam

**SUB: Issue of upto 86,500 rated, listed, unsecured, Redeemable Non- Convertible Debentures, having aggregate Nominal Value of up to Rs. 86,50,00,00,000 by L&T Metro Rail (Hyderabad) Limited.**

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued. **NOT APPLICABLE**
- b) The issuer has obtained the permissions / consents necessary for creating security on the said property(ies). **NOT APPLICABLE**
- c) The issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities. **NOT APPLICABLE**
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in private placement memorandum/ information memorandum and all disclosures made in the private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement. **NOT APPLICABLE**
- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application. **NOT APPLICABLE**
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
- g) All disclosures made in the private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

For Axis Trustee Services Limited



Mangalagowri Bhat  
Chief Transformation Officer

Registered Office:  
Axis House, Bombay Dyeing Mills Compound, Pandharpur Tachar Marg, Worli (Mumbai - 400 032)  
Corporate Office:  
The Suby, 2nd Floor, 34/1, 35 Senapati Bapat Marg, Connaught Place, Mumbai-400 038  
Tel No: 022-62300401, Fax No: 022-6230 0700 Website: [www.axis-trustee.com](http://www.axis-trustee.com)  
Corporate Identity Number: U74909MH2000PLC280354 | MCA21 Registered UAN: 1411450003585



ANNEXURE VII I

IN PRINCIPLE APPROVAL FROM THE STOCK EXCHANGE

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India  
T : +91 22 2272 8045 / 8055 F : +91 22 2272 8457 www.bseindia.com  
Corporate Identity Number: U67120MH2005PLC155188



DCS/COMP/DD/IP-PPDI/425/21-22

December 27, 2021

L&T Metro Rail (Hyderabad) Limited  
Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole,  
Hyderabad – 500039, Telangana

Dear Sir,

**Re: Private Placement Of 86,160 Senior, Rated, Listed, Redeemable Non-Convertible Debentures Of A Face Value Of Rs 10 Lakh Each, For An Aggregate Amount Of Up To Rs 8616 Crore ("Debentures" Or "Ncds") In 3 (Three) Series, Being Series A Debentures, Series B Debentures And Series C Debentures, At Par For Cash In Dematerialized Form ("Issue").**

We acknowledge receipt of your application on the online portal on December 27, 2021 seeking in-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time
6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors:-

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31>

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links [Electronic Issuance - Bombay Stock Exchange Limited \(bseindia.com\)](#)

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

BSE Limited Registered Office: Floor 25, P J Towers, Dada Bhai Scindia Street, Mumbai – 400 001, India  
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com  
Corporate Identity Number: L57133MH20009PLC155168



This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, whichever is applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,

For BSE Limited

Sd/-  
Rupal Khandelwal  
Assistant General Manager

Sd/-  
Raghavendra Bhat  
Deputy Manager

ANNEXURE I X  
FORM PAS-4  
[See rule 14(3)]

Part-A

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

The Private Placement Offer cum Application Letter shall contain the following:-

1.27 GENERAL INFORMATION

- (a) Name, address, website, if any, and other contact details of the Company indicating both registered office and the corporate office:

Issuer / Company : L&T Metro Rail (Hyderabad) Limited  
Registered Office : Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole, Hyderabad, Telangana- 500039  
Corporate Office : Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole, Hyderabad, Telangana- 500039  
Telephone No. : 040- 22080000  
Website : www.ltmetro.in  
Fax : 040-22080771  
Contact Person : Rahul Nilosey  
Email : Rahul.nilosey@ltmetro.com

- (b) Date of incorporation of the Company:

24<sup>th</sup> August 2010

- (c) Business carried on by the Company and its subsidiaries with the details of branches or units, if any:

L&T Metro Rail (Hyderabad) Limited is a special purpose vehicle formed for the development of Hyderabad Metro Rail Project. The Project spans 69.20 Km across in three elevated corridors in Hyderabad City. The Project has been developed on DBFOT (Design, Build, Finance, Operate and Transfer) basis under a public private partnership model.

The shareholding pattern of L&T MRHL is as follows:

Larsen & Toubro Limited	: 99.99%
Others	: 0.01%

The three corridors constituting the Rail System are: Corridor-I: Miyapur - L.B Nagar with a length of 29.20 Km. and 27 Stations; Corridor-II: Jubilee Bus Station (JBS) - MGBS with a length of 11.00 Km. and 8 Stations; and Corridor-III: Nagole- Raidurgam with a length of 29 Km. and 22 Stations. There are independent depots at Miyapur and Nagole for the maintenance and overhaul of the Rail System.

A brief overview of the Corridors and the chainage details of the Station locations are as given in the following table.

	Section	Length (Km.)	Stations
Corridor 1	Miyapur-L. B. Nagar	29.20	27
Corridor 2	Jubilee Bus stand –MGBS	11.00	8
Corridor 3	Nagole – Raidurgam	29.00	22
	Total	69.20	57

The Project also **includes rights for real estate development and licensing ("TOD")** with a total development potential of 18.5 million square feet and co-terminus with the Concession Period. The land for the same has been procured and allotted to the Company by GoTS. The Company has so far developed 1.2 million square feet of retail mall assets at 4 locations in Hyderabad and all of these assets are generating revenues currently. In the future, the Company intends to collect upfront revenues against its TOD assets through TDR Monetisation.

The Company is also free to exploit any other non-fare revenue streams such as advertising, station retail, consultancy and training opportunities to supplement its revenues from the rail operations.

(d) Brief particulars of the management of the Company:

- Mr. S N Subrahmanyam (Chairman and Director) - Mr. S N Subrahmanyam is the Chief Executive Officer and Managing Director of M/s Larsen and Toubro Limited. With a degree in civil engineering, Mr. Subrahmanyam holds an overall experience of over 36 years. He has been much awarded and recognised for his significant contributions in the various fields of construction.
- Mr. R Shankar Raman (Non-Executive Director)- Mr. R Shankar Raman is the Whole- Time Director and Chief Financial Officer of M/s Larsen & Toubro Limited. Mr. R. Shankar Raman is a qualified Chartered Accountant and a Graduate of the Institute of Cost & Works Accountants of India. Over the past 34 years, Mr. Shankar Raman has worked for leading listed corporates in varied capacities in the field of finance.
- Mr. K V B Reddy (Managing Director & Chief Executive Officer)- Mr. Reddy holds a Bachelor's Degree in Mechanical Engineering from N.I.T Bhopal. Mr. Reddy has over 36 years of rich and varied experience in the infrastructure industry. His areas of expertise include overall business development, project execution, operations and maintenance.
- Mr. Ajit Rangnekar (Independent Director)- Mr. Ajit Rangnekar is the ex- Dean and Member of Governing Board of Indian School of Business. Mr. Rangnekar has a background spanning over thirty years in Consulting and Industry across different countries in Asia. He holds an undergraduate degree from the Indian Institute of Technology, Mumbai, before completing his post-graduation in Management from the Indian Institute of Management, Ahmedabad.
- Mr. N V S Reddy (Nominee Director)- With about 32 years of managerial and administrative experience in Government of India, Government of Telangana and Public Sector Undertakings, Mr. N.V.S. Reddy held several senior Government positions. Presently as the Managing Director of Hyderabad Metro Rail Limited, he is heading the mega Hyderabad Metro Rail project and acting as a Nominee Director on behalf of Government of Telangana State, on the Board of L&T Metro Rail (Hyderabad) Limited.
- Mr. M R Prasanna (Independent Director)- Mr. M.R. Prasanna holds a Post Graduate Degree in Law from the University of Mysore and is a Gold Medallist. After being an independent Counsel for about 7 years he worked as Head of the Legal function for over 30 years with different business groups of the country. He served as a Chief Legal Officer of Larsen & Toubro Limited.

- Mr. Shrikant Prabhakar Joshi (Non-Executive Director)- Mr. Shrikant Joshi is the Chief Executive Officer and Managing Director of L&T Realty Limited, the Real-estate arm of a \$18 billion Engineering and Construction giant of Larsen and Toubro Limited. He is an alumnus of IIT Delhi and Post Graduate Diploma in Business Management from IIM Ahmedabad and had more than 35 years of diverse experience across organizations of international repute.
- Mrs. Vijayalakshmi R Iyer (Independent Director)- Mrs. Vijayalakshmi R. Iyer has an experience of over 40 years in the banking industry. She has served as Chairman and Managing Director of Bank of India from November 2012 to May 2015. Currently, she is Independent Director on the Board of various prominent companies like Aditya Birla Capital Limited, ICICI Securities Limited, GIC Housing Finance, L&T IDPL etc. She is also associated as an Advisor and Executive Director with BFSI Sector Skill Council.

(e) Names, addresses, Director Identification Number (DIN) and occupations of the directors:

Sr. No.	Name and Designation	DIN	Address	Occupation
1.	Sekharipuram Narayanan Subrahmanyam Director and Chairman	02255382	E-116, 16 <sup>th</sup> Cross Street, Besant Nagar, Chennai-600090. Tamil Nadu.	Service
2.	Ramamurthi Shankar Raman Non-Executive Director	00019798	Room No. 123, 12 <sup>th</sup> Floor, Kalpataru Royale, Plot No.110, Road No. 29, SION (East), Mumbai, 400022,	Service
3.	Vijayabhaskara Kalakota Reddy Managing Director & Chief Executive Officer	01683467	3702-C, Lodha Bellissimo, Apollo Mills Compd., N M Joshi Marg, Mahalaxmi, Mumbai-400011	Service
4.	Ajit Rangnekar Pandurang Independent Director	01676516	Lodha Bellezza, Baldwin Park, Flat 5B 3000 OFF KPHB Road, Kukatpally, Hyderabad Telangana-500072.	Service
5.	Vijayalakshmi Rajaram Iyer Independent Director	05242960	1402, Burberry Tower, Nahar, Chandivali, Mumbai- 400072	Service
6.	Nallamilli Venkat Satyanarayana Reddy Independent Director	01414254	F-103, B-Block, Fortune Icon, Road No.10 Banjara Hills, Hyderabad, Telangana- 500034	Service
7.	Prasanna Rangacharya Mysore Independent Director	00010264	B-202, Zen Gardens, No 6 Artillery Road, Ulsoor Bangalore-560008, Karnataka.	Service
8.	Shrikant Prabhakar Joshi Non-Executive Director	02278471	Flat no. 201, 2nd floor, Vista III, The Address, Opp. R City Mall, Ghatkopar Mumbai 400086	Service

(f) **Management's perception of risk** factors:

Please refer to Clause E of SECTION III of the Information Memorandum

## (g) Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:

- (a) Statutory dues: Nil  
 (b) Debentures and interest thereon: Nil  
 (c) Deposits and interest thereon: Nil  
 (d) Loan from any bank or financial institution and interest thereon: Nil

## (h) Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:

Name	:	Chandrachud D. Paliwal
Designation	:	Head – Legal & Company Secretary
Address	:	Hyderabad Metro Rail Administrative Building, 5 <sup>th</sup> Floor, Uppal Main Road, Nagole, Hyderabad, Telangana– 500039
Phone No.	:	040- 22080562
Email	:	chandrachud.paliwal@ltmetro.com

## (i) Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:

No

## 1.28 Particulars of the offer:

Financial position of the Company for the last 3 financial years	Financial Year	Profit/Loss Before Tax (Rs. Cr)	Profit/Loss After Tax (Rs. Cr)
	2020-21	(1766.75)	(1766.75)
	2019-20	(382.20)	(382.20)
	2018-19	(147.32)	(148.14)
Date of passing of Board Resolution	8 <sup>th</sup> September 2021		
Date of passing of resolution in general meeting, authorizing the offer of securities	3 <sup>rd</sup> November 2021		
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	86,160 non-convertible debentures		
Price at which the security is being offered, including premium if any, along with justification of the price	Rs.10,00,000 face value, at par		
Amount which the Company intends to raise by way of proposed offer of securities	Rs.8616 Cr		
Terms of raising of securities:	Duration, if applicable:	Series A Debentures: 3	

		years and 4 months Series B Debentures: 4 years and 4 months Series C Debentures: 5 years and 4 months
	Rate of dividend or rate of interest:	Series A: 6.37% p.a. Series B: 6.58% p.a. Series C: 6.68% p.a.
	Mode of payment	Bank Transfer
	Mode of repayment	Bank Transfer
Proposed time schedule for which the private placement offer cum application letter is valid	30 Business Days	
Purpose and objects of the offer	The proceeds of the issuance shall be utilised towards refinancing of the existing senior secured bank loans availed from existing Senior Lenders of the Company and towards meeting costs and expenses related to the issuance of the Debentures.	
Principle terms of assets charged as security, if applicable	Refer section Description regarding Security in the Term Sheet placed at Annexure I of this Information Memorandum	
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	NA	

- 1.29 Mode of payment for subscription:
- Cheque
  - Demand draft
  - Other banking channels – RTGS/NEFT

- 1.30 Disclosure with regard to interest of directors, litigation, etc:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	Not Applicable
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	Not Applicable

Remuneration of Directors (during the current year and last three financial years)	FY	Remuneration in Rupees
		KVB Reddy (MD&CEO)
	2020-21	3,47,55,201
	2019-20	3,66,63,095
	2018-19	3,35,49,456
Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided	Attached herewith	
Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark	No adverse remarks by auditors on accounts in the last 5 (Five) Financial years	
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of the company and all of its subsidiaries, and if there were any were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the company and all of its subsidiaries	Not Applicable	
Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company	Not Applicable	

## 1.31 Financial Position of the Company:

The capital structure of the company as on 30<sup>th</sup> September 2021 in the following manner in a tabular form:

The authorised, issued, subscribed and paid up	Share Capital	Rs.
	Authorised Capital	2439,00,00,000/-

capital (number of securities, description and aggregate nominal value)	243,90,00,000 Equity Shares of Rs. 10/- each				
	Issued, Subscribed and Fully Paid- up 242,71,75,965 Equity Shares of Rs. 10/- each		2439,00,00,000/-		
Size of the Present offer	Issue of 86160 Listed Redeemable Non-Convertible Debentures of face value Rs.10,00,000/- each aggregating to Rs.8616 crore on a private placement basis.				
Paid-up Capital: a. After the offer: b. After the conversion of Convertible Instruments (if applicable)	Rs. 2439,00,00,000/- Not Applicable – Since the issue is Non-Convertible Redeemable Debentures.				
Share Premium Account: a. Before the offer: b. After the offer:	Nil Nil				
Details of the existing share capital of the issuer company:					
Sr. No.	Date of Allotment	Number of Shares	Face Value of Shares	Price	Details of Consideration
1.	01.09.10	10000	10/-	10/-	Cash
2.	01.11.10	40000	10/-	10/-	Cash
3.	31.03.11	343949605	10/-	10/-	Cash
4.	31.01.12	1	10/-	10/-	Cash
5.	31.03.12	93000000	10/-	10/-	Cash
6.	07.11.12	31000000	10/-	10/-	Cash
7.	22.03.12	62000000	10/-	10/-	Cash
8.	28.09.13	236316900	10/-	10/-	Cash
9.	18.12.13	107758100	10/-	10/-	Cash
10.	06.03.14	181323000	10/-	10/-	Cash
11.	25.03.14	100000000	10/-	10/-	Cash
12.	14.08.14	214000000	10/-	10/-	Cash
13.	28.10.14	217000000	10/-	10/-	Cash
14.	16.02.15	190000000	10/-	10/-	Cash
15.	25.03.15	205000000	10/-	10/-	Cash
16.	27.07.15	40000000	10/-	10/-	Cash
17.	08.12.15	709279	10/-	10/-	Cash
18.	31.12.15	6350000	10/-	10/-	Cash
19.	18.02.16	2205000	10/-	10/-	Cash
20.	24.06.16	12591896	10/-	10/-	Cash
21.	18.08.16	6278700	10/-	10/-	Cash
22.	05.11.16	6347697	10/-	10/-	Cash
23.	19.01.17	6313000	10/-	10/-	Cash
24.	05.05.17	12551277	10/-	10/-	Cash
25.	18.07.17	107233000	10/-	10/-	Cash
26.	25.10.17	6130138	10/-	10/-	Cash
27.	17.12.17	12534123	10/-	10/-	Cash
28.	24.01.18	6335618	10/-	10/-	Cash
29.	02.05.18	6198631	10/-	10/-	Cash
30.	19.07.18	214000000	10/-	10/-	Cash
31.	11.06.19	11824035	10/-	10/-	Cash

Number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for consideration other than cash and the details of the consideration in each case	Sr. No.	Date of Allotment	Number of Shares	Price	Consideration
	1.	11.06.19	118,24,035	10/-	Cash
Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of the private placement offer cum application letter	(Rs. Cr)				
	Financial Year		Profit/Loss Before Tax	Profit/Loss After Tax	
	2020-21		(1766.75)	(1766.75)	
	2019-20		(382.20)	(382.20)	
	2018-19		(147.32)	(148.14)	
Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)	Not Applicable				
A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter	Annexed at Annexure IV of this Information Memorandum				
Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter	Annexed at Annexure IV of this Information Memorandum				
Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company	No change in accounting policies during the previous three financial years				

## PART - B

(To be filed by the Applicant)



L&amp;T Metro Rail (Hyderabad) Limited

Registered & Corporate Office: Hyderabad Metro Rail Administrative Building, Uppal Main  
Road, Nagole, Hyderabad – 500039

Tel: +91-040- 2208- 0000

Application No.:

Date:

Applicant Name:

Dear Sirs,

Sub. : Issue of Rated, Listed, Unsecured, Redeemable Non-Convertible Debentures of face value of INR 10,00,000 (Rupees Ten Lacs Only) each, for an amount of INR 8160,00,00,000 **(Rupees Eight Thousand One Hundred and Sixty Crore Only) (referred to as "Debentures" or "NCDs")**, in 3 (Three) Series, being Series A Debentures, Series B Debentures and Series C Debentures, at par for cash in dematerialised form on a private placement basis ("Issue").

Having read and understood the contents of the Information Memorandum, we apply for allotment to us of the Debenture(s). The amount payable on this application form is remitted herewith. We bind ourselves by the terms and conditions as contained in the Information Memorandum.

(Please read carefully the instructions before filling this form)

No. of debentures applied for:	Series	No. in figures	No. in words
Amount (Rs.) in figures			
Amount (Rs.) in words			
Payment Mode (tick one): Cheque/Demand Draft/ RTGS	Cheque/ Demand Draft No.	Date	Cheque/Demand Draft drawn on.

Applicants Name &amp; Address in full (Please use Capital Letters)

		Pin Code:
Tel:	Fax:	E-mail:

Status: [ ] Banking Company [ ] Others – Please specify

Name of Authorised Signatory	Designation	Signature
1.		
2.		
3.		
4.		

## Details of Bank Account of the Applicant

Bank Name and Branch			
Nature of Account		Account No.	
Bank IFSC Code			

## Depository Details of the Applicant

DP Name			
DP ID		Client ID	

We understand that in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would be credited to the extent of Debentures allotted.

Taxpayer's PAN or GIR No.	IT Circle/Ward/District	[ ] Not Allotted
Tax Deduction Status:	[ ] Fully Exempted (Please attach certificate issued by Income Tax authorities)	[ ] Tax to be deducted at Source

----- (Tear here) -----



L&T Metro Rail (Hyderabad) Limited

**Registered & Corporate Office: Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole, Hyderabad – 500039**  
**Tel: +91-040- 2208- 0000**

## ACKNOWLEDGEMENT SLIP

Application No. : \_\_\_\_\_ Date: \_\_\_\_\_

Received from \_\_\_\_\_

Rs. \_\_\_\_\_ /- by RTGS/ Cheque / Demand Draft No. \_\_\_\_\_

Dated \_\_\_\_\_ drawn on \_\_\_\_\_

towards application for \_\_\_\_\_ Debentures.

(Cheques / Demand Drafts are subject to realization)

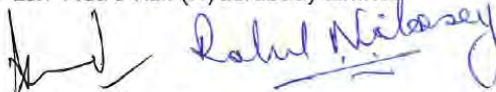
**1.32 DECLARATION BY THE DIRECTORS THAT-**

- (a) the Company has complied with the provisions of the Companies Act 2013 and the rules made thereunder;
- (b) the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- (c) the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;

I am authorised by the Board of Directors of the company *vide* resolution dated September 8, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed

For L&T Metro Rail (Hyderabad) Limited



Authorised Signatories

Date: December 29, 2021

Place: Hyderabad

Attachments:-

- Copy of board resolution
- Copy of shareholders resolution under Section 180(1)(C) of the Companies Act, 2013
- Copy of optional attachments, if any - Related Party Transactions for last 3 FY.

**ISSUANCE OF NON-CONVERTIBLE DEBENTURES/ COMMERCIAL PAPER TO THE  
EXTENT OF INR 13,150 CRORE**

**RESOLVED FURTHER THAT** the Company be and is hereby authorised to send the information memorandum and the private placement offer cum application letter in relation to the Debentures to the investors in accordance with the provisions of the Companies Act, 2013 (including Section 42 thereof).

**RESOLVED FURTHER THAT** the issue of NCDs / CPs as aforesaid, including any subsequent rollovers / refinancing thereof in the future, shall be subject to the overall limit of INR 15,150 crore, except that during the process of refinancing / rollovers there may be temporary increase in the outstanding amount of NCDs / CPs to the extent of the amounts maturing at the time.

Subject Title: 1.1.1 Water for Agriculture (Irrigation)  
 Applicant Name: Mr. Ibrahim Ali (may request the form from National Extension Council)  
 To whom Correspondence should be directed: Mr. Ibrahim Ali  
 e-mail: ibrahim@ibrahim.net



debentures proposed to be issued by it, in such manner and upon such terms and conditions as may be decided by the Committee of Directors.

- (a) a charge on all the bank accounts of the Company including, but not limited to the escrow account which shall be opened by the Company and each of its sub-accounts into which account, all revenues, disbursements, receivables of the Company shall be deposited upon closure of the existing escrow account and all permitted investments or other investments made from the amounts standing to the credit of the escrow account, to the extent permissible under the concession agreement executed by the Company with Government of Telangana (erstwhile Andhra Pradesh) and the escrow agreement which shall be executed by the Company in terms of the concession agreement;
- (b) a charge on the uncalled capital of the Company (if any);
- (c) a charge over:
  - (i) all tangible and/or intangible assets of the Company, present and future, provided any realization thereof shall be credited to the Escrow Account of the Company and the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per Article 31 of the Concession Agreement and Article 4 of the Escrow Agreement;
  - (ii) all rights, title, interests, benefits, claims and demands of the Company in, to and under the project documents which have been executed by the Company;
  - (iii) all rights, title, interests, benefits, claims and demands of the Company in, to and under all the approvals and insurance contracts which have been procured by the Company; and
  - (iv) all rights, title, interests, benefits, claims and demands of the Company in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents, provided that the security interest mentioned in (c) above shall be limited to and may be enforced only through substitution of the Company under the substitution agreement to be executed by the Company in the manner and to the extent provided under the substitution agreement.

Registered Office  
L&T Metro Rail (Hyderabad) Limited  
Hyderabad Metro Rail Administration Building, Upper Metro Area, Airport - Hyderabad - 500071  
Tel: +91 80 20866111, Fax: +91 80 2086771, Metro@l&tmetro.co.in  
CIN: U68012GAP000000000



**RESOLVED FURTHER THAT** the Committee of Directors constituted by the Board be and is hereby authorized to finalise all the terms of the issue of the debentures and the commercial papers and to do all such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolutions.

**RESOLVED FURTHER THAT** the aforesaid resolutions shall come into effect immediately and a copy of the foregoing resolutions certified to be a true copy by any of the Directors/ Company Secretary may be furnished to such parties concerned with respect to the issue of the Debentures."

**//CERTIFIED TRUE COPY//**

**FOR L&T METRO RAIL (HYDERABAD) LIMITED**

A handwritten signature in blue ink, appearing to read 'Chandrachud D Paliwal', is written over a horizontal line.

**CHANDRACHUD D PALIWAL**

**HEAD-LEGAL & COMPANY SECRETARY**

**MEMBERSHIP NO. - F5577**

A small, handwritten mark or signature in blue ink, possibly initials, is located below the main signature.



CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE EXTRAORDINARY GENERAL MEETING OF MEMBERS OF L&T METRO RAIL (HYDERABAD) LIMITED HELD ON 3<sup>RD</sup> DAY OF NOVEMBER 2021 AT THE REGISTERED OFFICE SITUATED AT HYDERABAD METRO RAIL ADMINISTRATIVE BUILDING, UPPAL MAIN ROAD, NAGOLE, HYDERABAD- 500 035, TELANGANA THROUGH VIDEO CONFERENCING (VC) MEDIUM

**ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS AND COMMERCIAL PAPER FOR AN AMOUNT NOT EXCEEDING INR 13,150 CRORE:**

**\*RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to raise funds for redeeming existing debt of the Company by way of issuance of non-convertible debentures (NCDs) in one or more series/tranches on a private placement basis and on such terms and conditions as may be determined by the Board of Directors, during the 1 (One) year period commencing from the date of this resolution.

**RESOLVED FURTHER THAT** the Company be and is hereby authorized to issue commercial papers (CPs) for cash in one or more tranches in the best interest of the Company.

**RESOLVED FURTHER THAT** the issue of NCDs/CPs as aforesaid shall be subject to the overall limit of INR 13,150 crore.

**RESOLVED FURTHER THAT** the Board or the Committee of Directors be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto and for this purpose the Committee of Directors may delegate the aforesaid powers to any one or more officers of the Company holding company to give effect to this resolution.

Registered Office:  
L&T Metro Rail (Hyderabad) Limited  
Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole, Hyderabad - 500 035  
Tel: +91 40 22582447, Fax: +91 40 22582771 Web: www.l&tmetro.co.in  
CIN: L28100MH2009PLC000001



RESOLVED FURTHER THAT the consent of the Authorized Representative of the Government of Telangana be and is hereby granted for the aforesaid resolution pursuant to Article 5.4.2 of the Concession Agreement and Article 3.1.3 of the Shareholders Agreement."

!!CERTIFIED TRUE COPY!!  
FOR L&T METRO RAIL (HYDERABAD) LIMITED

A handwritten signature in black ink, appearing to read 'Chandrachud D Paliwal', is written over a horizontal line.

CHANDRACHUD D PALIWAL  
HEAD - LEGAL & COMPANY SECRETARY  
Membership No. F5577

Registered Office:  
L&T Metro Rail (Hyderabad) Limited  
Hyderabad Metro Rail Administrative Building, Upper Main Street, Apsara, Hyderabad, Telangana - 500016  
Tel: +91 40 22658000-07, Fax: +91 40 22086771, Mail: [www.ltramail.in](mailto:www.ltramail.in)  
CIN: U70200TG2010PLC000077

**24.3 Disclosure pursuant to Ind AS 24 -Related party disclosures****(i) List of related parties whom current exists:**

(a) Holding Company:	1) Larsen & Toubro Limited
(b) Fellow Subsidiaries:	1) L&T Infotech Limited 2) L&T Realty Developers 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. Ray Kumar, Chief Financial Officer 3) Mr. Chinnabhadra D Paliseti, Head - Legal & Company Secretary
-------------------------------	---

**(iii) Disclosure of related party transactions:****₹ Crore**

Name/Relationship/ Nature of transaction	2020-21	2019-20
<b>1. Holding Company</b>		
<b>Larsen &amp; Toubro Limited</b>		
(a) Pay roll & TEMS Processing fees	0.08	0.05
(b) Cost of Services by	0.72	0.82
(c) Cost of services to:	1.15	3.69
(d) Subscription to Equity Shares	-	11.82
(e) Inter Corporate Deposit received	1,195.19	116.95
(f) Subordinate debt received for shortfall in cost overrun	-	272.99
(g) Repayment of Subordinate debt	272.99	-
(h) Mezzanine debt for cost overrun equity	-	849.00
(i) Interest on inter corporate deposits	105.63	33.38
(j) Corporate Financial Guarantee Charges	0.53	0.57
(k) Mobilisation advance paid	-	14.14
(l) Intangible Assets /Construction work in progress	141.41	273.31
(m) Overheads charged by	3.72	5.00
(n) Overheads charged to	-	0.06
<b>2. Fellow Subsidiaries</b>		
(a) L&T Infotech Limited		
(i) Purchase of services and products	2.96	0.20
(b) L&T Technology Services Ltd		
Cost of services provided by	-	0.17

**(iv) Key Management Personnel Compensation****₹ Crore**

Particulars	2020-21	2019-20
Short Term Employee Benefits	4.38	4.73
Post-Employee Benefits	0.11	0.11
<b>Total</b>	<b>4.49</b>	<b>4.84</b>

**24.3 Disclosure pursuant to Ind AS 24 -Related party disclosures Contd....****(v) Due to / from related parties****₹ Crore**

Name/Relationship	As at March 31, 2021		As at March 31, 2020	
	Due to	Due from	Due to	Due from
Larsen and Toubro Limited (Holding company)	647.82	-	672.65	-
Larsen and Toubro Limited (Holding company-Mobilisation advance)	-	-	-	14.14
Larsen & Toubro Ltd (LTHCIC)	0.01	-	-	0.19
Inter Corporate Deposit	2,364.99	-	1,072.80	-
Subordinate debt for shortfall in cost overrun rupee facility	-	-	272.99	-
Interest on Intercompany Deposit	85.50	-	27.04	-
<b>(iii) Fellow subsidiaries</b>				
(a) L&T Infotech Limited	0.45	-	0.74	-
(b) L&T Realty Developers Limited	-	-	1.89	-
(c) Larsen and Toubro Limited Construction-Facilitated	-	0.03	-	0.37
(d) L&T Technology Services Ltd	-	-	0.20	-
<b>(iv) Joint Ventures:</b>				
(a) L&T Transportation Infrastructure Ltd	-	0.01	-	-

**(vi) Commitment with Related Parties****₹ Crore**

Capital commitment in respect of additions to Assets (Tangible & Intangible assets)	As at March 31, 2021	As at March 31, 2020
Larsen & Toubro Limited	146.62	173.25
Larsen & Toubro Infotech Limited	1.01	1.97

**Note:**

- All the related party contracts/ arrangements have been entered on arms' length basis.
- No amount pertaining to the related parties have been written off / written back during the year
- 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

**25.7 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
<b>1. Holding Company</b>		
<b>Larsen &amp; Toubro Limited</b>		
(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
<b>2. Fellow Subsidiaries</b>		
(i) <b>L&amp;T Infotech Limited</b>		
(a) Purchase of services and products	1,24,22,769	2,27,49,566
(ii) <b>Larsen &amp; Toubro Realty Ltd</b>		
Cost of services provided by	-	37,09,230
(iii) <b>L&amp;T Technology Services Ltd</b>		
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
<b>Total</b>	<b>4,83,76,274</b>	<b>4,33,97,791</b>

**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 Intercompany Deposit	27,03,83,680		2,38,71,379	-
(iii) <b>Fellow subsidiaries</b>				
(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	1,97,06,577	2,78,20,767

Note:

- All the related party contracts/ arrangements have been entered on arms' length basis.
- No amount pertaining to the related parties have been written off / written back during the year
- 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

## Audit Report and Financial Statements

**Independent Auditor's Review Report on the Quarter and Six months ended 30 September 2021  
Unaudited Interim Financial Information**

To  
The Board of Directors of  
L&T Metro Rail (Hyderabad) Limited

1. We have reviewed the accompanying Unaudited Balance Sheet as at 30 September 2021 and Statement of Profit and Loss and Statement of Cash Flows for the period then ended together with notes thereon (hereinafter referred to as "Interim Financial Information") of **L&T Metro Rail (Hyderabad) Limited** for the quarter and six months period ended 30 September 2021.
2. This interim financial information, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under the Section 133 of the Companies Act, 2013, as amended, read with relevant rules made thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the interim financial information based on our review.
3. We conducted our review of the interim financial information in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial information is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared in accordance with recognition and measurement principles laid down in aforesaid applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules made thereunder and other accounting principles generally accepted in India, or that it contains any material misstatement.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 0004595



*(Signature)*  
**M.V. Ramana Murthy**  
Partner  
Membership No. 206439  
UDIN: 21206439AAAACM9997

Hyderabad, 11 October 2021

**L&T Metro Rail (Hyderabad) Limited**  
**Balance Sheet as at September 30, 2021**

		₹ Crore	
Particulars	Note No	As at September 30, 2021	As at March 31, 2021
<b>Non current assets</b>			
a) Property, Plant and Equipment	1	106 65	115 06
b) Investment property	2	1,379 87	1,355 08
c) Intangible assets	3	15,561 44	15,696.52
d) Intangible assets under development	4	26.34	13 41
d) Other financial assets	5	11.32	13.59
e) Other non current assets	6	42 02	38 18
		17,127 64	17,231 84
<b>Current assets</b>			
a) Inventories	7	14 91	14 46
b) Financial Assets			
i) Investments	8	117 65	-
ii) Trade receivables	9	35 17	30 94
iii) Cash and cash equivalents	10	2 96	158 98
iv) Bank balances other than liabovve	10	497.33	498 18
v) Other financial assets	5	0.28	0.56
c) Other current assets	6	3 69	11 80
		671.99	714 92
<b>TOTAL ASSETS</b>		<b>17,799 63</b>	<b>17,946 76</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	11	2,439 00	2,439 00
b) Other equity	12	(3,278 72)	(2,363 03)
		(839 72)	75 97
<b>Non current liabilities</b>			
a) Financial liabilities			
i) Borrowings	13	12,411.22	13,213.33
ii) Other financial liabilities	14	19.58	23 40
b) Provisions	15	90.28	66 86
		12,521 08	13,303.59
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	13	5,028 04	3,490.58
ii) Other financial liabilities	14	1,077.23	1,051.23
b) Other current liabilities	16	9.59	22 10
c) Provisions	15	3 41	3.29
		6,118.27	4,567 20
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,799 63</b>	<b>17,946 76</b>

As per our report attached  
For M Bhaskara Rao & Co ,

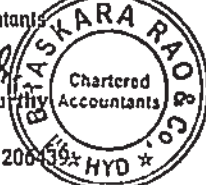
Firm registration number 000459S

Chartered Accountants

*Chamanth*  
M V Ramana Murthy

Partner

Membership No 200439\*HYD\*



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

*K.V B Reddy*  
K.V B Reddy

[Managing Director & Chief Executive Officer]

DIN No 01683467

*Rahul Nilosey*  
Rahul Nilosey

[Chief Financial Officer]

Place *Hyderabad*  
Date 11/10/21

Place *Hyderabad*  
Date 11/10/21

**L&T Metro Rail (Hyderabad) Limited**  
**Statement of Profit and loss for the period ended September 30, 2021**

Particulars	Note No	Quarter ended			Period ended		₹ Crore
		September 30, 2021 (Reviewed)	June 30, 2021 (Reviewed)	September 30, 2020 (Reviewed)	September 30, 2021 (Reviewed)	September 30, 2020 (Reviewed)	March, 31 2021(Audited)
<b>INCOME</b>							
Revenue from Operations	17	84.73	46.03	24.20	130.77	41.51	189.61
Construction contract revenue		6.03	6.89	29.91	12.93	48.67	158.08
Other income	18	5.87	6.30	9.63	12.17	18.65	38.33
<b>Total Income</b>		<b>96.63</b>	<b>59.22</b>	<b>63.74</b>	<b>155.87</b>	<b>108.83</b>	<b>386.02</b>
<b>EXPENSES</b>							
Construction contract expenses		6.03	6.89	29.91	12.93	48.67	158.08
Operating expenses	19	62.05	58.34	39.18	120.38	84.74	211.93
Employee benefit expenses	20	6.30	6.45	8.07	12.75	15.84	28.31
Administration and other expenses	21	10.50	11.56	8.33	22.05	16.62	34.89
Finance costs	22	380.90	369.95	361.59	750.85	709.81	1,421.07
Depreciation and amortisation		76.46	76.48	74.60	152.94	149.15	298.49
<b>Total Expenses</b>		<b>542.24</b>	<b>529.67</b>	<b>521.68</b>	<b>1,071.90</b>	<b>1,024.83</b>	<b>2,152.77</b>
<b>Profit/(loss) before tax for the period</b>		<b>(445.61)</b>	<b>(470.45)</b>	<b>(457.94)</b>	<b>(916.03)</b>	<b>(916.00)</b>	<b>(1,766.75)</b>
<b>Tax Expense:</b>							
Income tax of previous year		(0.36)			(0.36)		
Deferred tax							
<b>Profit/(loss) after tax for the period</b>		<b>(445.25)</b>	<b>(470.45)</b>	<b>(457.94)</b>	<b>(915.67)</b>	<b>(916.00)</b>	<b>(1,766.75)</b>
Other Comprehensive Income							
Items that will be reclassified to Profit & Loss							
Changes in fair value of cash flow hedges							
<b>Total Comprehensive Income for the period</b>		<b>(445.25)</b>	<b>(470.45)</b>	<b>(457.94)</b>	<b>(915.67)</b>	<b>(916.00)</b>	<b>(1,766.75)</b>

As per our report attached  
For M.Bhaskara Rao & Co.,

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

Firm registration number 0004598

Chartered Accountants

by the hand of

*M. V. Ramana Murthy*

M. V. Ramana Murthy

Partner

Membership No 206439



*K. V. D. Reddy*  
K. V. D. Reddy  
[Managing Director & Chief Executive Officer]  
DIN No 01683467  
*Rahul Nilgaj*  
Rahul Nilgaj  
[Chief Financial Officer]

Place *Hyderabad*  
Date *11/10/21*

*RNI*

Place *Hyderabad*  
Date *11/10/21*

**L&T Metro Rail (Hyderabad) Limited**  
**Statement of Cash Flows for the year ended September 30, 2021**

S No	Particulars	2020-21 (H1)	2020-21
A	Net profit / (loss) before tax	(915.68)	(1,766.74)
	Adjustment for:		
	Depreciation and amortisation expense	152.94	298.50
	Finance Cost	750.85	1,421.07
	Interest income	(9.42)	(37.17)
	(Profit)/Loss on sale of current investments(net)	-	-
	(Profit)/Loss on sale of fixed assets	0.00	0.02
	Other non cash items	-	-
	Operating profit before working capital changes	(21.29)	(84.33)
	Adjustments for:		
	Increase / (Decrease) in long term provisions	23.42	38.32
	Increase / (Decrease) in other current liabilities	(12.51)	(3.26)
	Increase / (Decrease) in other current financial liabilities	23.92	89.40
	Increase / (Decrease) in other non current financial liabilities	(3.83)	(61.00)
	Increase / (Decrease) in short term provisions	0.11	(1.12)
	(Increase) / Decrease in other non current financial assets	2.27	(3.04)
	(Increase) / Decrease in other non current assets	(8.22)	20.76
	(Increase) / Decrease in Inventories	(0.46)	(6.00)
	(Increase) / Decrease in Trade Receivables	(4.23)	(1.64)
	(Increase) / Decrease in other current financial assets	0.28	(0.11)
	(Increase) / Decrease in short term loans and advances	-	-
	(Increase) / Decrease in other current assets	8.97	(1.30)
	Net cash generated from/(used in) operating activities	8.43	(13.31)
	Direct taxes refunds (net of payments)	4.11	20.76
	Net Cash/(used in)/generated from Operating Activities	12.54	7.45
B	Cash flow from Investing activities		
	Purchase of fixed assets	(44.82)	(324.45)
	Sale of fixed assets	(0.00)	(0.02)
	Purchase of current investments	(117.65)	-
	Sale of current investments	-	-
	Interest received	9.42	37.17
	Net cash (used in)/generated from Investing activities	(153.05)	(287.31)
C	Cash flow from financing activities		
	Proceeds from issue of Equity Share Capital	-	(0.00)
	Proceeds from long term borrowings	521.07	1,999.08
	Interest paid	(536.58)	(1,814.00)
	Net cash (used in)/generated from financing activities	(15.51)	185.08
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(156.02)	(94.77)
	Cash and cash equivalents as at the beginning of the year	158.98	253.75
	Cash and cash equivalents as at the end of the year	2.96	158.98

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 Bhaskara Rao & Co.,

Firm registration number 000459S  
Chartered Accountants  
by the hand of

*M V Ramana Murthy*  
M V Ramana Murthy  
Partner  
Membership No 206439



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

*K V B Reddy*  
K V B Reddy  
[Managing Director & Chief Executive Officer]  
DIN No 01683467

*Rahul N Joshi*  
Rahul N Joshi  
[Chief Financial Officer]

Place Hyderabad  
Date 11/10/21

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 2021	Additions	Deductions	As at September 30, 2021	As at April 01 2021	For the period	Deductions	As at September 30 2021	As at September 30, 2021	As at March 31 2021
Tangible Assets										
Plant and Machinery										
Leased out	134.91			134.91	33.09	6.10		39.20	95.71	101.81
Computers	2.12	0.02	0.05	2.08	1.79	0.09	0.05	1.84	0.25	0.33
Furniture & Fixtures	28.11			28.11	17.53	2.16		19.69	8.42	10.18
Office Equipment	15.23	0.12		15.35	12.90	0.19		13.09	2.26	2.33
Vehicles	0.14			0.14	0.12			0.12	0.01	0.01
Total	180.51	0.14	0.05	180.59	65.43	8.54	0.05	73.94	106.65	115.06

2 Investment Property

A) Completed property leased out

Particulars	Cost				Depreciation				Book Value	
	As at April 01 2021	Additions	Deductions	As at September 30, 2021	As at April 01 2021	For the period	Deductions	As at September 30 2021	As at September 30 2021	As at March 31 2021
Tangible Assets										
Buildings	639.53			639.53	30.65	5.10		35.75	603.78	608.88
Land License rights	67.95			67.95	3.44	0.55		3.99	63.96	64.50
Others										
Land License rights	429.64			429.64	0.61	3.68		4.29	425.35	429.03
Total	1,137.12			1,137.12	34.70	9.33		44.03	1,093.09	1,102.41



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

B) Capital work in Progress

Particulars	₹ in Crore		
	As at April 01, 2021	Additions	As at September 30, 2021
Free hold land	0.16		0.16
Transit oriented development			
Work in progress	849.40	24.03	873.43
Land license rights	489.54		489.54
Salaries and wages	27.84	1.22	29.06
Interest expenses	149.27	8.53	157.80
Other expenses	8.50	0.29	8.79
	<u>1,524.71</u>	<u>34.09</u>	<u>1,558.80</u>
Transfer to Building	(639.53)		(639.53)
Transfer to Land license rights	(497.59)		(497.59)
Transfer to Property, Plant & Equipment	(134.90)		(134.90)
Total	<u>252.69</u>	<u>34.09</u>	<u>286.78</u>

c)	₹ in Crore	
	As at September 30, 2021	As at March 31, 2021
Amount shown under Investment property		
Completed property leased out	1,093.09	1,102.41
Capital work in progress	286.78	252.67
TOTAL	<u>1,379.87</u>	<u>1,355.08</u>

3 Intangible Assets

Particulars	Cost				Amortisation			Book Value		₹ Crore
	As at April 01, 2021	Additions	Deductions	As at September 30, 2021	As at April 01, 2021	For the period	Deductions	As at September 30, 2021	As at September 30, 2021	As at March 31, 2021
Intangible Assets	16,123.88			16,123.88	428.25	134.93		563.18	15,560.70	15,695.63
Specialised Software	5.70			5.70	4.81	0.15		4.96	0.74	0.89
Total	<u>16,129.58</u>			<u>16,129.58</u>	<u>433.06</u>	<u>135.08</u>		<u>568.14</u>	<u>15,561.44</u>	<u>15,696.52</u>



**L&T Metro Rail (Hyderabad) Limited**  
**Notes forming part of the Financial Statements**  
**4 Intangible Assets under development**

₹ Crore

Particulars	As at April 01, 2021	Additions	As at September 30, 2021
Construction work in progress	12,894.69	12.93	12,907.61
Salaries and wages	209.38	-	209.38
Staff welfare and other expenses	17.93	-	17.93
Managerial Remuneration	11.90	-	11.90
Concession fees	0.00	0.00	0.00
Travelling & conveyance	19.64	-	19.64
Facility management, communication and other expenses	125.31	-	125.31
Interest expenses	4,509.66	-	4,509.66
Depreciation/ amortization	27.54	-	27.54
Other expenses	14.98	-	14.98
<b>Total</b>	<b>17,831.02</b>	<b>12.93</b>	<b>17,843.95</b>
<b>Less</b>			
Transfer to PPE			
Transfer to Intangible asset	(16,123.88)	-	(16,123.88)
Transfer to Investment property capital work in progress	(489.54)	-	(489.54)
Viability Gap Fund	(1,204.20)	-	(1,204.20)
<b>Total</b>	<b>13.41</b>	<b>12.93</b>	<b>26.34</b>

**5 Other financial assets**

₹ Crore

Particulars	As at September 30, 2021		As at March 31, 2021	
	Current	Non current	Current	Non current
Security deposits	0.01	11.22	0.01	11.22
Financial Guarantee Assets	0.04	-	0.40	2.27
Others	0.23	0.10	0.15	0.10
<b>Total</b>	<b>0.28</b>	<b>11.32</b>	<b>0.56</b>	<b>13.59</b>



Notes forming part of the Financial Statements

6 Other non-current and current assets		₹ Crore	
Particulars	As at September 30, 2021		As at March 31, 2021
	Current	Non current	Current      Non current
Capital advances			
Related parties			
Others		33.49	0.16 33.60
Advance recoverable other than in cash			
Prepaid Expenses	3.43		9.52
Others	0.26		2.28
Income tax (net)		8.53	4.42
<b>Total</b>	<b>3.69</b>	<b>42.02</b>	<b>11.80      38.18</b>

7 Inventories (at cost or net realisable value whichever is lower)		₹ Crore
Particulars	As at September 30 2021	As at March 31 2021
Stores and spares	14.91	14.46
<b>Total</b>	<b>14.91</b>	<b>14.46</b>

Investments		As at September 30, 2021		As at March 31, 2021	
Particulars	Quantity Units	Current ₹ In Crore	Quantity Units	Current ₹ In Crore	
Investments in mutual funds					
DSP Black Rock Mutua	259075	29.01			
ICICI Prudential Mutual Fund	1069142	12.05			
HDFC Mutual Fund	80506	25.01			
Tata Mutual Fund	45330	5.00			
Nippon India Mutual	1343180	15.07			
Birla sunlife mutual fund	278801	31.51			
Total	3076034	117.65			
Aggregate amount of quoted investments		117.65			
Aggregate amount of market value of above		117.65			

9 Trade receivables		₹ Crore	
Particulars	As at September 30, 2021		As at March 31 2021
	Current	Non Current	Current      Non Current
Considered good Unsecured	35.99		32.26
Less Allowance for doubtful debts	0.82		1.32
<b>Total</b>	<b>35.17</b>	<b>-</b>	<b>30.94      -</b>

10 Cash and cash equivalents		₹ Crore	
Particulars	As at September 30, 2021		As at March 31, 2021
(i) Cash and cash equivalents			
a) Balances with banks in current accounts	2.47		13.56
b) Cash on hand	0.49		0.37
c) Deposits with maturity of less than three months including interest accrued thereon		2.96	145.05      158.98
(ii) Other bank balances			
a) Earmarked deposit for DSCR support	497.32		497.41
b) Balances with banks held as margin money deposits	0.01	497.33	0.77      498.18
<b>Total</b>		<b>500.29</b>	<b>657.16</b>



Notes forming part of the Financial Statements

11 Share Capital

₹ in Crore

(i) Authorised Issued, subscribed and paid up		As at September 30, 2021		As at March 31, 2021	
Particulars	No. of shares	₹ in Crore	No. of shares	₹ in Crore	
Authorised Equity shares of ₹ 10 each	2 43 90 00 000	2 439 00	2 43 90 00 000	2 439 00	
Issued, subscribed and fully paid up Equity shares of ₹ 10 each	2 43 90 00 000	2 439 00	2 43 90 00 000	2 439 00	
	2,43,90,00,000	24,39,00 00 000	2,43,90,00,000	2,439 00	

₹ in Crore

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid up		As at September 30, 2021		As at March 31, 2021	
Particulars	No. of shares	₹ in Crore	No. of shares	₹ in Crore	
At the beginning of the year	2 43 90 00 000	2,439 00	2 43 90 00 000	2,439 00	
Issued during the year as fully paid					
At the end of the year	2,43,90 00,000	2,439 00	2,43,90,00 000	2,439 00	

(iii) Terms / rights attached to shares

Equity shares

- 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.
- 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.
- The company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.
- The shares issued carry equal rights to dividend declared by the company and no restrictions are attached to any specific shareholder
- 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 September 30, 2021		As at March 31, 2021	
Particulars	No. of shares	₹ in Crore	No. of shares	₹ in Crore	
Larsen & Toubro Limited*	2 43 89 99 999	2,439 00	2 43 89 99 999	2 439 00	
Total	2 43 89,99,999	2,439 00	2,43,89,99,999	2,439 00	

(v) Details of Shareholders holding more than 5% shares in the company		As at September 30, 2021		As at March 31, 2021	
Particulars	No. of shares	%	No. of shares	%	
Larsen and Toubro Limited (including nominee holding)	2,43 89,99 999	99 999%	2,43 89,99 999	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) Five shares are held by Larsen & Toubro Limited jointly with individual share holders

(viii) Calls unpaid Nil Forfeited Shares Nil



**L&T Metro Rail (Hyderabad) Limited**  
**Statement of Changes in Equity for the period ended September 30, 2021**

**12 Other Equity as on 30.09.2021**

₹ Crore

Particulars	Share application money pending	Cash flow hedging reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	-	-	2.82	(2,365.85)	(2,363.03)
Profit for the year	-	-	-	(915.68)	(915.69)
Other comprehensive income	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance at the end of the reporting period	-	-	2.82	(3,281.53)	(3,278.72)

**Other Equity as on 31.03.2021**

₹ Crore

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	-	-	2.82	(599.11)	(596.29)
Profit for the year	-	-	-	(1,766.74)	(1,766.74)
Other comprehensive income	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance at the end of the reporting period	-	-	2.82	(2,365.85)	(2,363.03)



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

**13 Borrowings**

₹ Crore

Particulars	As at September 30, 2021		As at March 31, 2021	
	Current	Non current	Current	Non current
Secured borrowings				
Term loans				
From banks *	1,113.77	11,664.26	1,009.01	12,216.42
Unsecured borrowings				
a) Debentures*	183.57	746.96	31.08	996.91
Loans from related parties				
a) Inter Corporate Deposits	3,730.70		2,450.49	
<b>Total</b>	<b>5,028.04</b>	<b>12,411.22</b>	<b>3,490.58</b>	<b>13,213.33</b>

\* Current maturities of long term borrowings

**a) Term loans**

Particulars	Details
Interest Rate-Term Loan	Interest rate @ 150 basis points above the base rate of State Bank of India (floating)
Interest Rate- COR Term Loan	Interest rate @ 210 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 December 31, 2029

**b) Loans from related parties**

Particulars	Details
Inter Corporate Deposits	Rate of interest is @ 7.50 % p.a.

**Security**

- 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.
- 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.
- 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
- 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
				annually rment	>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

**M.K. DANDEKER & CO.,**  
*Chartered Accountants*

Phone : +91-44-43514233  
E-mail : admin@mkdandeker.com  
Web : www.mkdandeker.com

No.185 (Old No.100) 2nd Floor,  
Poonamallee High Road,  
Kilpauk, CHENNAI - 600 010

**INDEPENDENT AUDITOR'S REPORT**

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

Report on the Ind AS Financial Statements

Opinion

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

14 Other financial liabilities

₹ Crore

Particulars	As at September 30, 2021		As at March 31, 2021	
	Current	Non current	Current	Non current
a) Security deposits	55.95	19.38	45.29	19.38
b) Premium payable on Financial guarantee contracts	0.04		0.40	2.27
i) Creditors for capital supplies Related parties	656.21		648.26	
ii) Creditors for capital supplies others	169.34		179.35	
iii) Retention money	68.99		69.01	
iv) Other payables	126.70	0.20	108.91	1.75
<b>Total</b>	<b>1,077.23</b>	<b>19.58</b>	<b>1,051.22</b>	<b>23.40</b>

15 Provisions

₹ Crore

Particulars	As at September 30, 2021		As at March 31, 2021	
	Current	Non current	Current	Non current
Provision for employee benefits	3.41		3.29	
Provision for major maintenance and overhaul expenses		90.28		66.86
<b>Total</b>	<b>3.41</b>	<b>90.28</b>	<b>3.29</b>	<b>66.86</b>

16 Other current liabilities

₹ Crore

Particulars	As at September 30, 2021		As at March 31, 2021	
	Current	Non current	Current	Non current
Statutory payables	9.59		22.10	
<b>Total</b>	<b>9.59</b>		<b>22.10</b>	



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

**17 Revenue from operations**

₹ Crore

Particulars	Quarter ended			Six months ended		Year Ended
	September 30,2021 (Reviewed)	June 30,2021 (Reviewed)	September 30,2020 (Reviewed)	September 30,2021 (Reviewed)	September 30,2020 (Reviewed)	March 31 2021(Audited)
Fare revenue	49.40	18.50	4.23	67.90	4.23	83.98
Lease rentals	17.25	9.15	7.56	26.40	11.92	41.11
Advertising revenue	5.13	5.07	2.18	10.20	4.09	16.11
Consultancy and training	0.90	2.09	0.53	2.99	2.23	7.40
Other revenue	12.05	11.22	9.70	23.28	19.04	41.01
<b>Total</b>	<b>84.73</b>	<b>46.03</b>	<b>24.20</b>	<b>130.77</b>	<b>41.51</b>	<b>189.61</b>

**18 Other Income**

₹ Crore

Particulars	Quarter ended			Six months ended		Year Ended
	September 30,2021 (Reviewed)	June 30,2021 (Reviewed)	September 30,2020 (Reviewed)	September 30,2021 (Reviewed)	September 30,2020 (Reviewed)	March, 31 2021(Audited)
Interest Income	5.65	6.23	9.42	11.89	18.44	37.17
Dividend/Income from Mutual Funds	0.15	-	-	0.15	-	-
Miscellaneous income	0.07	0.07	0.21	0.13	0.21	1.16
<b>Total</b>	<b>5.87</b>	<b>6.30</b>	<b>9.63</b>	<b>12.17</b>	<b>18.65</b>	<b>38.33</b>

**19 Operating expenses**

₹ Crore

Particulars	Quarter ended			Six months ended		Year Ended
	September 30,2021 (Reviewed)	June 30,2021 (Reviewed)	September 30,2020 (Reviewed)	September 30,2021 (Reviewed)	September 30,2020 (Reviewed)	March, 31 2021(Audited)
Power & fuel	13.04	11.66	6.55	24.70	12.53	38.88
Operations and maintenance expenses	39.69	37.52	24.72	77.21	56.41	141.02
Provision for major maintenance and overhauls	9.09	8.99	7.88	18.08	15.77	31.68
Others	0.23	0.17	0.03	0.39	0.03	0.35
<b>Total</b>	<b>62.05</b>	<b>58.34</b>	<b>39.18</b>	<b>120.38</b>	<b>84.74</b>	<b>211.93</b>

**20 Employee benefit expenses**

₹ Crore

Particulars	Quarter ended			Six months ended		Year Ended
	September 30,2021 (Reviewed)	June 30,2021 (Reviewed)	September 30,2020 (Reviewed)	September 30,2021 (Reviewed)	September 30,2020 (Reviewed)	March, 31 2021(Audited)
Salaries and wages	5.90	5.98	7.66	11.88	15.01	26.39
Contribution to provident and other funds	0.17	0.19	0.23	0.37	0.47	0.86
Staff welfare expenses	0.23	0.28	0.18	0.50	0.36	1.06
<b>Total</b>	<b>6.30</b>	<b>6.45</b>	<b>8.07</b>	<b>12.75</b>	<b>15.84</b>	<b>28.31</b>



## 21 Administration and other expenses

₹ Crore

Particulars	Quarter ended			Six months ended		Year Ended
	September 30,2021 (Reviewed)	June 30,2021 (Reviewed)	September 30,2020 (Reviewed)	September 30,2021 (Reviewed)	September 30,2020 (Reviewed)	March 31 2021(Audited)
Advertisement and publicity	-	-	-	-	0.94	0.28
MTM/Exchange gain/ loss on derivatives	-	-	-	-	0.94	0.94
Office maintenance and other expenses	7.96	9.09	6.87	17.05	12.88	26.62
Insurance	2.52	2.45	1.45	4.96	2.79	6.96
Audit Fees	0.02	0.02	0.01	0.04	0.01	0.09
<b>Total</b>	<b>10.50</b>	<b>11.56</b>	<b>8.33</b>	<b>22.05</b>	<b>16.62</b>	<b>34.89</b>

## 22 Finance costs

₹ Crore

Particulars	Quarter ended			Six months ended		Year Ended
	September 30,2021 (Reviewed)	June 30,2021 (Reviewed)	September 30,2020 (Reviewed)	September 30,2021 (Reviewed)	September 30,2020 (Reviewed)	March, 31 2021(Audited)
Finance Cost	-	-	-	-	-	-
Interest expenses	380.90	369.95	361.59	750.85	709.81	1,421.07
<b>Total</b>	<b>380.90</b>	<b>369.95</b>	<b>361.59</b>	<b>750.85</b>	<b>709.81</b>	<b>1,421.07</b>



## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their Ninth report and Audited Accounts for the year ended 31<sup>st</sup> March, 2019.

**1. Financial Results / Financial Highlights:**

Particulars	2018-19	2017-18
	Rs. in lakhs	Rs. in lakhs
Profit / (Loss) Before Depreciation, exceptional items & Tax	(8535.01)	(4166.14)
Less: Depreciation, amortization, impairment and obsolescence	6197.19	1669.86
Profit / (Loss) before exceptional items and tax	(14732.20)	(5836.00)
Add: Exceptional items	-	-
Profit / (Loss) before tax	(14732.20)	(5836.00)
Less: Provision for tax	82.44	(0.23)
Profit / (Loss) after Tax	(14814.64)	(5835.77)
Add: Other Comprehensive Income	(72.47)	1914.80
Total Comprehensive Income	(14887.11)	(3920.97)

**2. State of Company Affairs:**

The revenue from operations and other income for the financial year under review stood at Rs. 318.46 crore (including fare and non-fare revenue) as against Rs. 69.53 crore for the previous financial year. The loss before tax and after tax were Rs. 147.32 crore and Rs. 148.15 crore respectively for the financial year under review as against loss before and after tax of Rs. 58.36 Crores for the previous financial year.

**3. Project Progress:**

During the year under report, the Company has received Provisional Certificate, for the stretch between L.B. Nagar to Ameerpet (17.05 kms) of Corridor I and Ameerpet to Hitech City (8.645 kms) of Corridor III. In terms of the Concession Agreement from Louis Berger, the Independent Engineer of Hyderabad Metro Rail project. The Hon'ble Governor of State of Telangana along with the other dignitaries of Government of Telangana inaugurated the Rail System between L.B. Nagar to Ameerpet and Ameerpet to Hitech City on 24<sup>th</sup> September 2018 and 20<sup>th</sup> March 2019 respectively. With this around 56 kms of Metro Rail System has been made available for the public. The construction activities of the remaining project were progressing at a fast pace.

During the year under report, Hyderabad Metro Rail Limited, the nodal Agency of Government of Telangana granted the extension of Scheduled Completion Date and

Project Completion Schedule date, as defined under the Concession Agreement, till 31<sup>st</sup> December 2019.

During the year under report, Government of Telangana vide its letter dated 17<sup>th</sup> January 2019 granted its approval 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.

The Company submitted project cost overrun details to the Government for an amount of Rs.3,756 crore and has been pursuing with the Government on the same.

#### 4. Capital & Finance:

During the year under report the Company has raised an amount of Rs. 220.20 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. The Company has drawn long term rupee term loans of Rs. 1,652.27 crore from banks during the year under report. Further, the Company has also raised Rs. 250 crore by way of issue of 2,500 Unsecured, Redeemable, Non-Convertible debentures by private placement at Rs. 10,00,000 each as per the below mentioned details:

ISIN	No. of debentures	Date of issue & allotment	Coupon rate	Maturity date
INE128M08045	1000	28.09.2018	9.55%	28.09.2030
INE128M08052	1500	26.11.2018	9.50%	26.11.2030

#### 5. Capital Expenditure:

As at March 31, 2019 the gross fixed and intangible assets including leased assets, stood at Rs. 15,812.55 crore and the net fixed and intangible assets, including leased assets, at Rs.15,718.72 crore. Capital Expenditure during the year amounted to Rs. 2,293.18 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. Depository System:

As on March 31, 2019, 99.99% of the Company's total paid up capital representing 242,71,75,959 shares are in dematerialized form.

#### 8. Particulars of Contracts or Arrangements with related parties:

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

FY 2018-19 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 interests of the Company.

**9. Amount to be carried to reserve:**

The Company has not transferred any amount to reserves.

**10. Dividend:**

Considering the capital requirement for ongoing construction activities, the Board of Directors do not recommend any dividend on its equity shares.

**11. Material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the report:**

No material changes and commitments have occurred affecting the financial position of the Company between the end of the financial year and the date of this report.

**12. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

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:**

- Mr. Shrikant Prabhakar Joshi was appointed as Non- Executive Director of the Company with effect from 2<sup>nd</sup> May 2018.
- Mr. Chandrachud Durlabh Palwal was appointed as Company Secretary of the Company with effect from 2<sup>nd</sup> May 2018.

**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 five meetings were held on 2<sup>nd</sup> May 2018, 19<sup>th</sup> July 2018, 19<sup>th</sup> September 2018, 17<sup>th</sup> October 2018 and 10<sup>th</sup> January 2019.

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 perusal.

**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 three Independent Directors.

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 Mrs. Sheela Bhide (Chairperson), Mr. R Shankar Raman, Mr. Ajit Rangnekar and Mr. M R Prasanna.

During the year under review, four meetings were held on 2<sup>nd</sup> May 2018, 19<sup>th</sup> July 2018, 17<sup>th</sup> October 2018 and 10<sup>th</sup> January 2019.

**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 oversees the functioning of the Whistle Blower Policy / Vigil Mechanism framework.

**19. Company Policy on Director Appointment and Remuneration:**

The Company has 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. Ajit Rangnekar (Chairman), Mr. S N Subrahmanyam and Mrs. Sheela Bhide. The Chairman is an Independent Director.

During the year under review, one meeting was held on 2<sup>nd</sup> May 2018.

**20. Declaration of Independence:**

The Company has received Declarations of Independence 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 affirmed their compliance 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, 2019, 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. Directors Responsibility Statement:**

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. Performance Evaluation of the Board, its Committees and Directors:**

The Nomination and Remuneration Committee (NRC) 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 circulation of questionnaires to 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 questionnaires' 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. 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.

### Disclosure of Remuneration:

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;	22.01
b. Percentage increase in remuneration of the following KMPs in the financial year;	
i. Directors	-
ii. CEO or Manager	-
iii. CFO	5.26%
iv. CS	-
c. Percentage increase in the median remuneration of employees in the financial year;	8.51
d. Number of permanent employees on the rolls of company;	144
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	8.00
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 Notes forming part of Financials statements '26.7' 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. 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. There were no cases of sexual harassment reported to the Company during F.Y. 2018-19.

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

**27. Auditors 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. Auditors:**

The Auditors, M/s M.K. Dandekar & Co., Chartered Accountants, were appointed as Statutory Auditors for a period of five continuous years from the conclusion of Sixth Annual General Meeting (AGM) held on 29<sup>th</sup> September 2016 till the conclusion of Eleventh Annual General Meeting (AGM) of the Company.

**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 Auditors' 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 enjoys good reputation for its sound financial management and the ability to meet its financial obligations.

No disclosure is required under Section 67(3)(c) of the Companies Act, 2013, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

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:**

M/s SBICAP Trustee Company Limited, having their office at 8<sup>th</sup> Floor, Apeejay House, Dinsbaw Weetchoa Road, Churchgate, Mumbai- 400020 have been acting as the Debenture Trustee in respect of the 10000 Listed, Non-Convertible, Redeemable, Un-secured Debentures of Rs. 10,00,000 each fully paid-up aggregating to Rs. 1000 crores.

**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 Trustees and all the various stakeholders for their continued co-operation and support to the Company.

**For and on behalf of the Board of Directors**

**K V B Reddy**

Managing Director and  
Chief Executive Officer  
(DIN:01683467)

**Director A SHANKAR ARUN**  
(DIN:00019198)

**Place: Mumbai**

**Date: 25.04.2019**

## **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 nine Metro Stations with capacity of 1262 kWp that are operational. Furthermore capacity of 6510 kWp is under installation at other Metro Stations and the two Metro Depots.

#### **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. 323.39 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 Director's Report for the period ended 31st March 2018**

Name of the employee	DOJ	Department	Designation	CTC in Rupees	Highest Qualification	Experience Years	Age	% equity share held	Whether any relation with Director/ Manager
K V B Reddy	24-01-2018	-	Managing Director & CEO	3,28,40,256	BE, PGDBM	35	57	-	No
Anil Kumar	03-01-2011	Railway Systems	Chief Operating Officer- Railway Systems	1,09,54,220	MBA & B. Tech	26.04	47	1 share jointly with L&T Limited	No
Sanjay Kumar	10-10-2016	Human Resource	Head - Human Resource	84,20,624	B. Tech & PGDBA	27	53	-	No
Iyengar Venkatesh	01-01-2016	TOD	Head-Project Execution, Hyd Metro(Clus-1)	73,92,517	B. Tech	29.02	52	-	No
J. Ravikumar	01-04-2011	Finance & Accounts	Chief Financial Officer	64,63,134	CA	32		1 share jointly with L&T Limited	No
Navneet Kaushik	09-05-2018	Railway Systems - Project Execution	Head - Project (Railway Systems)	64,31,734	A.M.I.E.	30.11	56	-	No
M.V. Krishna Rao	01-01-2017	TOD	Head- Leasing (Retail & Commercial)	62,01,296	MBA	29:07	52	-	No
P Ravishankar	01-08-2011	Project Control & Contracts	Head of Project Planning, Control & Contract	61,00,000	MCS & B. Tech	23:07	47	1 share jointly with L&T Limited	No
Chandrachud D Paliwal	02-05-2018	Legal & Secretarial	Head- Legal & Secretarial	53,50,000	CS & LLB	21	42	1 share jointly with L&T Limited	No
Ashutosh Kumar Das	07-12-2016	Supply Chain Management	Head - Supply Chain Management	53,30,740	MBA & B. E	19:03	43	-	No

**ANNEXURE - IV**  
**Form No. MGT-8**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March 2019**  
(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	24 <sup>th</sup> 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
<b>A. Promoters</b>			
1. Indian			
Individual/HUF			
Central Govt.			
State Govt. (s)			
Bodies Corp.	2206977328	5* 2206977333 100 2427175959	5* 2427175964 100
Banks / FI			
Any Other			
Sub-total (A) (1)*	2206977328	5 2206977333 100 2427175959	5 2427175964 100
(2) Foreign			



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 shareholdin g 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	2206977328	99.99%	51%	2427175959	99.99%	51%	0.00
	Total:	2206977328	99.99%	51%	2427175959	99.99%	51%	0.00

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
<b>At the beginning of the year</b>				
Larsen and Toubro Limited	220,69,77,328	99.99%	220,69,77,328	99.99%
<b>2nd May 2018 – Allotment – Rights Issue</b>				
Larsen and Toubro Limited	61,98,631	99.99%	221,31,75,959	99.99%
<b>19th July 2018 – Allotment – Rights Issue</b>				
Larsen and Toubro Limited	21,40,00,000	99.99%	242,71,75,959	99.99%
<b>At the End of the year</b>				
Larsen and Toubro Limited	242,71,75,959	99.99%	242,71,75,959	99.99%

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

S. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year
	No. of shares	No. of shares
	% of total shares of the company	% of total shares of the company
For Each of the Top 10 Shareholders		
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:**

S. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year
	No. of shares	No. of shares
	% of total shares of the company	% of total shares of the company
For Each of the Directors and KMP *		
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, CEO & Fin. Equity Share of Rs. -

Mr. J. Ravikumar, CEO & Fin. Equity Share of Rs. -

# V. INDEBTEDNESS ACCOUNTS:

	Secured Loans excluding deposits (Rs.)	Unsecured Loans	Deposits	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i). Principal Amount	9398,73,74,524	746,60,14,370	-	10146,33,88,894
ii). Interest due but not paid	-	-	-	-
iii). Interest accrued but not due	-	64,82,62,258	-	64,82,62,258
<b>Total (i+ii+iii)</b>	<b>9398,73,74,524</b>	<b>811,42,76,628</b>	-	<b>10211,23,16,147</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1652,27,04,789	185,35,24,558	-	1837,62,29,347
Reduction	-	-	-	-
<b>Net Change</b>	<b>1652,27,04,789</b>	<b>185,35,24,558</b>	-	<b>1837,62,29,347</b>
<b>Indebtedness at the end of the financial year</b>				
i). Principal Amount	110,2,25,92,336	996,78,01,186	106,85,62,400	12155,64,42,899
ii). Interest due but not paid	-	-	-	-
iii). Interest accrued but not due	39,74,86,977	-	-	-
<b>Total (i+ii+iii)</b>	<b>11052,00,79,313</b>	<b>996,78,01,186</b>	<b>106,85,62,400</b>	<b>12155,64,42,899</b>

# VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.no.	Particulars of Remuneration	Mr. K V B Reddy Managing Director & Chief Executive Officer	Total Amount
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,31,72,906	2,31,72,906
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	96,67,350	96,67,350
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>3,28,40,256</b>	<b>3,28,40,256</b>
	*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. 1,60,000	Rs. 1,60,000	Rs. 1,60,000	Rs. 4,80,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>Rs. 1,60,000</b>	<b>Rs. 1,60,000</b>	<b>Rs. 1,60,000</b>	<b>Rs. 4,80,000</b>
2.	Other Non-Executive Directors	Mr. N V S Reddy	-	-	-

✓ Fee for attending board / committee meetings	Rs. 1,25,000	-	Rs. 1,25,000
✓ Commission	-	-	-
✓ Others, please specify	-	-	-
Total (2)	Rs. 1,25,000	-	Rs. 1,25,000
Total (B)=(1+2)	-	-	Rs. 6,05,000
Total Managerial Remuneration	-	-	-
Overall Ceiling as per the Act	-	-	-

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

Sl.no	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Mr. Chandrachud D Paliwal	CFO Mr. J. Ravikumar	Total
1.	Name			
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	53,50,000	64,10,751	117,60,751
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	52,383	52,383
	(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)	53,50,000	64,63,134	118,13,134

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

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

# M.K. DANDEKER & CO.,

*Chartered Accountants*

Phone : +91-44-43514233  
E-mail : admin@mkdandeker.com  
Web : www.mkdandeker.com

No.165 (Old No.100) 2nd Floor,  
Poonamallee High Road,  
Kilpauk, CHENNAI - 600 010

## 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, 2019, 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, 2019, and loss, 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.



Page | 1

S. No.	Key Audit Matters	Auditor's Response
1	<p>Capitalization of Intangible Asset: Fare Collection right of Metro Rail Systems.</p> <p>The construction, operation and maintenance of the Metro Rail System project is on Design, Build, Finance, operate and Transfer basis.</p> <p>Fare collection rights are granted as one of the components of consideration for execution of the project. Such Fare collection rights are being capitalized as the Metro Rail System is getting created and commissioned in stages.</p> <p>The amount capitalized in stages as fare collection rights is based on the relative revenue earning potential of the rights attributable to the portion which has been commissioned. This involved significant management estimates.</p> <p>Refer Point II (9) &amp; II (10) of Note 27</p>	<p>Audit procedures performed:</p> <ul style="list-style-type: none"> <li>• Verified the appropriateness of the formula and amounts used for determining the capitalization amount.</li> <li>• Validated the assumptions of the relative revenue earning potential of the commissioned stages with reference to the ridership estimation report from Independent external agency</li> <li>• Evaluated management's projections of ridership to arrive at the future revenue potential of the project which is the basis for capitalizing the Fare Collection Rights as Intangible Assets.</li> </ul>



2	<p><b>Impairment on Intangible Assets</b></p> <p>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.</p> <p>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.</p> <p>Refer Note Point II (11) of Note 27</p>	<p>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.</p> <p>External valuations provided were reviewed for ensuring appropriateness of the projections. In respect of internal valuations, we examined the projections and validated the underlying assumptions used.</p> <p>Validated the projections used for F.Y. 2017-18, with the actual traffic by performing retrospective testing and ensured that the future projections are backed up by appropriate documents/reasoning.</p>
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#### 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 judgment 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 omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures 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 controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, 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 misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably 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 misstatements 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 audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 18 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.

Date: April 25, 2019  
Place: Mumbai



For M.K. Dandekar & Co.,  
(ICA) Regn. No. 0006795)

S. Poosaiderai

Partner

Chartered Accountants

Membership No. 223754

## 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	6,22,34,870	2016 -19	GHMC, Hyderabad
The Greater Hyderabad Municipal Corporation Act, 1955	Property Tax	5,10,78,662	2015 - 19	Honorable High Court, 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 clause 3 (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.

Date: April 25, 2019  
Place: Mumbai



For M.K. Dandekar & Co.,  
(ICAI Regn. No. 0006795)

S. Poosalidurai  
Partner  
Chartered Accountants  
Membership No. 223754

**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, 2019 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, 2019, 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.

Date: April 25, 2019  
Place: Mumbai



For M. K. Dandekar & Co.,  
(ICAI Regn. No. 0006795)



S. Poosalidurai  
Partner  
Chartered Accountants  
Membership No. 223754

U.S. F. Motion Hall (Olyderford) Limited  
 Dulucose Sheet as at March 31, 2019

			As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, Plant and Equipment	1	1,05,64,78,166	1,39,90,08,072	2,81,11,717
b) Capital work-in-progress	2	-	-	11,84,55,98,988
c) Investment property	3	11,97,41,03,687	11,84,55,98,988	15,01,61,69,380
d) Intangible assets	4	33,80,25,53,696	33,80,25,53,696	1,06,47,52,77,854
e) Intangible assets under development	5	1,07,54,38,28,186	1,07,54,38,28,186	2,96,71,755
f) Other financial assets	6	7,44,19,459	5,97,014	-
g) Deferred tax assets (net)	7	1,23,45,40,037	84,08,10,597	-
h) Other non-current assets	8	1,59,40,67,20,453	1,25,80,60,24,166	-
<b>Current assets</b>				
a) Inventories	9	4,32,37,335	2,57,38,453	-
b) Financial Assets				
i) Trade receivables	10	24,31,38,406	6,32,59,050	-
j) Cash and cash equivalents	11	31,37,58,257	28,84,65,741	-
k) Bank balances other than above	12	38,71,04,409	6,58,25,734	-
l) Other financial assets	13	1,03,98,062	8,82,947	-
m) Other current assets	14	7,19,61,301	15,11,08,690	-
		1,07,65,98,245	39,53,60,993	-
<b>TOTAL ASSETS</b>		<b>1,49,57,23,18,698</b>	<b>1,36,43,13,84,759</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital	15	24,27,17,59,650	22,06,97,71,340	-
b) Other equity	16	12,18,03,47,057	170,06,36,030	-
		22,08,24,12,993	21,36,91,27,210	-
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
a) Financial liabilities	17	1,20,58,78,80,499	1,02,11,23,16,147	-
b) Borrowings	18	60,78,93,256	96,35,55,946	-
c) Other financial liabilities	19	9,60,08,568	2,17,25,490	-
d) Deferred tax liabilities (net)	20	-	7,43,83,570	-
		1,21,19,17,88,523	1,03,12,11,81,153	-
<b>Current liabilities</b>				
a) Financial liabilities				
i) Borrowings	21	1,08,55,62,400	-	-
ii) Other financial liabilities	22	15,00,56,24,603	11,87,23,72,581	-
b) Other current liabilities	23	21,10,38,962	6,34,69,301	-
c) Provisions	24	1,29,05,817	54,24,414	-
		16,29,41,19,781	11,94,00,66,296	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,59,57,23,18,698</b>	<b>1,36,43,13,84,759</b>	
<b>Commitments</b>				
Notes forming part of the Financial Statements				
Structural accounting entries				

(Date registration number: 0006798)  
 Chartered Accountants  
 by the hand of  
*[Signature]*  
 B. Prasadulal  
 Partner  
 Membership No.: 221754  
 Place: Mysore  
 Date: 25-07-2019



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

*[Signature]*  
K.V.R.Reddy  
Managing Director & Chief Executive Officer  
DIN No. 01665467

*[Signature]*  
A. Anil Kumar  
Chief Financial Officer  
Membership No: 0213240

*[Signature]*  
G. Chandrasekhara D. Reddy  
Chairman  
Membership No: 13377

Place: Mumbai  
Date: 25-Apr-2019



**L&T Motors East (Pty) Limited**  
**Statement of Cash Flows for the year ended March 31, 2019**

S. No.	Particulars	2018-19	2017-18
A	Net profit / (loss) before tax and extraordinary items	(1,473,220,429)	(100,000,162)
	Adjustment for:		
	Depreciation and amortisation expense	619,214,978	166,983,670
	Interest expense	2,533,758,487	305,366,760
	Interest income	(11,610,621)	(5,311,680)
	Dividend received	-	(21,806)
	Profit/(loss) on sale of current investments/(gain)	(42,618,563)	(37,075,054)
	Profit/(loss) on sale of fixed assets	20,506	(1,479,650)
	Other non cash items	(7,246,696)	101,460,110
	Operating profit before working capital changes	1,238,801,295	316,333,430
B	Adjustments for:		
	Increase / (Decrease) in long term provisions	34,280,078	4,028,238
	Increase / (Decrease) in other current liabilities	1,217,533,061	(39,886,954)
	Increase / (Decrease) in other current financial liabilities	3,123,053,022	1,892,710,580
	Increase / (Decrease) in other non-current financial liabilities	(353,658,690)	225,511,920
	Increase / (Decrease) in short term provisions	(774,250)	5,728,032
	(Decrease) / Decrease in long term loans and advances	(306,756,047)	1,483,463,848
	(Decrease) / Decrease in other non-current financial assets	(64,547,704)	2,182,327
	(Decrease) / Decrease in other non-current assets	(172,043,970)	(134,983,888)
	(Increase) / Decrease in Inventory	(17,498,903)	(25,718,433)
	(Decrease) / Decrease in Trade Receivables	(179,839,398)	(63,865,835)
C	(Increase) / Decrease in short term loans and advances	(16,515,143)	40,627,669
	(Increase) / Decrease in other current assets	(242,071,691)	(647,069,133)
	Net cash generated from/(used in) operating activities	4,398,933,401	3,032,318,243
	Direct taxes paid (net of refunds)	-	-
	Net Cash/used in/Generated from Operating Activities	4,398,933,401	3,032,318,243
D	Cash flow from investing activities		
	Purchase of fixed assets	(22,841,641,057)	(21,421,399,225)
	Sale of fixed assets	(700,306)	1,479,830
	Purchase of current investments	-	2,396,225,992
	(Purchase)/Sale of current investments	(42,618,663)	57,075,804
	Dividend received from current investments	-	11,806
	Interest received	11,610,621	5,311,680
	Net cash (used in)/generated from investing activities	(22,762,430,035)	(18,962,374,835)
	Cash flow from financing activities		
	Proceeds from issue of capital	2,201,906,209	1,384,315,092
E	Proceeds from bank term borrowings	10,175,504,332	14,020,404,821
	Proceeds from bank term borrowings	(2,133,758,080)	(305,806,760)
	Interest paid	(8,423,792,174)	15,678,853,289
	Net cash (used in)/generated from financing activities	25,292,516	(256,183,083)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	208,465,741	564,508,818
	Cash and cash equivalents as at the beginning of the year	318,298,357	388,465,741
	Cash and cash equivalents as at the end of the year		

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, investments, projects and intangible assets.  
 3. Proceeds from movement of (a) capital work in progress for property plant and equipment and investments property & (b) intangible assets under development during the year.

4. Cash and cash equivalents represent cash and bank balances.  
 5. Provision fund's figures have been regrouped/reclassified wherever applicable.

As per our report attached  
 For M.N.Dastidar & Co.,

For and on behalf of the Board of Directors of L&T Motors  
 Build (Pty) Limited

(Firm registration number: 1696073)  
 Chartered Accountants  
 by the head of

(Managing Director & Chief Executive Officer)  
 BDN No: 01653467

(Director)  
 DCM No:

Partner

2. Raji Kumar  
 (Chief Financial Officer)  
 Membership No: 023346

Charanraj D. Pabrol  
 (Company Secretary)  
 Membership No: 15377

Place: Mumbai  
 Date: 25-04-2019

Page: 25-04-2019



**L&T Metro Rail (Hyderabad) Limited**  
Statement of changes in Equity for the year ended 31 March, 2019

**A. Equity share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	2,206,977,334	22,069,773,340	2,062,193,178	20,621,931,780
Issued during the year as fully paid	220,198,671	2,201,986,310	144,784,156	1,447,841,560
At the end of the year	2,427,175,965	24,271,759,650	2,206,977,334	22,069,773,340

**B. Other Equity**

**Other Equity as on 31.03.2018**

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debtors Redemption Reserve	Retained earnings	Total
Balance as at 1.4.2017	63,326,462	(232,779,841)	28,208,066	(103,987,341)	(243,033,554)
Profit/(loss) for the year	-	-	-	(583,577,124)	(583,577,124)
Other comprehensive income	-	191,680,110	-	-	191,680,110
Issue of Share Capital	(63,326,462)	-	-	-	(63,326,462)
Balance as at 31.03.2018	-	(41,299,731)	28,208,066	(687,544,365)	(700,636,030)

**Other Equity as on 31.03.2019**

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debtors Redemption Reserve	Retained earnings	Total
Balance as at 1.4.2018	-	(41,299,731)	28,208,066	(687,544,365)	(700,636,030)
Profit/(loss) for the year	-	-	-	(1,481,464,331)	(1,481,464,331)
Other comprehensive income	-	(7,246,696)	-	-	(7,246,696)
Issue of Share Capital	-	-	-	-	-
Balance at the end of the reporting period	-	(48,546,427)	28,208,066	(2,169,008,695)	(2,189,347,057)

As per our report attached  
For M.K.Dandekar & Co.

First registration number : 0006795  
Chartered Accountants  
by the hand of  
  
S. P. Dandekar  
Partner  
Membership No: 221754



Place: Mumbai  
Date: 25 April 2019

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

  
K.V.R. Reddy  
(Managing Director & Chief Executive Officer)  
DIN No: 01683467  
  
J. Ravi Kumar  
(Chief Financial Officer)  
Membership No: 023240

  
R. Hanumanth  
(Director)  
DIN No:  
  
Chandrachud D. Patilwal  
(Company Secretary)  
Membership No: P5577

Place: Mumbai  
Date: 25 April 2019

**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, 2018	Additions	Deductions	As at March 31, 2019	As at April 01, 2018	For the year	Deductions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Tangible Assets</b>										
Plant and Machinery										
Leased out	1,334,962,497	415,189,623	-	1,750,152,120	29,862,463	103,324,433	-	132,185,896	1,617,966,434	1,316,101,235
Computers	23,954,042	5,448,919	3,761,712	25,641,249	14,644,781	6,535,233	3,528,909	17,655,268	7,099,044	9,313,261
Furniture & Fixtures	248,337,370	30,479,530	-	278,816,900	41,357,413	46,490,329	-	88,017,942	190,819,457	206,790,457
Office Equipment	144,211,193	2,563,444	1,282,008	145,492,629	71,455,038	25,404,317	1,217,993	95,731,259	49,591,284	72,755,158
Vehicles	1,362,230	-	-	1,362,230	1,227,287	-	-	1,227,287	134,965	134,964
<b>Total</b>	<b>1,754,858,852</b>	<b>451,481,420</b>	<b>5,043,910</b>	<b>2,201,295,162</b>	<b>145,798,977</b>	<b>183,804,402</b>	<b>4,746,902</b>	<b>234,817,577</b>	<b>1,966,478,184</b>	<b>1,809,098,078</b>

**2. Capital work-in-progress**

Particulars	Cost			
	As at April 01, 2018	Additions	Deductions	As at March 31, 2018
Capital work in progress	28,111,717	-	28,111,717	-
<b>Total</b>	<b>28,111,717</b>	<b>-</b>	<b>28,111,717</b>	<b>-</b>

**3. Investment Property**

**A) Completed property-leased out**

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2018	Additions	Deductions	As at March 31, 2019	As at April 01, 2018	For the year	Deductions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Tangible Assets</b>										
Buildings	3,447,854,907	1,576,479,224	-	5,024,334,131	11,699,037	82,704,186	-	94,403,723	5,223,933,411	3,416,157,870
Land Lease rights	444,969,810	174,737,881	-	621,207,691	1,464,116	10,098,906	-	11,523,922	610,184,569	443,305,994
<b>Total</b>	<b>3,892,824,717</b>	<b>1,751,217,107</b>	<b>-</b>	<b>5,645,541,822</b>	<b>13,163,153</b>	<b>92,703,492</b>	<b>-</b>	<b>105,927,645</b>	<b>5,834,117,180</b>	<b>3,859,463,864</b>

a) There are no restrictions on availability of income from investment property

b) Amounts recognised in profit or loss for investment properties

Particulars	31.03.2019	31.03.2018
Rental Income	895,527,424	30,354,100
Direct operating expenses from property that generated rental income	9,037,640	9,389,142



B) Capital work in Progress

Particulars	As at April 01, 2018	Additions	As at March 31, 2019
Free hold land	1,557,000	-	1,557,000
Transfer (reverted) amount			
Work in progress	(5,222,536,854)	44,19,59,854	866,44,96,358
Land license rights	4,895,357,651	-	480,53,37,651
Salaries and wages	(88,133,689)	4,20,53,738	23,11,89,349
Interest expenses	(1,182,528,309)	11,50,81,663	136,76,10,162
Other expenses	36,584,872	2,21,57,258	3,86,42,139
	1282,71,60,365	69,16,62,550	1315,88,62,917
Transfer to Building	(3,447,856,987)	(1,870,479,226)	(5,318,336,137)
Transfer to Land license rights	(444,969,810)	(776,757,881)	(621,707,691)
Transfer to Property, Plant & Equipment	(655,492,225)	(411,180,360)	(1,038,832,885)
Total	7,368,921,424	(1,838,734,547)	6,140,186,588

Particulars	As at March 31, 2019	As at March 31, 2018
Contractual obligations to construct / develop the investment property	1,839,329,406	8,08,551,178

Amount shown under Investment property	As at March 31, 2019	As at March 31, 2018
Completed property land on	5,534,117,180	3,879,662,564
Capital work in progress	6,140,186,588	7,968,921,424
TOTAL	11,974,303,887	11,848,584,988

4. Intangible Assets

Particulars	Cost			Amortisation				Book Value	
	As at April 01, 2018	Additions	Deductions	As at March 31, 2019	As at April 01, 2018	For the year	Deductions	As at March 31, 2019	As at March 31, 2018
Intangible Assets	15,091,790,557	21,353,728,831	-	36,245,519,388	97,884,105	356,484,402	-	464,348,507	15,781,170,880
Specialised Software	46,570,312	7,994,854	-	54,527,167	24,329,384	8,614,976	-	33,144,360	21,382,807
Total	15,138,360,869	21,161,865,289	-	36,300,046,554	122,193,489	375,299,379	-	497,492,867	15,802,553,687



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

**5 Intangible Assets under development**

Particulars	As at April 01, 2018	Additions	As at March 31, 2019
Patent collection rights	10731,31,31,909	1278,55,13,655	12009,86,45,564
Construction work in progress	177,49,78,702	22,27,41,781	199,77,22,483
Salaries and wages	15,38,12,167	1,51,51,276	16,89,63,443
Staff welfare and other expenses	9,42,99,836	1,52,14,940	10,95,14,776
Managerial Remuneration	6	1	7
Concession fees	17,57,26,942	1,43,10,760	19,00,37,708
Traveling & conveyance	85,92,70,017	7,55,45,967	93,48,25,984
Facility management, communication and other expenses	28,62,47,60,638	906,42,39,757	3748,90,00,394
Interest expenses	21,20,65,033	2,78,41,602	25,99,06,725
Depreciation/ amortization	14,58,40,722	39,07,727	14,97,48,449
Other expenses	13917,38,89,973	2222,42,79,562	16139,81,69,535
<b>Total</b>			
<b>Less:</b>			
Transfer to PPE	(671,510,475)	-	(671,510,475)
Transfer to Intangible asset	(13,091,790,557)	(711,353,728,831)	(3624,55,19,388)
Transfer to Investment property capital work in progress	(6,895,357,651)	-	(489,53,57,651)
Viability Gap Fund	(1204,19,53,635)	-	(1204,19,53,635)
<b>Total</b>	10647,32,77,654	1,070,550,732	10754,38,28,386

**6 Other financial assets**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Security deposits	745,323	43,331,755	682,917	29,871,755
Financial/ Contingent Assets	4,815,906	31,087,704	-	-
Derivative assets	10,836,653	-	-	-
<b>Total</b>	16,398,062	74,419,459	682,917	29,871,755



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

**7 Deferred tax Assets/Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	597,014	8,243,905
Deferred tax liabilities	-	(3,28,27,475)
<b>Total</b>	<b>597,014</b>	<b>(24,53,570)</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Deferred tax liability	-	32,827,475
(ii) Tax effect on account of Cash flow hedges	-	-
(iii) Deferred tax asset	-	-
(a) Tax effect on account of difference between tax depreciation and book depreciation on fixed assets	-	1,605,740
(b) Tax effect on account of Preliminary and other expenses deductible u/s 35D	-	6,391,910
(c) Tax effect on account of capital gain on Land	597,014	246,215
(d) Tax effect on account of cash flow hedges	597,014	-
<b>Net Deferred tax liability (ii) - (iii)</b>	<b>597,014</b>	<b>8,243,905</b>
Increase / (decrease) in deferred tax asset charged / (credited) to the Statement of Profit and Loss	25,180,584	1,47,783,992
Less: Adjusted against Other liability	23,424,480	1,47,807,210
<b>Net increase / (decrease) in deferred tax asset charged / (credited) to the Statement of Profit and Loss</b>	<b>(8,243,905)</b>	<b>23,218</b>

**Deferred Tax**

Major components of Deferred tax liabilities and assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance Sheet</b>		
Tax effect on account of Hedging Reserve	597,014	(12,827,475)
Tax effect on account of preliminary expenses and others	-	8,267,143
<b>Profit and Loss</b>		
a) Tax effect on account of capital gain on Land	-	-
b) Tax effect on account of difference between tax depreciation	-	(23,218)
<b>Net Deferred Tax Asset/ (Liability)</b>	<b>597,014</b>	<b>(24,53,570)</b>

Disclosure pursuant to Ind AS 12 - "Income taxes"

Major components of Income tax expense

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current Income Tax :-</b>		
Current Income tax charge	-	-
Adjustments of current tax of previous year	-	-
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	8,243,905	(23,218)
Arising due to a write down of a deferred tax asset	(8,243,905)	23,218
<b>Income tax reported in the statement of profit and loss</b>	<b>-</b>	<b>-</b>
<b>Current Tax and Deferred Tax - Equity</b>		
Tax effect on account of Hedging Reserve	597,014	32,827,475
	<b>597,014</b>	<b>32,827,475</b>



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

**II Other non-current and current assets**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Capital advances				
Related parties	-	76,644,660	-	68,100,913
Others	-	1,047,574,784	-	748,352,484
Advances receivable other than to cash				
Prepaid Expenses	39,642,292	-	151,198,078	-
Others	12,319,410	-	-	-
Insurance (over)	-	110,320,593	-	22,452,200
<b>Total</b>	<b>71,961,702</b>	<b>1,234,540,037</b>	<b>151,198,078</b>	<b>840,910,597</b>

**9 Inventory (at cost or net realisable value whichever is lower)**

Particulars	As at March 31, 2019	As at March 31, 2018
	Current	Non-current
Stores and spares	43,237,335	28,738,433
<b>Total</b>	<b>43,237,335</b>	<b>28,738,433</b>

**10 Trade receivable**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Unsecured				
Considered good	243,138,468	-	63,279,070	-
Considered doubtful	36,835,900	-	-	-
Less : Allowance for doubtful debts	279,974,368	-	63,279,070	-
	36,835,900	-	-	-
<b>Total</b>	<b>243,138,468</b>	<b>-</b>	<b>63,279,070</b>	<b>-</b>

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

**11 Cash and cash equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
	Current	Non-current
(A) Cash and cash equivalents		
a) Balances with banks in current accounts	294,232,658	83,229,225
(b) Cash on hand	14,574,520	1,776,530
c) Deposits with maturity of less than three months including interest accrued thereon	5,661,079	203,459,986
(B) Other bank balances		
Balances with banks held as margin money deposits	387,104,420	63,825,734
<b>Total</b>	<b>700,862,677</b>	<b>354,291,475</b>

The deposits maintained by the Company with banks under 110X1 above comprise of three deposits which can be withdrawn by the Company at any point of time without prior notice or penalty to the principal.



12 Share Capital

(i) Authorised, issued, subscribed and paid up Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹	No. of shares	₹
Authorised: Equity shares of ₹ 10 each	2,439,000,000	24,390,000,000	2,439,000,000	24,390,000,000
Issued, subscribed and fully paid up	2,437,175,965	24,371,759,650	2,206,977,334	22,069,773,334
Equity shares of ₹ 10 each	2,437,175,965	24,371,759,650	2,206,977,334	22,069,773,334

2

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:	As at March 31, 2019		As at March 31, 2018	
Particulars	No. of shares	₹	No. of shares	₹
At the beginning of the year	2,206,977,334	22,069,773,334	2,082,103,178	20,621,031,780
Issued during the year as fully paid	220,198,631	2,201,986,110	116,784,156	1,167,841,560
At the end of the year	2,427,175,965	24,271,759,650	2,206,977,334	22,069,773,334

(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 future issue options and convertible instruments for the sale of shareholder investment.
- 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, 2019		As at March 31, 2018	
Particulars	No. of shares	₹	No. of shares	₹
Larsen & Toubro Limited	2,427,175,965	24,271,759,650	2,206,977,334	22,069,773,334
Total	2,427,175,965	24,271,759,650	2,206,977,334	22,069,773,334

(v) Details of Shareholders holding more than 5% shares in the company:	As at March 31, 2019		As at March 31, 2018	
Particulars	No. of shares	%	No. of shares	%
Larsen and Toubro Limited (Holding company/ultimate holding)	2,427,175,965	99.9999%	2,206,977,334	99.9999%

(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, 2019**

**13 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	-	(41,299,731)	28,208,066	(687,544,365)	(700,636,030)
Profit for the year	-	-	-	(1,481,464,331)	(1,481,464,331)
Other comprehensive income	-	(7,246,696)	-	-	(7,246,696)
Issue of share capital	-	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>-</b>	<b>(48,546,427)</b>	<b>28,208,066</b>	<b>(2,169,008,695)</b>	<b>(2,189,347,057)</b>

**Other Equity as on 31.03.2018**

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	63,526,462	(232,779,841)	28,208,066	(103,967,240)	(245,012,554)
Profit for the year	-	-	-	(583,577,124)	(583,577,124)
Other comprehensive income	-	191,480,110	-	-	191,480,110
Issue of share capital	(63,526,462)	-	-	-	(63,526,462)
<b>Balance at the end of the reporting period</b>	<b>-</b>	<b>(41,299,731)</b>	<b>28,208,066</b>	<b>(687,544,365)</b>	<b>(700,636,030)</b>



14 Borrowings

₹

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
Secured borrowings				
Term loans				
From banks	-	110,520,079,313	-	93,997,374,524
Unsecured borrowings				
a) Debentures	-	9,967,801,186	-	8,114,941,623
b) Loans from related parties				
Inter Corporate Deposits	1,068,562,400	-	-	-
Total	1,068,562,400	120,487,880,499	-	102,112,316,147

a) Term loans

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

Security

- 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.
- 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.
- Charge on rights, interests 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
- 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 2015	2,500	10,00,000	18th June, 2015	- 5% p.a. payable Semi-Annually from the Date of allotment upto 3 years - One-time payment Rs.1,63,156 Payable on each debenture at the end of 3rd Year	- Redeemable at Face value at the end of 30th Year from the Date of Allotment
9.81% L&T MRHL November 2015	2,500	10,00,000	2nd November, 2015	- Coupon rate would be revised after 3 years to 9.81% p.a. payable Semi-Annually	
9.85% L&T MRHL January 2016	2,500	10,00,000	28th January, 2016	- 5% p.a. payable Semi-Annually from the Date of allotment upto 5 years - One-time payment Rs.1,64,635 Payable on each debenture at the end of 3rd Year - Coupon rate would be revised after 3 years to 9.85% p.a. payable Semi-Annually	- 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 2016	1,000	10,00,000	28th September, 2016	- 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 2016	1,500	10,00,000	26th November, 2016	- 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



U.S. X Steris Inc. (Hydrex) Ltd.  
Notes forming part of the Financial Statements

## 15 Other financial liabilities

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
	Current	Non current	Current	Non current
a) Security deposits	39,606,616	33,829,436	352,181,287	139,412,672
b) Premiums payable on Financial guarantee contracts	4,815,500	31,087,704	-	-
c) Current maturities of long term borrowings	1,620,044,820	-	3,250,608,913	-
d) Other liabilities	-	-	-	-
i) Creditors for capital supplies- Related parties	3,219,928,212	-	1,586,602,406	-
ii) Creditors for capital supplies- others <sup>a</sup>	4,683,496,243	-	5,919,906,533	-
iii) Related party	1,053,012,079	-	208,006,335	795,915,504
iv) Derivatives Liabilities	71,231,465	-	144,350,324	-
v) Other payable	313,429,223	32,089,116	216,876,739	28,207,349
Total	15,005,624,603	607,897,256	11,872,572,840	963,555,945

<sup>a</sup>The principle amount of outstanding loans to SMEs, small and medium enterprises under 653861ED Act 2006 as at 31 March 2019 is HK\$62,73,572; (FY NII) and the interest payable thereon is HK\$177,440.

## 16. Provisions

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Participations	12,893,817	30,923,335	5,424,414	18,452,362
Provision for employee benefits	-	65,083,711	-	3,275,128
Provision for major maintenance and overhaul expenses*	12,893,817	96,008,568	5,424,414	21,727,490
Total				

\* The Company is required to operate and maintain the Project assets in a satisfactory condition which requires periodic replacement and overhaul of certain components and project assets. The Company has accordingly recognized a provision in respect of this obligation. The measurement of this provision considers the estimates of future expenditure involved. These estimates have been discounted to Present value using the time value of money is material.

## 17 Other current liabilities

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Shareholders' equity	211,038,962	-	62,009,101	-
Total	211,038,962	-	62,009,101	-

### 18. Contingent Liabilities

Contingent Liabilities		
Particulars	As at March 31, 2019	As at March 31, 2018
(i) Claims against the company not acknowledged in drafts	690,365,300	1,611,083,153
(ii) Liability for duties, Court and fees that may arise in respect of matters in appeal and/or dispute	6,532,743,803	6,317,765,793
Total	7,223,106,163	7,928,846,946

## No other...

1. The company's open interest in the stock of the company is 100,000 shares (100,000 shares of the company's common stock).

2. It is not possible to estimate the timing of each outbreak. If any, in respect of the above criteria

*Hydrophilum*

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Contributions	11,020,193,779	24,054,910,029
Total	11,020,193,779	24,054,910,029



20 Revenue from operations

Particulars	2018-19	2017-18
Fare revenue	1,664,147,670	289,035,696
Lease rentals	807,385,643	154,612,605
Advertising revenue	293,637,631	167,570,453
Consultancy and training	13,611,712	6,754,212
Other revenue	349,530,208	15,873,585
<b>Total</b>	<b>3,130,312,864</b>	<b>630,866,571</b>

21 Other Income

Particulars	2018-19	2017-18
Interest from bank deposits	11,610,671	5,311,688
Dividend/Income from Mutual Funds	42,618,663	57,107,410
Miscellaneous income	39,019	1,983,224
<b>Total</b>	<b>54,268,353</b>	<b>64,403,022</b>

22 Operating expenses

Particulars	2018-19	2017-18
Power & fuel	352,829,321	50,541,381
Operation and maintenance expenses	1,127,480,321	366,825,223
Provision for major maintenance and overhaul expenses	60,370,710	3,275,120
Others	5,751,231	663,350
<b>Total</b>	<b>1,540,431,591</b>	<b>421,307,082</b>

23 Employee benefit expenses

Particulars	2018-19	2017-18
Salaries and wages	140,158,185	47,553,172
Contribution to provident and other funds	4,433,600	1,517,520
Share based payments to employees	6,005,533	-
Staff welfare expenses	9,481,194	1,609,364
<b>Total</b>	<b>160,078,601</b>	<b>50,680,056</b>



24 Administration and other expenses

Particulars	2018-19	2017-18
Advertisement and publicity	33,660,152	64,980,632
MTM/Exchange gain/ loss on derivatives	8,628,762	31,200,000
Office maintenance and other expenses	72,923,220	70,237,282
Allowance for doubtful debts	36,835,000	-
Insurance	24,886,103	6,386,795
Audit Fees*	899,750	1,225,591
<b>Total</b>	<b>177,834,000</b>	<b>134,030,388</b>

\* Auditors remuneration (excluding service tax/ GST)

Particulars	2018-19	2017-18
a) As auditor	635,000	635,000
b) For other services	127,500	352,500
c) Reimbursement of expenses	30,044	59,045
<b>Total</b>	<b>792,544</b>	<b>1,046,545</b>

25 Finance costs

Particulars	2018-19	2017-18
<b>Finance Cost</b>		
Interest expenses	2,133,564,730	475,501,728
Premium on forward contracts	2,321,327	24,801,439
Other borrowing costs	27,872,829	3,563,593
<b>Total</b>	<b>2,163,758,887</b>	<b>505,866,760</b>



## Notes forming part of the Financial Statements

### 26.1 Disclosure in pursuant to Ind AS 107- Financial Instruments:

#### 26.1.1 Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk 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 from material adverse movements and undesired volatility due to interest rate changes, foreign exchange rate changes
- protect returns while exploring opportunities to optimize return/return cost through structuring appropriate derivative instruments and proactive hedging; and
- protect the company from liquidity risks and accordingly manage 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 terms of credit/bank facilities
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Foreign commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Foreign currency option and currency and interest rate swaps
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Hedging 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 non-derivative trade receivables including outstanding receivables.

#### (C) 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 for fixed assets and Deposits only scheduled banks are accepted. The Company analyses and manages the credit risk for each of their new assets 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. For assets where there is a significant increase in credit risk the group calculates the risk of a default exposure at the end of the reporting date with the risk of default as at the date of initial recognition. It considers all available objective and subjective forward-looking information.



Notes forming part of the Financial Statements

28.1.1 Financial Risk Management with:-

Liquidity risk

Provision liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to cover our market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by monitoring availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (encompassing the unknown forecasting facilities 2019) with cash and cash equivalents on the basis of expected cash flows. This is generally carried out at Company level for the produce and funds and by the Company.

Financing arrangements

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Floating rate</b>		
Exporting beyond one year (Fixed loans)	4,14,20,71,662	10,29,48,00,000
Fixed Asset Finance		9,71,97,44,992
Non Fixed Asset Finance	4,14,20,71,662	20,13,43,44,992
<b>Total</b>		
Fixed rate		
Exporting beyond one year (Non Convertible Financing)		
<b>Total</b>		

Contractual liabilities of Financial liabilities including estimated interest payments on borrowings

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
<b>A. Non derivative liabilities:</b>				
Borrowings	12,62,12,20,664	2,04,04,35,60,311	16,11,04,14,949	1,91,48,48,08,278
Trade payables	10,89,04,23,370	-	7,58,66,10,022	-
Other Financial liabilities	1,40,66,97,949	12,68,49,552	67,11,24,321	56,23,55,045
<b>Total</b>	<b>24,87,77,47,009</b>	<b>2,04,62,03,70,063</b>	<b>24,28,81,08,292</b>	<b>1,93,44,83,04,324</b>
<b>B. Derivative liabilities:</b>				
Forward contract currency swaps	2,12,21,405	-	14,01,50,323	-
Embedded derivatives	-	-	-	-
<b>Total</b>	<b>2,12,21,405</b>	<b>-</b>	<b>14,01,50,323</b>	<b>-</b>



Notes forming part of the Financial Statements

### 26.1 Financial Risk Management

Each line and sub-line indicate the risk

The Company's main source of funds is from long-term borrowings with variable rates, which exposes the company to capital flow volatility risk. Company policy is to maintain level of its financial leverage (borrowings to Fixed cost minus Cash/Company) borrowings level targets to achieve this when necessary. During FY March 2019 and 31 March 2018, the Company's borrowings as percentage cost were mostly concentrated in 2018 and 2019

The Company's fixed term borrowings are covered as mentioned above. They are (inclusive and exclusive) to borrow term loans as follows as per A.S. 107, since neither the company present nor the future cash flows will represent a change in market interest rates.

The Company's exposure to credit flow volatility risk is, by using floating rate fixed term borrowings. Under these terms, 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 national (index of interest). Given this, the Company's interest bearing borrowings of floating rates and foreign local fixed rates that we have have been available of the Company borrowings at fixed rates directly.

#### Interest rate risk exposure

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

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	84,878,64,437	84,877,123,502
Fixed rate borrowings	32,020,023,291	7,460,028,403
Total borrowings	116,898,667,728	92,337,151,905

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate risk sensitivity:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate
Fixed rate borrowings	10.20%	110,331,028,338	100%	10.78%
Variable rate borrowings	10.20%	110,331,028,338	100%	10.78%
Total borrowings		110,331,028,338		

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate risk sensitivity:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate
Fixed rate borrowings	10.20%	110,331,028,338	100%	10.78%
Variable rate borrowings	10.20%	110,331,028,338	100%	10.78%
Total borrowings		110,331,028,338		



## Notes forming part of the Financial Statements

### 26.1.2 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)

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize 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.

During FY 2018-19, the Company's strategy, which was unchanged from 2017-18 was to maintain the debt-to-adjusted capital ratio at 2.24:1, in order to secure finance at a reasonable cost and continue to comply with the norms laid down by the lenders under the financial agreements. The debt to adjusted capital ratio as at 31st March 2019 and 31st March 2018 were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Total Debt	110,637,928,398	94,497,123,165
Less: cash and cash equivalents	313,758,257	754,291,475
Net Debt	110,324,170,081	94,142,831,690
Total equity	24,371,759,650	22,069,773,260
Add Non convertible debentures (Subordinated debt instrument) *	10,000,000,000	7,300,000,000
Add Term Corporate deposits *	1,068,562,400	-
Add Viability Grant Fund*	12,041,953,635	12,041,953,635
Less: amounts accumulated in equity as cash flow hedges	-	-
Adjusted capital	47,382,275,085	41,611,726,915

Debt-to-adjusted capital

2.24

2.26

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



### 26.1.3 Foreign Currency Exposure

### Flowing currency risk

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 recognized 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 foreign 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, 2019			As at March 31, 2018		
	USD	Euro	Total	USD	Euro	Total
<b>Financial Liabilities</b>						
Payables - Creditors on account of Capital Expenditure	101,185,466	-	101,185,466	3,173,982,512	-	3,173,982,512
<b>Less : Derivatives taken to hedge the above Exposure</b>						
Currency and Interest Rate Swaps	36,057,154	-	36,057,154	2,657,337,028	-	2,657,337,028
Forward Contracts	-	-	-	184,717,812	-	184,717,812
Options contracts	-	-	-	-	-	-
<b>Net Exposure</b>	<b>65,128,312</b>		<b>65,128,312</b>	<b>331,927,672</b>		<b>331,927,672</b>

## Derivatives taken against Highly Probable Forecast Transactions

Particulars	As at March 31, 2019			As at March 31, 2018		
	USD	Euro	Total	USD	Euro	Total
<b>Financial Liabilities</b>						
Forward Contracts	1,028,845,009	122,299,976	1,151,246,075	-	319,681,015	319,681,015
Outflow contracts	769,705,000	-	769,705,000	-	-	-
<b>Total</b>	<b>1,788,551,009</b>		<b>1,911,971,075</b>			<b>319,681,015</b>

## Details of outstanding hedge instrument accounted as cash flow hedge

Particulars	As at March 31, 2019				As at March 31, 2018			
	Nominal Amt	Average Rate	Within Twelve months	After Twelve Months	Nominal Amt	Average Rate	Within Twelve months	After Twelve Months
<b>Payables Hedge</b>								
Forward Contracts in USD	1,028,866,999	69.16	1,028,866,999	-	184,717,786	65.18	184,717,786	-
Forward contracts - Euro/USD	122,399,976	77.67	122,399,976	-	319,681,015	80.81	319,681,015	-
Cross Currency Interest Rate Swaps- USD	36,057,154	64.07	36,057,154	-	2,651,337,808	86.77	2,631,259,874	36,057,154
Cross Currency Interest Contracts	768,705,000	69.16	768,705,000	-	-	-	-	-

## (Smith 1994)

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, 2019	As at March 31, 2018
<b>USD sensitivity</b>		
INR/USD - Increase by 5% (31 March 2019-5%)	(5,202,539)	(180,197,490)
INR/USD - Decrease by 5% (31 March 2019-5%)	5,202,539	180,197,490



Notes forming part of the Financial Statements

26.1.4 Fair value measurements

(a) Financial instruments by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments	-	-	-	-	-	-
- Mutual funds	-	-	-	-	-	-
Security deposits	-	-	43,331,755	-	-	79,871,755
Financial Guarantee Assets	-	-	35,903,610	-	-	-
Other advances	-	-	745,323	-	-	745,323
Derivative asset - Foreign exchange forward contracts	-	-	-	-	-	-
Derivative asset - Options contracts	-	-	8,127,292	-	-	-
Derivative asset - Currency and Interest rate swap	-	-	2,709,541	-	-	-
Other Receivables	-	-	243,138,468	-	-	63,416,664
Cash and cash equivalents	-	-	313,758,257	-	-	288,465,741
Balances with Banks held as margin money deposits	-	-	387,104,420	-	-	65,825,734
Bank deposits with more than 12 months maturity	-	-	-	-	-	-
<b>Total financial assets</b>	-	-	<b>1,034,818,666</b>	-	-	<b>448,325,217</b>
<b>Financial liabilities</b>						
Borrowings	-	-	121,556,442,899	-	-	102,112,316,147
Other payables	-	-	2,022,576,777	-	-	4,932,967,934
Security deposits	-	-	563,467,082	-	-	252,181,247
Derivative liability - Foreign exchange forward contracts	-	61,631,465	-	-	18,657,368	-
Derivative liability - Currency and Interest rate Swap	-	-	-	-	125,692,955	-
Derivative liability - Options contracts	-	9,500,000	-	-	-	-
Creditors for capital expenditure	-	-	12,056,446,535	-	-	7,506,629,022
<b>Total financial liabilities</b>	-	<b>71,231,465</b>	<b>137,098,733,202</b>	-	<b>144,350,323</b>	<b>114,804,094,350</b>



# Notes forming part of the Financial Statements

## 26.14 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, 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
<b>Financial assets</b>				
Derivative asset - Foreign exchange forward contracts	-	-	-	-
Derivative asset - Options contracts	-	8,127,292	-	8,127,292
Derivative asset - Currency and interest rate swap	-	2,709,341	-	2,709,341
<b>Financial liabilities</b>				
Derivative liability - Foreign exchange forward contracts	-	61,631,485	-	61,631,485
Derivative liability - Currency and interest rate swap	-	-	-	-
Derivative liability - Options	-	9,600,000	-	9,600,000

Assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018	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, 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivative asset - Foreign exchange forward contracts	-	-	-	-
Derivative asset - Options contracts	-	-	-	-
Derivative asset - Currency and interest rate swap	-	-	-	-
<b>Financial liabilities</b>				
Derivative liability - Foreign exchange forward contracts	-	18,657,368	-	18,657,368
Derivative liability - Currency and interest rate swap	-	125,692,555	-	125,692,555
Derivative liability - Options contracts	-	-	-	-



## Notes forming part of the Financial Statements

### 26.1.4 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 maximize 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

26.1.4 Fair value measurements Contd...

(c) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposits	43,331,733	43,331,733	29,871,733	29,871,733
Other advances	745,323	745,323	745,323	745,323
Other Receivables	243,138,468	243,138,468	53,416,664	53,416,664
Cash and Cash Equivalents	313,798,257	313,798,257	288,465,741	288,465,741
Balance with Banks held as margin money deposits	387,104,420	387,104,420	65,825,734	65,825,734
<b>Financial liabilities</b>				
Term Loan Borrowings	121,555,442,899	121,555,442,899	102,112,316,147	102,112,316,147
Security deposits	563,467,082	563,467,082	252,181,247	252,181,247
Creditors for capital expenditure	12,956,446,535	12,956,446,535	7,506,829,023	7,506,829,023

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 value 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.

(d) Assets pledged as security

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
First charge		
Freehold land	1,557,000	1,557,000
Receivables	243,138,468	-
<b>Total assets pledged as security</b>	<b>244,695,468</b>	<b>1,557,000</b>



Notes forming part of the Financial Statements

26.2 Disclosure pursuant to Ind AS 108 - Segment information

(a) Information about reportable segment

The Company operates in two Business Segments namely Pure 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, 2019	As at March 31, 2018
<b>Revenue</b>		
Metro Rail System	15,40,86,13,551	13,87,76,47,128
Others	93,80,25,472	27,81,31,180
<b>Total</b>	<b>16,34,66,41,023</b>	<b>14,15,57,98,308</b>
<b>Expenditure</b>		
Metro Rail System	15,10,61,12,899	14,09,06,33,021
Others	55,79,90,063	14,29,18,891
<b>Total</b>	<b>15,66,41,02,962</b>	<b>14,23,25,21,911</b>
<b>Operating Profit (PBT)</b>		
Metro Rail System	30,05,02,652	(21,29,65,893)
Others	38,00,35,409	13,52,15,288
<b>Interest expense</b>		
Metro Rail System	1,70,89,94,300	44,28,66,329
Others	44,47,64,187	6,28,80,430
<b>PAT</b>		
Metro Rail System	(1,41,67,35,553)	(65,59,32,221)
Others	(6,47,28,778)	7,23,31,859

(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, 2019		As at March 31, 2018	
	Segment Assets	Additions to non-current assets	Segment Assets	Additions to non-current assets
Metro Rail System	1,44,58,71,17,593	23,08,91,58,817	1,21,49,79,58,778	12,35,70,73,563
Others	18,67,14,42,846	1,50,51,22,330	12,16,62,20,538	9,99,99,97,514
<b>Total segment assets</b>	<b>1,59,25,85,60,441</b>	<b>24,59,42,81,147</b>	<b>1,34,66,42,79,294</b>	<b>22,35,70,71,077</b>
<i>Discontinued</i>				
Deferred tax assets	-	-	-	-
Investments	-	-	-	(7,39,02,25,992)
Cash and Bank Balances	31,37,58,257	(4,05,35,218)	35,42,91,475	(19,02,77,349)
<b>Total assets as per the balance sheet</b>	<b>1,59,57,23,18,698</b>	<b>24,55,37,47,929</b>	<b>1,35,01,85,70,769</b>	<b>19,77,66,67,736</b>



**Notes forming part of the Financial Statements**

**26.2 Disclosure pursuant to Ind AS 108 - Segment information Contd...**

**(a) 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, 2019	As at March 31, 2018
Metco Rail Systems	1,10,87,89,46,373	1,08,92,84,00,000
Others	6,51,09,58,723	6,10,93,00,000
<b>Total segment liabilities</b>	<b>1,17,48,99,06,105</b>	<b>1,15,03,77,00,000</b>
Unallocated:		
Deferred tax liabilities	-	2,45,83,570
Current tax liabilities	-	-
<b>Total liabilities as per the balance sheet</b>	<b>1,17,48,99,06,105</b>	<b>1,15,06,22,83,570</b>

(d) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not 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 revenue 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 profit or loss exceeds 10% or more of the combined total of all the operating segments

(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

26.4 Disclosure pursuant to Ind AS 17 - Leases

a) Assets taken on operating lease

The Company has one entered into long finance lease. The Company has taken premises and vehicles under cancellable operating lease. These lease agreements are mutually renewed on expiry. There are no exceptional/cumulative covenants in the lease agreements. The lease expenses in respect of these operating leases have been recognized as an expense Current Year ₹ 3,88,49,411/- (Previous Year ₹ 4,64,47,000/-) and included in Intangible assets under development.

b) Assets given under operating lease

The company has entered into Memorandum of Understanding with some of the interested parties for giving the space in terms related to Y-mat Oriented Development and Solution 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	31.03.2019	31.03.2018
1	Receivable not later than 1 year	806,893,125	304,226,914
2	Receivable later than 1 year and not later than 5 years	1,402,338,134	582,431,439
3	Receivable later than 5 years	72,913,714	89,691,688
	<b>Total</b>	<b>2,282,145,004</b>	<b>976,349,576</b>

26.5 Disclosure pursuant to Ind AS 19 - Employee benefits

(i) Defined contribution plan

An amount of ₹ 1,24,71,226/- (previous year ₹ 1,30,28,786) being contribution made to recognized provident fund is recognized as expense.

(ii) Defined benefit plans

- a) The Company operates gratuity plan through a trust within every employee is entitled to the benefit equivalent to 3/1000 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 will accrue five years of continuous service. The fund is managed by LIC.

- b) The plan exposes the company to actuarial risks such as investment risk, interest rate risk, salary risk and longevity 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 the 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.



Note forming part of the Financial Statements  
 Notes forming part of the Financial Statements  
 26.5 Disclosure pursuant to Ind AS 19 - Employee benefits (Contd.)...

(i) Amounts recognized in Balance Sheet are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
A) Present value of defined benefits obligation				
- Fully funded	3,52,603,458	2,41,19,613	3,85,16,500	2,39,87,092
- Wholly unfunded	3,52,03,456	2,41,19,613	1,85,16,500	2,29,87,092
Less: Fair value of plan assets	2,99,02,784	1,32,32,804	3,45,16,500	2,29,87,092
Amount to be recognized as liability or (asset)	53,08,672	8,96,779	3,85,16,500	2,39,87,092
B) Amount reflected in the Balance Sheet				
Liabilities	53,08,672	8,96,779		
Assets				
Net Liability / (asset)	53,08,672	8,96,779	3,85,16,500	2,39,87,092

(ii) Amounts recognized in the Financials are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
1. Current service cost	49,30,963	18,65,485	74,14,687	2,29,323
2. Interest on Defined benefit obligation	18,41,127	14,05,852	1,62,4,523	12,10,470
3. Interest income on plan assets	(19,52,753)	(17,20,372)		
4. Actuarial losses/(gains)			5,62,808	
Reconciliation - Due to financial instruments	(10,23,738)	51,58,137	1,12,00,001	1,02,08,364
Reconciliation - Due to demographic assumptions	53,88,647	67,09,092	2,08,91,419	1,17,48,157
Reconciliation - Due to experience adjustments	1,12,31,662	67,09,092	2,08,91,419	1,17,48,157
Total (1 to 4)	1,12,31,662	67,09,092	2,08,91,419	1,17,48,157
5. Amount included in Financials	1,12,31,662	67,09,092	2,08,91,419	1,17,48,157
6. Amount included as part of "Finance cost"				
Total (5 + 6)	1,12,31,662	67,09,092	2,08,91,419	1,17,48,157
Actual return on plan assets	-	-	-	-



Notes forming part of the Financial Statements

26.5 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Opening balance of the present value of defined benefit obligation	2,41,19,613	2,00,16,840	3,29,87,997	1,90,21,912
Add: Current service cost	50,41,379	24,26,183	74,14,087	3,29,323
Add: Interest cost	18,41,127	14,05,852	16,24,523	12,10,470
Add: Contribution by plan participants				
i) Employer	-	-	-	-
ii) Employee	-	-	-	-
Add: Remeasurements due to experienced adjustments	53,88,047	31,58,127	1,12,90,001	1,02,08,764
Less: Benefits paid	22,11,048	48,87,391	53,62,916	77,82,072
Add: Remeasurements due to financial assumptions	10,23,738	-	4,62,808	-
Add: Past service cost	-	-	-	-
Closing balance of the present value of defined benefit obligation	3,42,03,456	2,41,19,613	5,85,16,500	3,29,87,997

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, 2019	As at March 31, 2018
Opening balance of fair value of plan assets	2,32,32,833	2,20,57,546
Add: Expected return on plan assets	19,52,795	17,20,372
Add: Remeasurements- return on assets	1,10,476	5,60,700
Add: Contribution by employer	68,17,770	37,81,606
Add: Contribution by plan participants	-	-
Less: Benefits paid	22,11,048	48,87,191
Closing balance of fair value of plan assets	2,99,02,784	2,32,32,833

g) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018
1) Discount rate	7.65%	8.00%
2) Salary growth rate	10.00%	10.00%
3) Expected rate of return	8.25%	8.25%
4) Mortality	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
5) Attrition rate	5.00%	5.00%



## 26.5 Disclosure pursuant to Ind AS 19 - Employee benefits Contd....

ii) A quantitative sensitivity analysis for significant assumption as at 31 March 2019

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
1) Discount rate	1.00%	1.00%	3,24,32,122	2,22,56,772	3,84,08,689	2,62,69,855
2) Salary growth rate	1.00%	1.00%	3,78,33,331	2,58,96,936	3,27,32,172	2,34,65,602
3) Attrition rate	1.00%	1.00%	3,48,75,584	2,39,29,927	3,55,72,345	2,41,33,255

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

Particulars	As at March 31, 2019	As at March 31, 2018
Insurer managed funds	100%	100%

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

Particulars	As at March 31, 2019	As at March 31, 2018
1. Gratuity	13.77	13.83
2. Compensated absences	6.73	6.77

## 26.6 Disclosure pursuant to Ind AS 23 - Borrowing Costs

Additions during the year to capital work-in-progress/intangible assets under development include ₹ 918,93,21,420/- (previous year: ₹ 913,01,53,606/-) being borrowing cost capitalized in accordance with Ind AS 23 "Borrowing Costs". Asset wise break-up of borrowing costs capitalized is as follows

Asset Class	As at March 31, 2019	As at March 31, 2018
Tangible		
Capital work in progress	12,50,81,665	46,17,91,331
Intangible - Intangible Assets under development	9,06,42,19,757	8,66,83,62,276
<b>TOTAL</b>	<b>9,18,93,21,420</b>	<b>9,13,01,53,606</b>



**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 Subsidiance**

- 1) L&T Infotech Limited
- 2) L&T Realty Limited
- 3) L&T Infrastructure Development Projects Ltd
- 4) 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 R Reddy, Managing Director and CEO
- 2) Mr. M.J. Saeed Kumar, Chief Financial Officer
- 3) Mr. Chandrasekhara Palanis, Head - Legal & Company Secretary

**(iii) Disclosure of related party transactions**

Nature/Relationship/ Nature of transaction	2018-19	2017-18
<b>1. Holding Company</b>		
<b>Larsen &amp; Toubro Limited</b>		
(a) Pay roll & TMS Processing fees	9,14,488	6,36,608
(b) Cost of Services by	78,70,539	90,19,708
(c) Cost of services to	1,01,89,951	-
(d) Subscription to Equity Shares	2,20,19,863.10	1,14,78,41,560
(e) Inter Corporate Deposit received	1,06,83,62,409	-
(f) Interest on inter corporate deposits	2,18,71,379	-
(g) Corporate Financial Guarantee Charges	33,97,912	-
(h) Mobilisation advance paid	7,06,70,750	6,91,80,913
(i) Construction work in progress	9,28,82,31,071	9,17,12,71,277
(j) Overheads charged by	7,01,15,648	9,14,
(k) Overheads charged to	2,17,710	

**2. Fellow Subsidiaries**

**(i) L&T Infrastructure Development Projects Limited**

**(a) Rent Payment**

-

**(b) Transfer of Asset (Leasing)**

-

**(ii) L&T Infotech Limited**

**(a) Purchase of services and products**

2,27,49,566

3,45,

**(iii) Larsen & Toubro Realty Ltd**

**Cost of services provided by**

37,89,330

26,

**(iv) L&T Technology Services Ltd**

**Cost of services provided by**

22,88,000

**(iv) Key Management Personnel Compensation**

Particulars	2018-19	2017-18
Short Term Employee Benefits	4,23,68,020	4,65,25,995
Post-Employee Benefits	10,29,771	15,90,617
<b>Total</b>	<b>4,33,97,791</b>	<b>4,81,16,612</b>

## V) Due to / from related parties

Name/Relationship	As at March 31, 2019		As at March 31, 2018	
	Due to	Due from	Due to	Due from
Larsen and Toubro Limited (Holding company)	7,082,261,933	7,671,000	1,478,989,854	-
Larsen and Toubro Limited (Holding company-Mobilisation advances)	-	70,676,790	-	69,100,913
Larsen & Toubro Deposit	1,008,562,400	-	-	-
Interest on Inter-corporate Deposit	23,871,379	-	-	-
(iii) Fellow subsidiaries				
(a) L&T Infotech Limited	1,813,393	-	2,973,328	-
(b) L&T Finance Holdings Limited	-	-	147,125	-
(c) L&T Realty Limited	18,916,428	-	15,207,198	-
(d) L&T Technology Services Ltd	1,814,400	-	-	-

## VI) Commitment with Related Parties

Capital commitment in respect of additions to Assets (Tangible & Intangible assets)	As at March 31, 2019	As at March 31, 2018
Larsen & Toubro Limited	6,611,097,155	18,100,071,074
Larsen & Toubro Infotech Limited	27,826,767	48,874,763

## 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



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

**26.8 Disclosure pursuant to Ind AS 33 - Earnings per share**

Basic and Diluted earnings per share (EPS) computed in accordance with Ind AS 33 'Earnings per share'

Particulars	₹ / Nos	2018-19 ₹	2017-18 ₹
Profit after Tax	₹	(1,481,464,331)	(583,577,124)
Number of equity shares outstanding	Nos	2,427,175,965	3,510,034,738
Weighted average number of equity shares	Nos	2,335,120,739	2,989,119,890
Earnings Per Share:			
Basic	₹	(0.629)	(0.195)
Diluted	₹	(0.621)	(0.195)
Nominal value per equity share	₹	10.00	10.00

**26.9 Expenditure in Foreign Currency**

Particulars	As at March 31, 2019	As at March 31, 2018
On overseas contracts	3,233,345,628	1,657,180,948
Professional/Consultancy Fees	255,517	1,324,883
Travelling expenses	290,729	426,226
<b>Total</b>	<b>3,233,891,874</b>	<b>1,658,932,057</b>

26.10 Pursuant to the Employees Stock Options Scheme established by the holding Company (i.e. Larsen & Toubro Limited), stock options were granted to the departed employees of the Company. Total cost incurred by the holding Company, in respect of the same is ₹ 4,33,37,116/-. The same is being recovered from the company over the period of vesting by the holding Company. Accordingly, cost of ₹ 3,13,86,858/- (P.Y. ₹ 1,29,89,922) has been recovered by the holding Company upto current year, out of which, ₹ 1,83,94,936 (P.Y. ₹ 7,19,286) was recovered during this year. Balance of ₹ 1,19,52,258 will be recovered in future periods.

26.11 The corresponding previous year's figures have been regrouped wherever necessary to conform to the presentation of the current year's accounts.

26.12 Figures have been rounded off to the nearest rupee.



## Notes forming part of the Accounts

### Note 17. Significant Accounting Policies

#### I. Corporate Information:

LaT 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 Oriented 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 Shilpgram (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 terms of Clause 3.1.1 and Schedule G of the Concession Agreement, 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 Company achieved financial closure on 1st March 2011 and satisfied all conditions precedent laid down in the concession agreement. The Government had declared Appointed Date as 5th July 2012. The project cost shall be funded by promoters' share capital, viability gap fund and term loans from a consortium of banks with State Bank of India, as lead bank. The Company commenced debt drawl during the financial year 2012-13 and the construction of the project is in progress.

The company commenced commercial operations of metro rail system of around 30 Kms in Corridor I and III with effect from 29<sup>th</sup> November,2017 (Nagole to Ammerpet and Ammerpet to Miyapur). Further operations were commenced in Corridor I of around 17 Kms from 24<sup>th</sup> September,2018 (Ammerpet to L. B Nagar) and around 8.65 Kms in Corridor III with effect from 20<sup>th</sup> March,2019 (Ammerpet to Hitec City) and the construction work is in progress in the balance alignment.

#### 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 ~~business~~ <sup>business</sup> convention, except for the following:



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- assets held for sale — measured at fair value less cost to sell;
- defined benefit plans — plan assets measured at fair value; and
- share-based payments

### 3. Fair Value Measurement

The company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.  
Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).  
Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### 4. 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.

### 5. 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 counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

#### 6. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue net of returns, trade allowances, rebates, value added taxes/GST and amounts collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

##### 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.

##### Revenue from services — consulting

Timing of recognition: Revenue from services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Measurement of revenue: Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

##### 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 these obligations, the company is entitled to receive from the grantor, viability gap fund, license rights to use 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 (10) 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 from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

b. **Dividend income:** Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company and the amount of the dividend can be measured reliably.

c. Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

### 7. 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 capitalised as a part of the cost of the PPE.

Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised 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 asset's 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

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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.

### 8. Investment property

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.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

#### 9. 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.

#### 10. 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 and transit oriented development (real estate development).

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.

#### 11. 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:

- the provision for impairment loss, if any; and
  - 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:



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

- 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).

## 12. 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.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

Claims 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.

#### e) Long term employee benefits:

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

#### h) 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.

### 13. 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.

#### Operating lease:

i) Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are accounted under intangible assets under development on straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

ii) Assets leased out under operating leases are continued to be carried as part of Investment Property by the Company. Rental income is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.



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

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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.

#### 15. 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:

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



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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 FVTPL, 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



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

(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



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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.

### 16. 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.

### 17. 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.

### 18. 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.

Exchange differences on transactions entered into in order to hedge certain foreign



currency risks.

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

#### 19. 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.

#### 20. 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.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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.

### 21. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- the company has a present obligation (legal or constructive) as a result of a past event
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made 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 present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- 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.

### 22. Commitments

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



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

- a) Estimated number of contracts remaining to be executed on capital account 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.

### 23. 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.

### 24. 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.

### 25. 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 benefit plans, expected cost of completion of contracts, provision for



**Notes forming part of the Accounts (contd.)**  
**Significant Accounting Policies (contd.)**

rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimated is recognised in the period in which the results are known.

**III. Ind AS issued but not yet effective:**

**Ind AS 116 – Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified the Ind AS 116, Leases. Ind AS 116 will replace the existing standard on lease Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. lessor and lessee. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged off to statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition.

- i) Full Retrospective approach – Retrospectively to each prior period presented applying Ind AS 8 accounting policies, change in accounting estimates and errors.
- ii) Modified Retrospective approach- Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application.

The company will adopt the standard on April 1, 2019 by using the modified retrospective approach and accordingly comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted.

As per our report attached

For M.K. DANDEKER & CO.,

Firm registration No: 0006795  
Chartered Accountants  
by the hand of

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

  
K.V.B.Reddy  
[Managing Director & CEO]  
DIN No:

[Director]  
DIN No:

S. Poosaidural

Partner

Membership No: 223754

J.Ravi Kumar  
[Chief Financial Officer]

Membership No: 023240

Chandrabud D Pallwal

[Company Secretary]

Membership No: F5577

Place: Mumbai  
Date: 25.04.19

Place: Mumbai  
Date: 25.04.2019



	2017-18
6,488	6,36,608
9,439	90,10,708
89,951	-
90,310	1,14,75,41,560
22,409	-
71,379	-
77,912	6,91,00,913
70,750	9,17,12,71,277
11,071	9,164
15,648	-
17,710	-
-	-
49,560	3,45
29,230	26
58,000	-
117-18	-
55,995	-
1,617	-
6,612	-



**L&T Metro Rail**  
 Hyderabad



# L & T METRO RAIL (HYDERABAD) LIMITED

## 10<sup>th</sup> ANNUAL REPORT



**FY 2019-20**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. S N Subrahmanyam	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 Dandekar & Co.  
Chartered Accountants, Chennai

### **DEBENTURE TRUSTEE**

SBICAP Trustee Company Ltd.  
Apeejay House, 6<sup>th</sup> 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 14<sup>th</sup> day of August 2020 at 11.00 AM (IST) through video conferencing (VC) platform 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: 02278671), 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 authorizing 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@lmetro.com](mailto:chandrachud.paliwal@lmetro.com) or message/ whatsapp on +91 92233912102.

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

**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 31<sup>st</sup> 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	(2,46,65.77)	(8535.01)
Less: Depreciation, amortization, impairment and obsolescence	14554.80	8197.19
Profit / (Loss) before exceptional items and tax	(3,62,20.57)	(14,732.20)
Add: Exceptional Items	-	-
Profit / (Loss) before tax	(3,62,20.57)	(14,732.20)
Less: Provision for tax	-	82.44
Profit / (Loss) after Tax	(3,62,20.57)	(14,814.64)
Add: Other Comprehensive Income	485.46	(72.47)
Total Comprehensive Income	(3,77,35.11)	(14,887.11)
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 31<sup>st</sup> 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. Project Progress:**

During the year under report, the Company received statutory clearances to commence Commercial Operations at Raidurg Metro Station alongwith 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 7<sup>th</sup> February 2020. The Minister for Municipal Administration & Urban Development (MA&UD) Mr. KT Rama Rao and Transport Minister Mr. P Ajeay Kumar had inaugurated the stretchHITEC City to Raidurg including Raidurg Metro Station on 29<sup>th</sup> 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, Errummanzli 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 22<sup>nd</sup> March 2020 and the lock down is continuing as on the date of this report.



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. Amount to be carried to reserve:**

The Company has not transferred any amount to reserves.

**10. Dividend:**

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

**11. Material changes and commitments affecting the financial position of the company, between the end of the financial year and the date of the report:**

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<sup>nd</sup> March 2020 and the lock down is continuing as on the date of this report.

**12. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

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 15<sup>th</sup> 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. 16<sup>th</sup> 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 25<sup>th</sup> April 2019, 10<sup>th</sup> July 2019, 10<sup>th</sup> October 2019 and 10<sup>th</sup> 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 25<sup>th</sup> April 2019, 10<sup>th</sup> July 2019, 10<sup>th</sup> October 2019 and 10<sup>th</sup> 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 10<sup>th</sup> 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. Directors Responsibility Statement:**

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
- 7) 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. Performance Evaluation of the Board, its Committees and Directors:

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 questionnaires 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 10<sup>th</sup> 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. Disclosure of Remuneration:

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	8.79

remuneration of employees in the financial year.	
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	8.75
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 Auditor's 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 Dandekar & Co., were appointed as Statutory Auditor for a period of five continuous years from the conclusion of Sixth Annual General Meeting held on 29<sup>th</sup> 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 31<sup>st</sup> March 2020.

M/s SBICAP Trustee Company Limited, having their office at 6th Floor, Apseey House, Dinkarwadi Wadachon 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



Vijayabhaskara Kalakota Reddy  
Managing Director &  
Chief Executive Officer  
(DIN: 01685467)



Aji Pandurang Rangnekar  
Independent Director  
(DIN: 01676615)

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. 347.28 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, 38 years	Essar Power	58	-	No
Anil Kumar	03-01-2011	Regular	Chief Operating Officer - Railway Systems	1,15,08,473	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	10-10-2018	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	60	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

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies*

*(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**M/s. 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 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to 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 31<sup>st</sup> March, 2020 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 15<sup>th</sup> 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 2<sup>nd</sup> 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: 8<sup>th</sup> May, 2020

UDIN: A0342068000216344



Kota Srinivas

Company Secretary in Practice

FCS 10597

CP No.14300



## KOTA & ASSOCIATES

**CS Kota Srinivas, M.A, FCS**  
Company Secretary

Company Secretaries  
(Formerly Kota Srinivas & Associates)  
Flat No.101, 1<sup>st</sup> Floor, Chaitanya Chambers,  
Chaitanyapuri, Hyderabad-500036  
Tel: +91 9692121245  
Email : cskotasrinivas@gmail.com

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. Where ever 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: 8<sup>th</sup> May, 2020



**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 Debt 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 Central 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, 1998 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, 1969 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 31<sup>st</sup> 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	24 <sup>th</sup> 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 2459 4720; Email – info_ndnm@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	L99990MH1946PLC00 4766	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			% Chang e during the year
	Demat	Phy sical	Total	Demat	Phy sical	Total	% of Total Shares
<b>A. Promoters</b>							
1. Indian							
Individual/HUF	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-
State Govt. (s)	-	-	-	-	-	-	-
Bodies Corp.	2427175964	-	2427175964	2438999999	-	2438999999	100
Banks / FI	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>2427175964</b>	<b>-</b>	<b>2427175964</b>	<b>2438999999</b>	<b>-</b>	<b>2438999999</b>	<b>100</b>
<b>(2) Foreign</b>							
a) NRIs - Individuals	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2427175964</b>	<b>-</b>	<b>2427175964</b>	<b>2438999999</b>	<b>-</b>	<b>2438999999</b>	<b>100</b>
<b>B. Public Shareholding</b>							
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	-	-	-	-	-	-	-

D Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>1</b>	<b>1</b>	-	<b>11,82,40,350</b>	<b>1</b>	<b>1</b>	-	-
<b>2. Non-Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>(B)=(B)(1)+(B)(2)</b>	-	<b>1</b>	<b>1</b>	-		<b>1</b>	<b>1</b>	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2427175964</b>	<b>1</b>	<b>2427175965</b>	<b>100</b>	<b>2438999999</b>	<b>1</b>	<b>2439000000</b>	<b>100</b>	<b>0.49</b>

\* 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
	<b>Total:</b>	<b>2427175964</b>	<b>99.99%</b>	<b>51%</b>	<b>2438999999</b>	<b>99.99%</b>	<b>51%</b>	<b>0.49</b>

**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
<b>At the beginning of the year</b>				
Larsen and Toubro Limited	242,71,75,964	99.99%	242,71,75,964	99.99%
<b>11<sup>th</sup> June 2019 – Allotment – Rights Issue</b>				
Larsen and Toubro Limited	1,18,24,035	99.99%	243,89,99,999	99.99%
<b>At the End of the year</b>				
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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP *</b>				
	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):				

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

	allotment / transfer / bonus / sweat equity etc): Particulars	April 01, 2019	Additions	As at March 31, 2020	
	<b>At the End of the year</b>				
Fare collection rights					
Construction work in progress	12,00,84,45,564	7,26,76,23,559	12,73,60,69,123		-
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	93,48,25,984	31,82,25,165	125,30,51,149		

\*Notes:

Mr. J. Ravikumar, Chief Financial Officer and Mr. Chandrachud D Pallwal, 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.)
<b>Indebtedness at the beginning of the financial year</b>				
i). Principal Amount	11012,25,92,336	998,79,01186	106,85,62,400	12115,89,55,922
ii). Interest due but not paid				
iii). Interest accrued but not due	39,74,89,977			39,74,89,977
<b>Total (i+ii+iii)</b>	<b>11052,00,79,313</b>	<b>998,79,01,186</b>	<b>106,85,62,400</b>	<b>12155,64,42,899</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	2285,61,59,681	4,24,231	146,94,83,955	2432,60,57,867
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i). Principal Amount	13337,62,38,994	996,82,25,417	25380,46,355	14689,25,10,766
ii). Interest due but not paid				
iii). Interest accrued but not due	424,00,97,997			424,00,97,997
<b>Total (i+ii+iii)</b>	<b>13761,63,36,991</b>	<b>996,82,25,417</b>	<b>253,80,46,355</b>	<b>15012,26,08,763</b>

#### 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	-	-
	<b>Total (A)</b>	<b>3,59,10,695</b>	<b>3,59,10,695</b>
	*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	<b>Mrs. Sheela Bhide</b>	<b>Mr. Ajit Raugnekar</b>	<b>Mr. M R Prasanna</b>	
	➤ Fee for attending board / committees meetings	Rs. 95,000	Rs. 1,75,000	Rs. 1,60,000	Rs. 4,30,000
	➤ Commission	-	-	-	-
	➤ Others, please specify	-	-	-	-
	<b>Total (1)</b>	Rs. 95,000	Rs. 1,75,000	Rs. 1,60,000	Rs. 4,30,000
2.	Other Non-Executive Directors / Nominee Director	<b>Mr. N V S Reddy</b>		-	-
	➤ Fee for attending board / committee meetings	Rs. 75,000	-	-	Rs. 75,000
	➤ Commission	-	-	-	-
	➤ Others, please specify	-	-	-	-
	<b>Total (2)</b>	Rs. 75,000	-	-	Rs. 75,000
	<b>Total (B)=(1+2)</b>				Rs. 5,05,000
Total Managerial Remuneration		-	-	-	-
Overall Ceiling as per the Act		-	-	-	-

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
	<b>Name</b>	<b>Company Secretary</b>	<b>CFO</b>	<b>Total</b>
	<b>1.</b>	<b>Mr. Chandrachud D Palwal</b>	<b>Mr. J. Ravikumar</b>	
	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	-	-	-
	<b>Total (A)</b>	<b>56,92,693</b>	<b>67,42,704</b>	<b>124,35,397</b>

**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)
<b>A. COMPANY</b>	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>	-	-	-	-	-
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	<p>Impairment on Intangible Assets</p> <p>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.</p> <p>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.</p> <p>Refer Note Point II (10) of Note 26</p>	<p>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.</p> <p>In respect of internal valuations, we examined the projections and validated the underlying assumptions used.</p> <p>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.</p>

### 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 statements 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".

- 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.

**UDIN: 20223754AAAAEE9778**

**Date:** May 11, 2020

**Place:** Chennai

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



**S. Poosaidurai**

**Partner**

**Chartered Accountants**

**Membership No. 223754**



## **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.

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount ₹</b>	<b>Period to which amount relates</b>	<b>Forum where dispute is pending</b>
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.

**UDIN:** 20223754AAAAEE9778

**Date:** May 11, 2020

**Place:** Chennai

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



**S. Poosaidurai**

**Partner**

**Chartered Accountants**

**Membership No. 223754**



**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

## 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.

**UDIN:** 20223754AAAAEE9778

**Date:** May 11, 2020

**Place:** Chennai

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



**S. Poosaidurai**

**Partner**

**Chartered Accountants**

**Membership No. 223754**



**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
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant and Equipment	1	1,31,97,76,413	1,40,64,73,184
b) Investment property	2	12,51,54,06,072	11,97,43,03,687
c) Intangible assets	3	1,58,20,13,47,326	35,80,25,53,606
d) Intangible assets under development	4	-	1,07,34,38,28,386
e) Other financial assets	5	10,55,50,6032	7,44,19,459
f) Deferred tax assets (net)	6	-	5,97,914
g) Other non-current assets	7	48,14,37,293	1,23,45,40,037
		<b>1,77,63,37,08,126</b>	<b>1,58,49,67,20,453</b>
<b>Current assets</b>			
a) Inventories	8	8,44,73,809	4,33,37,235
b) Financial Asset			
i) Trade receivables	9	29,29,81,663	24,31,36,468
ii) Cash and cash equivalents	10	2,53,73,20,470	31,37,58,257
iii) Bank balances other than above	10	3,50,12,08,921	34,71,04,420
iv) Other financial assets	11	45,09,400	1,03,98,062
v) Other current assets	12	8,34,03,083	7,19,41,703
		<b>8,08,63,07,436</b>	<b>1,07,55,98,248</b>
		<b>1,86,63,00,45,562</b>	<b>1,59,47,23,18,698</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	13	24,37,00,00,000	24,37,00,00,000
b) Other equity	14	(5,96,78,57,773)	(21,8,93,47,017)
		<b>18,41,71,42,227</b>	<b>22,08,34,12,983</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities	15	1,28,13,36,77,411	1,20,48,78,30,699
i) Borrowings	16	63,61,86,792	60,78,97,256
ii) Other financial liabilities	17	28,51,85,534	6,50,85,211
b) Provisions	18	1,39,02,54,40,137	1,21,16,08,62,968
<b>Current liabilities</b>			
a) Financial liabilities	19	2,83,80,46,353	1,06,95,02,400
i) Borrowings	20	70,31,12,36,986	13,00,56,24,605
ii) Other financial liabilities	21	25,15,61,084	23,10,28,962
b) Other current liabilities	22	4,41,10,779	4,38,17,172
c) Provisions	23	25,14,724,54,198	16,12,09,43,137
		<b>1,86,63,00,45,562</b>	<b>1,59,47,23,18,698</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

Contingent liabilities  
(Continuation)  
Notes forming part of the Financial Statements  
Significant accounting policies

As per our report attached  
For M.R. Banker & Co.,

Firm registration number : 99060795  
Chartered Accountants

by the hand of

S. Praveen Kumar

Partner  
Membership No. 223354



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

*(Signature)*  
K.V. Reddy

(Managing Director & Chief Executive Officer)  
MEM No. 01663467

*(Signature)*  
A. Key Kumar  
(Chief Financial Officer)  
Membership No. 022246

*(Signature)*  
Rangaraj Reddy

(Director) 016745516  
DIN No.

Chartered D. Praveen  
(Company Secretary)  
Membership No. F5177

Place: Hyderabad  
Date: 15th 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
<b>INCOME</b>			
Revenue from Operations	19	5,87,26,10,953	3,13,00,12,804
Construction/contract revenue		7,72,36,67,273	13,16,00,39,809
Other income	20	10,92,01,185	5,42,68,353
<b>Total Income</b>		<b>13,70,56,79,415</b>	<b>16,34,69,41,923</b>
<b>EXPENSES</b>			
Construction contract expenses			
Operating expenses	21	7,72,36,67,273	13,16,00,39,809
Employee benefit expenses	22	2,36,90,30,582	1,54,64,31,591
Administration and other expenses	23	26,02,16,636	16,00,78,601
Finance costs	24	30,91,18,255	17,78,54,056
Depreciation and amortisation		5,42,79,23,637	2,15,37,58,487
		1,45,54,30,175	61,97,18,958
<b>Total Expenses</b>		<b>17,82,77,36,558</b>	<b>17,61,78,61,449</b>
<b>Profit/(loss) before tax for the period</b>		<b>(3,82,20,57,143)</b>	<b>(1,47,22,20,426)</b>
Tax Expense			
Deferred tax	6	-	82,41,905
			82,41,905
<b>Profit/(loss) after tax for the period</b>		<b>(3,82,20,57,143)</b>	<b>(1,48,14,66,331)</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to Profit & Loss			
Changes in fair value of cash flow hedges		4,85,46,427	(72,46,690)
<b>Total Comprehensive Income for the period</b>		<b>(3,77,35,10,716)</b>	<b>(1,48,87,11,027)</b>
Earnings per equity share	25.ii	(1.569)	(0.629)
Basic & Diluted		10.00	10.00
Face Value per equity share			
Notes forming part of the Financial Statements	1 to 25, 26		
Significant accounting policies			
As per our report attached for M.K. Bhambhani & Co.,			
Chartered Accountants			
by the hand of			
<i>S. P. Venkataratnam</i>			
Partner			
Membership No: 223754			
Place:			
Date:			



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

*K. V. R. Reddy*  
 Managing Director & Chief Executive Officer  
 DIN No: 01663407

*Pragathi*  
 Director  
 DIN No: 01676516

*J. Murugan*  
 (Chief Financial Officer)  
 Membership No: 023240

Chartered D. Padmal

(Company Secretary)  
 Membership No: F5577

Place: Hyderabad  
 Date: 11-May-2020

**L&T Motors Road (Hyderabad) Limited**  
**Statement of Cash Flows for the year ended March 31, 2020**

S. No.	Particulars	2019-20	2018-19
<b>A</b>	<b>Net profit / (loss) before tax</b>	(1,82,20,871.43)	(1,47,23,230.43)
	<b>Adjustment for:</b>		
	Depreciation and amortisation expense	1,05,54,806.177	81,07,18,958
	Finance Cost	5,02,79,25,637	2,15,23,86,087
	Interest Income	(1,05,77,203)	(1,16,10,671)
	(Profit)/Loss on sale of (Current investments)	(2,69,33,793)	(6,28,18,663)
	(Profit)/Loss on sale of fixed assets	4,83,60,627	20,500
	Other non-cash items		(72,40,696)
	<b>Operating profit before working capital changes</b>	3,06,13,82,009	1,22,88,01,285
	<b>Adjustments for:</b>		
	Increase / (Decrease) in long term provisions	22,03,00,121	7,62,83,878
	Increase / (Decrease) in other current liabilities	1,31,20,025,177	1,21,75,32,061
	Increase / (Decrease) in other current liabilities	0,33,25,303	2,13,30,52,022
	Decrease / (Increase) in other non-current financial liabilities	17,45,21,522	(24,83,34,056)
	Decrease / (Increase) in short term provisions	2,91,601	(7,78,502)
	(Increase) / Decrease in long term loans and advances	86,43,74,244	(30,07,16,087)
	(Increase) / Decrease in other non-current financial assets	(3,11,31,443)	(4,43,47,704)
	(Increase) / Decrease in Dividends	(14,09,04,566)	(11,20,43,976)
	(Increase) / Decrease in Trade Receivables	(6,12,36,504)	(1,78,98,902)
	(Increase) / Decrease in short term loans and advances	(6,98,45,195)	(17,68,59,268)
	(Increase) / Decrease in other current assets	1,10,88,602	(1,55,19,145)
	(Increase) / Decrease in other current assets	(4,52,77,45,011)	(24,20,71,081)
<b>B</b>	<b>Net cash generated from/(used in) operating activities</b>	1,07,24,39,648	4,49,02,52,984
	Depreciation (net of refund)	(4,60,24,336)	(1,10,29,59,23)
	<b>Net Cashflow in/(generated from) Operating Activities</b>	93,34,05,264	4,38,89,33,401
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(1,63,70,39,401)	(22,84,16,91,087)
	Sale of fixed assets		(20,30,6)
<b>C</b>	<b>Net cash flow from financing activities</b>		
	Purchase of current investments	(10,33,00,28,173)	(11,85,47,30,773)
	Sale of current investments	10,37,22,64,856	(1,87,77,49,419)
<b>C</b>	<b>Net cash flow from financing activities</b>	1,95,77,201	1,16,80,021
	Net cash flow from/(used in) investing activities	(166,29,65,35,467)	(22,28,74,23,055)
<b>C</b>	<b>Cash flow from financing activities</b>		
	Purchase of fixed assets	(1,85,40,339)	(2,00,10,36,309)
	Sale of fixed assets	22,85,65,83,912	18,37,25,64,152
<b>C</b>	<b>Net cash flow from financing activities</b>	17,84,69,69,628	(18,42,37,92,174)
	Net cash flow from/(used in) investing activities	2,21,27,70,213	2,53,92,616
	Net cash flow from/(used in) financing activities	31,37,58,157	29,84,65,781
<b>C</b>	<b>Net cash flow from/(used in) investing activities</b>	2,55,26,28,470	21,57,38,257
	Net cash flow from/(used in) investing activities		
	Net cash flow from/(used in) financing activities		

**Note:** 1. Cash flow statement has been prepared under the Indirect Method as set out in the Ind AS 7 - Cash Flow statement

2. Purchase of Fixed assets represents additions to property, plant and equipment, investments property and intangible assets acquired for movement of (a) capital work as per plan for property plant and equipment and investments property & (b) (multiple 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.S.Dhanday & Co.,**  
**For and on behalf of the Board of Directors of L&T Motors Road (Hyderabad) Limited**

(Firm registration number: 0990795)  
 Chartered Accountants  
 by the hand of

**A. Prasadharani**

Partner  
 Membership No: 223755

(Managing Director & Chief Executive Officer)

**M.V.R.Reddy**  
 DIN No: 01683467

**Alexis Kumar**  
 (Chief Financial Officer)  
 Membership No: 012246

**Chandrasekhar D Reddy**  
 (Company Secretary)  
 Membership No: 15577

Place: H-1, A/E, 2nd floor  
 Date: 11-May-2020



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

**A Equity share capital**

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	11,82,40,330	22,01,98,631	2,20,19,85,318
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	-	(4,12,99,733)	2,82,08,066	(68,75,44,365)	(70,06,76,030)
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	-	(4,85,46,437)	2,82,08,066	(2,16,90,08,695)	(2,18,93,47,056)

**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.Dandekar & Co.,

Firm registration number : 0006795  
 Chartered Accountants  
 by the hand of

  
 S. Pooasidura  
 Partner  
 Membership No : 223154



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

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

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

  
 [Director]  
 DIN No: 01678516  
  
 Chandrachud D Paliwal  
 [Company Secretary]  
 Membership No: F5577

Place :  
 Date :

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
<b>Tangible Assets</b>										
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
<b>Total</b>	<b>2,20,12,95,762</b>	<b>27,35,51,350</b>	<b>67,18,88,311</b>	<b>1,80,29,58,801</b>	<b>33,48,17,577</b>	<b>20,36,52,356</b>	<b>5,52,87,965</b>	<b>48,31,81,968</b>	<b>1,31,97,76,833</b>	<b>1,86,64,78,184</b>

**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
<b>Tangible Assets</b>										
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
<b>Total</b>	<b>5,94,00,43,824</b>	<b>1,12,10,61,995</b>	<b>-</b>	<b>7,06,11,05,819</b>	<b>10,59,26,645</b>	<b>12,17,29,754</b>	<b>-</b>	<b>22,76,56,399</b>	<b>6,83,34,49,420</b>	<b>5,83,41,17,180</b>

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
<i>Transit oriented development</i>			
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
	<b>1315,88,62,917</b>	<b>93,32,48,418</b>	<b>1409,21,11,336</b>
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)
<b>Total</b>	<b>6,14,01,86,508</b>	<b>(45,82,29,857)</b>	<b>5,68,19,56,652</b>

₹

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
	<b>TOTAL</b>	<b>12,51,54,06,072</b>	<b>11,97,43,03,687</b>

- 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
<b>Total</b>	<b>36,30,00,46,555</b>	<b>1,23,54,77,46,652</b>	<b>-</b>	<b>1,59,84,77,93,207</b>	<b>49,74,92,868</b>	<b>1,14,87,53,013</b>	<b>-</b>	<b>1,64,62,45,881</b>	<b>1,58,20,15,47,326</b>	<b>35,80,25,53,686</b>

	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	-	-	-	-
L & T Metro Rail (Hyderabad) Limited	Date wise Increase / Decrease				
Notes forming part of the Financial Statements	Shareholding during the year specifying the				₹

Particulars	allotment / transfer / bonus / sweat equity etc): April 01, 2019	Additions	As at March 31, 2020
Fare collection rights			
At the End of the year			
Construction work in progress	12,009,84,45,564	7,26,76,23,559	12,736,60,69,123
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	3,748,90,04,394	7,60,75,73,025	4,509,65,77,419
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
<b>Total</b>	<b>16,139,81,69,535</b>	<b>15,33,12,40,300</b>	<b>17,672,94,09,834</b>
<b>Less</b>			
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)	(15,979,20,98,548)
Transfer to Investment property capital work in progress	(4,89,53,57,651)	-	(4,89,53,57,651)
Viability Gap Fund	(12,04,19,53,635)	-	(12,04,19,53,635)
<b>Total</b>	<b>10,754,38,28,386</b>	<b>(1,07,54,38,28,385)</b>	<b>0</b>

## 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	-
<b>Total</b>	<b>45,09,400</b>	<b>10,55,50,602</b>	<b>1,63,98,062</b>	<b>7,44,19,459</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	-	5,97,014
Deferred tax liabilities	-	-
<b>Total</b>	<b>-</b>	<b>5,97,014</b>

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
<b>Net Deferred tax liability [(i) - (ii)]</b>	<b>-</b>	<b>(5,97,014)</b>
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
<b>Balance Sheet</b>		
Tax effect on account of Hedging Reserve	-	5,97,014
Tax effect on account of preliminary expenses and others	-	-
<b>Profit and Loss</b>		
a) Tax effect on account of capital gain on Land	-	-
b) Tax effect on account of difference between tax depreciation	-	-
<b>Net Deferred Tax Assets/ ( Liabilities)</b>	<b>-</b>	<b>5,97,014</b>

**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
<b>Current income Tax :</b>		
Current income tax charge	-	-
Adjustments of current tax of previous year	-	-
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	-	-
Arising due to a write down of a deferred tax asset	-	82,43,905
<b>Income tax reported in the statement of profit and loss</b>	<b>-</b>	<b>(82,43,905)</b>
<b>Current Tax and Deferred Tax - Equity</b>		
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
<b>Total</b>	<b>8,56,03,083</b>	<b>48,14,57,293</b>	<b>7,19,61,703</b>	<b>1,23,45,40,037</b>

## 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
<b>Total</b>	<b>8,44,73,899</b>	<b>4,32,37,335</b>

## 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	-
<b>Total</b>	<b>29,29,83,663</b>	<b>-</b>	<b>24,31,38,468</b>	<b>-</b>

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	
<b>(i) Cash and cash equivalents</b>				
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
<b>(ii) Other bank balances</b>				
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
<b>Total</b>		<b>7,53,87,37,391</b>		<b>70,08,62,677</b>

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.

## 11 Share Capital

₹

(i) Authorised, issued, subscribed and paid up	As at 31, 2020		As at March 31, 2019	
	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	<b>2,43,90,00,000</b>	<b>24,39,00,00,000</b>	<b>2,42,71,75,965</b>	<b>24,27,17,59,650</b>

₹

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:	As at 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	<b>2,43,90,00,000</b>	<b>24,39,00,00,000</b>	<b>2,42,71,75,965</b>	<b>24,27,17,59,650</b>

## (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 31, 2020		As at March 31, 2019	
	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
<b>Total</b>	<b>2,43,89,99,994</b>	<b>24,38,99,99,940</b>	<b>2,42,71,75,959</b>	<b>24,27,17,59,590</b>

(v) Details of Shareholders holding more than 5% shares in the company:	As at 31, 2020		As at March 31, 2019	
	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	-	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>-</b>	<b>-</b>	<b>2,82,08,066</b>	<b>(5,99,10,65,839)</b>	<b>(5,96,28,57,773)</b>

**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	-	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>-</b>	<b>(4,85,46,427)</b>	<b>2,82,08,066</b>	<b>(2,16,90,08,695)</b>	<b>(2,18,93,47,057)</b>

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

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	-
<b>Total</b>	<b>2,53,80,46,355</b>	<b>1,38,13,36,77,411</b>	<b>1,06,85,62,400</b>	<b>1,20,48,78,80,499</b>

**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

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

**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
<b>Total</b>	<b>20,31,17,36,986</b>	<b>63,63,86,392</b>	<b>15,00,56,24,603</b>	<b>60,78,97,256</b>

\*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
<b>Total</b>	<b>4,41,10,773</b>	<b>28,53,85,334</b>	<b>4,38,17,172</b>	<b>6,50,85,213</b>

\* 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	-
<b>Total</b>	<b>25,35,60,084</b>	<b>-</b>	<b>21,10,38,962</b>	<b>-</b>

**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
<b>Total</b>	<b>98,35,89,842</b>	<b>7,21,31,06,163</b>

**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
<b>Total</b>	<b>2,95,76,68,500</b>	<b>11,02,01,93,779</b>

**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
<b>Total</b>	<b>5,87,28,10,955</b>	<b>3,13,03,12,864</b>

**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
<b>Total</b>	<b>10,92,01,185</b>	<b>5,42,88,353</b>

**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
<b>Total</b>	<b>2,36,90,30,582</b>	<b>1,54,64,31,591</b>

**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
<b>Total</b>	<b>24,25,16,636</b>	<b>16,00,78,601</b>

**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
<b>Total</b>	<b>30,91,18,255</b>	<b>17,78,34,006</b>

\*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
<b>Total</b>	<b>10,00,090</b>	<b>9,35,202</b>

**24 Finance costs**

₹

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

## Notes forming part of the Financial Statements

### 25.1 Disclosures 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.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
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
<b>Floating rate</b>		
Expiring beyond one year (bank loans)		
Fund Based limits	6,81,03,00,000	4,14,20,71,662
Non Fund Based limits	-	-
<b>Total</b>	<b>6,81,03,00,000</b>	<b>4,14,20,71,662</b>
<b>Fixed rate</b>		
Expiring beyond one year (Non Convertible Debentures)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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
<b>A. Non- derivative liabilities:</b>				
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 financial liabilities	83,93,73,180	63,63,86,392	1,40,60,97,949	57,68,09,552
<b>Total</b>	<b>19,79,77,50,551</b>	<b>2,07,25,28,29,267</b>	<b>24,87,77,47,009</b>	<b>2,04,62,03,70,063</b>
<b>B. Derivative liabilities:</b>				
Forward contracts/ currency swaps	-	-	7,12,31,465	-
Embedded derivatives	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,12,31,465</b>	<b>-</b>

## 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
<b>Total borrowings</b>	<b>1,45,91,42,85,349</b>	<b>1,21,70,64,90,738</b>

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%
<b>Net exposure to cash flow interest rate risk</b>		<b>1,25,18,62,38,994</b>			<b>1,10,63,79,28,338</b>	

#### 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
<b>Total Debt</b>	<b>1,25,18,62,38,994</b>	<b>1,10,63,79,28,338</b>
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		-
<b>Adjusted capital</b>	<b>57,15,99,99,990</b>	<b>47,38,22,75,685</b>

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

## Notes forming part of the Financial Statements

### 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
<b>Financial Liabilities</b>						
Payables - Creditors on account of Capital Expenditure	7,12,59,254	-	7,12,59,254	10,11,85,466	-	10,11,85,466
<b>Less : Derivatives taken to hedge the above Exposure</b>						
Currency and Interest Rate Swaps	-	-	-	3,60,57,154	-	3,60,57,154
Forward Contracts	-	-	-	-	-	-
Options contracts	-	-	-	-	-	-
<b>Net Exposure</b>	<b>7,12,59,254</b>		<b>7,12,59,254</b>	<b>6,51,28,312</b>		<b>6,51,28,312</b>

#### Derivatives taken against Highly Probable Forecast Transactions

₹

Particulars	As at March 31,2020			As at March 31,2019		
	USD	Euro	Total	USD	Euro	Total
<b>Financial Liabilities</b>						
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
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,78,95,71,099</b>	<b>12,23,99,976</b>	<b>1,91,19,71,075</b>

#### Details of outstanding hedge instrument accounted as cash flow hedge

₹

Particulars	As at March 31,2020				As at March 31,2019			
	Nominal Amt	Average Rate	Within Twelve months	After Twelve Months	Nominal Amt	Average Rate	Within Twelve months	After Twelve Months
<b>Payables Hedge</b>								
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
<b>USD sensitivity</b>		
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
<b>Financial assets</b>						
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	-	-	-	-	-	-
<b>Total financial assets</b>	-	-	<b>7,94,17,81,056</b>	-	-	<b>1,03,48,18,667</b>
<b>Financial liabilities</b>						
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
<b>Total financial liabilities</b>	-	-	<b>1,61,61,98,47,144</b>	-	<b>7,12,31,465</b>	<b>1,37,09,87,33,293</b>

## 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
<b>Financial instruments at FVTPL</b>				
Mutual funds	-	-	-	-

₹

Assets and liabilities for which fair values are disclosed at March 31, 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivative asset - Foreign exchange forward contracts	-	-	-	-
Derivative asset - Options contracts	-	-	-	-
Derivative asset - Currency and Interest rate swap	-	-	-	-
<b>Financial liabilities</b>				
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
<b>Financial instruments at FVTPL</b>				
Mutual funds	-	-	-	-

₹

Assets and liabilities for which fair values are disclosed At March 31, 2019	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
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
<b>Financial liabilities</b>				
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

## Notes forming part of the Financial Statements

### 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
<b>Financial assets</b>				
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
<b>Financial liabilities</b>				
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
<b>Non-current</b>		
<i>First charge</i>		
Freehold land	15,57,000	15,57,000
Receivables	29,29,83,663	24,31,38,468
<b>Total assets pledged as security</b>	<b>29,45,40,663</b>	<b>24,46,95,468</b>

## 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
<b>Revenue</b>		
Metro Rail System	11,42,40,94,213	15,40,66,15,551
Others	2,28,15,85,202	93,80,25,472
<b>Total</b>	13,70,56,79,415	16,34,46,41,023
<b>Expenditure</b>		
Metro Rail System	11,04,06,87,410	15,10,61,12,899
Others	1,05,91,25,511	55,79,90,063
<b>Total</b>	12,09,98,12,921	15,66,41,02,962
<b>Operating Profit (PBIT)</b>		
Metro Rail System	38,34,06,803	30,05,02,652
Others	1,22,24,59,691	38,00,35,409
<b>Interest expense</b>		
Metro Rail System	4,86,59,53,524	1,70,89,94,300
Others	56,19,70,112	44,47,64,187
<b>PAT</b>		
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
<b>Total segment assets</b>	<b>1,73,11,68,01,592</b>	<b>13,85,82,41,151</b>	<b>1,59,25,85,60,441</b>	<b>24,59,42,81,147</b>
<i>Unallocated:</i>				
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			
<b>Total assets as per the balance sheet</b>	<b>1,80,63,00,45,562</b>	<b>16,08,20,11,364</b>	<b>1,59,57,23,18,698</b>	<b>24,55,37,47,929</b>

**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.

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
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
<b>Total segment liabilities</b>	<b>1,62,20,29,03,335</b>	<b>1,37,48,99,06,105</b>
<i>Unallocated:</i>		
Deferred tax liabilities	-	-
Current tax liabilities	-	-
<b>Total liabilities as per the balance sheet</b>	<b>1,62,20,29,03,335</b>	<b>1,37,48,99,06,105</b>

(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

## 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
	<b>Total</b>	<b>1,64,85,03,566</b>	<b>2,28,21,45,004</b>

## 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:

- 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
- The plan exposes the company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity 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 the 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"	-	-	-	-
<b>Total (I + II)</b>	<b>24,02,899</b>	<b>1,12,31,662</b>	<b>67,98,594</b>	<b>2,08,91,419</b>
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
<b>TOTAL</b>	<b>7,66,15,07,981</b>	<b>9,18,93,21,420</b>

**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
<b>1. Holding Company</b>		
<b>Larsen &amp; Toubro Limited</b>		
(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
<b>2. Fellow Subsidiaries</b>		
<b>(i) L&amp;T Infotech Limited</b>		
(a) Purchase of services and products	1,24,22,769	2,27,49,566
<b>(i) Larsen &amp; Toubro Realty Ltd</b>		
Cost of services provided by	-	37,09,230
<b>(iii) L&amp;T Technology Services Ltd</b>		
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
<b>Total</b>	<b>4,83,76,274</b>	<b>4,33,97,791</b>

**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 Intercompany Deposit	27,03,83,680		2,38,71,379	-
<b>(iii) Fellow subsidiaries</b>				
(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

**L&T Metro Rail (Hyderabad) Limited****Notes forming part of the Financial Statements****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
<b>Total</b>	<b>3,47,26,54,186</b>	<b>3,23,38,91,874</b>

**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 Minister 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 Oriented 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 8<sup>th</sup> 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.

## **Notes forming part of the Accounts (contd.)**

### **Significant Accounting Policies (contd.)**

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”

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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.

## **Notes forming part of the Accounts (contd.)**

### **Significant Accounting Policies (contd.)**

#### **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.

## **Notes forming part of the Accounts (contd.)**

### **Significant Accounting Policies (contd.)**

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

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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:

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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

#### The Company as a lessor

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.

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

- 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

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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

## **Notes forming part of the Accounts (contd.)**

### **Significant Accounting Policies (contd.)**

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.

## **Notes forming part of the Accounts (contd.)**

### **Significant Accounting Policies (contd.)**

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.

## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

- 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

## **Notes forming part of the Accounts (contd.)**

### **Significant Accounting Policies (contd.)**

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 capital account 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.

**Notes forming part of the Accounts (contd.)**  
**Significant Accounting Policies (contd.)**

**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 shares.

(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/defaults, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for recognition costs, fair value measurement etc. Differences, if any, between the actual results and estimates is recognised in the period in which the results are known.

**III. Revised 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. DAMDEKER & CO.,**

Firm registration No: 0005795  
 Chartered Accountants  
 by the hand of

*S. Prasadurai*

S. Prasadurai  
 Partner  
 Membership No: 223754

Place:  
 Date:

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

*K.V.B. Reddy*  
 Managing Director & CEO  
 DIN No: 01683467

*A. Ravi Kumar*  
 Chief Financial Officer  
 Membership No: 0232460

*Ramaprasad D. Palwal*  
 Director  
 DIN No: 01576516

*Ramaprasad D. Palwal*  
 Company Secretary  
 Membership No: 15577

Place: *Hyderabad*  
 Date: *11/05/2020*





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**L & T METRO RAIL (HYDERABAD) LIMITED**

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**11<sup>th</sup> ANNUAL REPORT**



**FY 2020-21**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. S N Subrahmanyam	Chairman
Mr. K V B Reddy	Managing Director and Chief Executive Officer
Mr. R Shankar Raman	Non-executive Director
Mr. Ajit Rangnekar	Independent Director
Mr. N.V.S. Reddy	Nominee Director
Mr. M R Prasanna	Independent Director
Mr. Shrikant Joshi	Non-executive 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 Dandekar & Co.  
Chartered Accountants, Chennai

### **DEBENTURE TRUSTEE**

SBICAP Trustee Company Ltd.  
202, Maker Tower, 'E', Cuffe Parade,  
Colaba, Mumbai – 400 005.

### **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 Eleventh Annual General Meeting of the Company is scheduled to be held on Friday the 21<sup>st</sup> day of May 2021 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 2021 together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sekharipuram Narayanan Subrahmanyam (DIN: 02255382), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s M Bhaskara Rao & Co., Chartered Accountants as Statutory Auditor for a period of five years in place of the retiring Statutory Auditor of the Company as Ordinary Resolution with or without modifications:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and Section 142 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, provisions of Article 33.2.1 of the Concession Agreement dated 4<sup>th</sup> September 2010 read with Schedule-T thereto, M/s M Bhaskara Rao & Co., Chartered Accountants, (Firm Registration No. 000459S) be and is hereby appointed as Statutory Auditor of the Company for a period of five years who shall hold office from the conclusion of eleventh Annual General Meeting of the Company till the conclusion of sixteenth Annual General Meeting of the Company on such terms as may be recommended by the Audit Committee from time to time and at a remuneration as may be decided by the Managing Director and Chief Executive Officer of the Company/ Chairman of the Company.”

**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; May 5, 2020 and January 13, 2021 ("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](mailto:chandrachud.paliwal@ltmetro.com) or message/ whatsapp on +91 9223902102.

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



Place : Hyderabad  
Date : 27<sup>th</sup> April 2021

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



**L&T Metro Rail**  
Hyderabad

## BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their Eleventh report and Audited Accounts for the year ended 31<sup>st</sup> March, 2021.

### 1. Financial Results / Financial Highlights:

Particulars	2020-21	2019-20
	₹ in Cr.	₹ in Cr
Profit / (Loss) Before Depreciation, exceptional items & Tax	1458.25	(236.64)
Less: Depreciation, amortization, impairment and obsolescence	298.49	145.56
Profit / (Loss) before exceptional items and tax	(1766.74)	(382.20)
Add: Exceptional Items	-	-
Profit / (Loss) before tax	(1766.74)	(382.20)
Less: Provision for tax	-	-
Profit / (Loss) after Tax	(1766.74)	(382.20)
Add: Other Comprehensive Income	-	4.56
Total Comprehensive Income	(1766.74)	(377.34)
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 ₹ 227.95 Crore (including fare and non-fare revenue) as against ₹ 598.20 crore for the previous financial year. The loss before tax and after tax were ₹1766.74 crore for the financial year under review as against loss before and after tax of ₹382.20 crore and ₹377.34 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 31<sup>st</sup> March 2020 was ₹ 83.98 crore and ₹ 14.07 crore from the other segment.

A major part of the period under review was impacted on account of the COVID-19 pandemic. This was mainly on account of a disruption in the metro rail operations due to low ridership and real estate operational activities, due to fall in revenues as a consequence of revenue sharing model of lease rentals in the place of fixed rentals due to fall in footfalls and additional costs required to ensure the health and safety of all employees of the Company. However, the company is protected by the force majeure clauses of the Concession Agreement.

The Company is undertaking all measures to ensure safety of employees while also ensuring business continuity. The Company implemented safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programs at all its offices and sites. The protocols are regularly reviewed and updated based on revisions in guidelines received from authorities concerned from time to time.

Further, the company by virtue of providing safe and punctual travel alongside various value-added initiatives (robust & affordable last mile connectivity, contactless travel etc.) aimed at minimizing commuters' pain points and pandemic related apprehensions, shall target higher ridership to the metro system by trying to convert more people from other modes of transport to Hyderabad Metro. All efforts are being put in to make Hyderabad Metro the safest & convenient transportation mode keeping in view current pandemic situation.

### 3. Project Progress:

During the period under review, as per Orders of the Government, Metro Operations remained closed with effect from Joint Curfew i.e. 22<sup>nd</sup> March 2020 up to 4<sup>th</sup> September 2020. Metro Operations resumed with restrictions on 7<sup>th</sup> September 2020. During this intervening period when Metro Operations were closed, we have achieved significant progress in attending the project punch list items and also continued with the upkeep and maintenance of the Rolling Stock which were stationed at our Mysapur and Nagole Depots.

CNRS sanction was received on 1<sup>st</sup> February 2021, for upgradation of operating mode in service lines for movement of trains without passengers. CNRS sanction



was also received on 19<sup>th</sup> February 2021 for addition of staircases, lift and escalators at twenty two Metro Stations.

During the year under report and amidst the pandemic, the Company received encouraging revenues from non-fare revenue viz. telecom sector (Optical Fiber & Tower), training and consultancy to other metros.

The Company has finalized the award of Open Loop Ticketing system contract and the same will be commissioned for go-live in Financial Year 2022. This will make travel easy, contactless and hassle free. Implementation of open loop ticketing system will also optimize the operational expenses. Various initiatives were taken for robust and affordable Last Mile Connectivity for enhancing the ridership like Metro Feeder shuttle service, rental bike facility at all metro stations etc.

#### **4. Capital & Finance:**

The Company enjoys good reputation for its sound financial management and the ability to meet its financial obligations. The Company is being rated (ND BBB + with Negative outlook for the Banking facilities and ICRA AAA (CE) with Stable Outlook & IND AAA (CE) with Stable Outlook for the Unsecured Non-Convertible Debentures of the Company from ICRA and India Rating & Research.

#### **5. Capital Expenditure:**

As at March 31, 2021 the gross fixed and intangible assets including leased assets stood at ₹17,713.28 crore and the net fixed and intangible assets, including leased assets, at ₹ 17180.07 crore. Capital Expenditure during the year amounted to ₹276.19 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. Depository System:**

As on March 31, 2021, 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, member holding share in physical mode is advised to avail of the facility of dematerialization.



**8. Particulars of Contracts or Arrangements with related parties:**

All the related party transactions were in the ordinary course of business and of arm's length. The Audit Committee has approved all the related party transactions for the Financial Year 2020-21 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. Amount to be carried to reserve:**

The Company has not transferred any amount to reserves.

**10. Dividend:**

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

**11. Material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the report:**

Due to the coronavirus outbreak and nationwide lockdown, during the reporting period, as per the directives of the State Government, the metro services did not operate from 22<sup>nd</sup> March 2020 till 6<sup>th</sup> September 2020. The malls became operational from 8<sup>th</sup> June 2020 while multiplex and gaming zones started from 5<sup>th</sup> December 2020 post lockdown.

**12. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Information as required to be given under Section 134(3)(m) read with Rule 6(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:**

In view of the notification issued by Ministry of Corporate Affairs, the Company has dissolved the CSR Committee of the Board effective from 23<sup>rd</sup> April 2021 for the time being and the CSR Committee will be revived as and when the CSR threshold requirements are triggered.

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

- Mrs. Vijayalakshmi R Iyer was appointed as the Independent Director of the Company with effect from 1<sup>st</sup> May 2021 for a term of five years. The appointment was duly approved in the Extra-ordinary general meeting held on 10<sup>th</sup> June 2020.
- Mr. KVB Reddy has been reappointed as Managing Director & Chief Executive Officer of the Company with effect from 24<sup>th</sup> January 2021 for the second term of five years. The appointment of Mr. KVB Reddy has been made on the basis of performance evaluation carried out by the Nomination and Remuneration Committee (NRC) in its meeting.
- Mr. M R Prasanna has been appointed as an Independent Director of the Company with effect from 18<sup>th</sup> February 2021 for the second term of five years. The appointment of Mr. M R Prasanna has been made on the basis of performance evaluation carried out by the Nomination and Remuneration Committee (NRC) in its meeting.

The appointments of Mr. K V B Reddy and Mr. M R Prasanna were duly approved in the Extra-ordinary general meeting held on 12<sup>th</sup> February 2021.

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

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. Additional Meetings of the



Board of Directors are held when necessary. During the year under review, five meetings of the Board of Directors were held on 11<sup>th</sup> May 2020, 30<sup>th</sup> June 2020, 10<sup>th</sup> July 2020, 12<sup>th</sup> October 2020 and 11<sup>th</sup> January 2021.

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 three 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, Mr. Ajit Rangnekar and Mrs. Vijayalakshmi R Iyer as on the date of this Report.

During the year under review, four meetings were held on 11<sup>th</sup> May 2020, 10<sup>th</sup> July 2020, 12<sup>th</sup> October 2020 and 11<sup>th</sup> January 2021.

**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 and there is a policy 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. Shekant Joshi, Mr. Ajit Rangneshi and Mr. M.R. Prasanna. The meeting of this Committee was chaired by Independent Director.

During the year under review, two meetings were held on 9<sup>th</sup> October 2020 and 9<sup>th</sup> January 2021.

**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 neither 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.

The Independent Directors of the Company have registered themselves on the Independent Director's Database maintained by Indian Institute of Corporate Affairs (IICA), in terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company will undertake the online proficiency self-assessment test as applicable within the prescribed timelines.

**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, 2021 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. Directors Responsibility Statement:**

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
- g) 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. Performance Evaluation of the Board, its Committees and Directors:**

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 questionnaires 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 9<sup>th</sup> October 2020. The performance evaluation of the Board, Committee, Chairman and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

## 24. Disclosure of Remuneration:

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	Nil
ii. CEO or Manager	Nil
iii. CFO	Nil
iv. CS	Nil
c. Percentage increase in the median remuneration of employees in the financial year;	Nil
d. Number of permanent employees on the rolls of company;	106
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	Nil
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



above-said 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. Prevention of Sexual Harassment (POSH) at Workplace:**

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on Prevention of Sexual Harassment (POSH) 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 Act is consisting of five members.

There were no cases of sexual harassment reported to the Company during Financial Year 2020-21.

**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 Company's Auditors, M/s M K Dandekar & Co., have already completed ten years as Statutory Auditors of the Company. In view of the mandatory rotation of auditor and in accordance with the provisions of the Companies Act, 2013, it is proposed to appoint M/s M Bhaskara Rao & Co. as statutory Auditors for a period of five continuous years i.e. from the conclusion of the eleventh Annual General Meeting till the conclusion of the sixteenth Annual General Meeting of the Company.

The Board places on record its appreciation for the services rendered by M/s M K Dandekar & Co. as the Statutory Auditors of the Company.



Certificate from M/s M Bhassara Rao & Co., Chartered Accountants has been received to the effect that they are eligible to act as auditors 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. Kola & Associates, Practising 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.

**MSME:** The Ministry of Micro, Small and Medium Enterprises vide their notification dated 2<sup>nd</sup> November, 2018, has instructed all the Companies registered under the Companies Act, 2013, with a turnover of more than Rupees Five Hundred Crore to get themselves onboarded on the Trade Reservations Discounting System Platform (TReDS), set up by the Reserve Bank of India, in compliance with the



requirement, the Company is in the process of registering itself on TReDS through one of the service providers.

The Company has been complying with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timeline.

**33. Debenture Trustees:**

The Company has unsecured debentures amounting to ₹ 1000 crore as on 31<sup>st</sup> March 2021.

M/s SBICAP Trustee Company Limited, having their office at 202, Mariner Tower, E, Cuffe Parade, Colaba, Mumbai - 400005 have been appointed as the Debenture Trustees 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 Exchange, Debenture Trustee and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board



  
Vijayabhaskara Kalakota Reddy  
Managing Director &  
Chief Executive Officer  
(DIN: 01683467)

  
Ajit Pandurang Rangnekar  
Independent Director  
(DIN: 01676516)

Place: Hyderabad

Date: 23.04.2021

## **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 twenty eight Metro Stations and two depots with capacity of 8352 kWp that are operational.

#### **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 ₹ 107.22 crore.

## 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 2021**

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	3,39,92,001	BE, PGDBM, 37 years	Essar Power	59	-	No
Sanjay Kumar	10-10-2016	Regular	Head - Human Resource	81,17,233	B. Tech & PGDBA, 29 years	Reliance Power	56	-	No
P Ravishankar	01-08-2011	Regular	VP & Head - TOD, Project Planning, Control & Contract	66,56,250	MCS & B. Tech, 25 years	L&T Limited	51	1 share jointly with L&T Limited	No
J. Ravikumar	01-04-2011	Regular	Chief Financial Officer	55,88,650	CA, 37 years	L&T Limited	64	1 share jointly with L&T Limited	No
Chunduru Vijayananda	01-11-2010	Regular	General Manager- Finance & Accounts	50,94,360	CA, CS, CWA & LLB, 36 years	L&T Urban Infrastructure Limited	60	1 share jointly with L&T Limited	No
Ashutosh Kumar Das	07-12-2016	Regular	Head - Supply Chain Management	50,85,525	MBA & B. E, 21 years	GMR Hyderabad International Airport	52	-	No
Chandrachud D. Paliwal	02-05-2018	Regular	Head - Legal & Company Secretary	50,52,265	CS, LLB PGDLL & ACIS (UK), 23 years	Essar Power	44	1 share jointly with L&T Limited	No
Parasaram Srinivasa Murthy	02-11-2016	Regular	Head - Electrical & MEP	50,30,543	B. Tech, 32 years	Energy Infra Consulting India (P) Ltd.	57	-	No
Anindita Sinha	07-05-2018	Regular	Head - Corporate Communications	39,97,606	B.A., 29 years	GMR Hyderabad International Airport	52	-	No
Bibhudatta Mishra	03-03-2014	Regular	Sr. Dy. General Manager- AFC	39,39,908	B. Tech, 21 years	Mumbai Metro One	43	-	No



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**  
*[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 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021 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 with respect to board and general meetings.
- 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.

- a. During the period under review, an independent director whose tenure has been expired on 17<sup>th</sup> February, 2021 has been re-appointed for second term of five years.
- b. The Managing director has been reappointed w.e.f. 24<sup>th</sup> January, 2021 for three years.

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.

*We find that there is a gap of more than 120 days between two board meetings ie. board meeting on 10.01.2020 and the second board meeting on 11.05.2020. However, as per the MCA Circulars dated 19<sup>th</sup> and 24<sup>th</sup> March, 2020, the gap between two board meetings has been enhanced to 180 days due to Covid-19 circumstances in India.*

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.

I further report that the audit was conducted as per the CSAS standards prescribed, except CSAS-1 as the appointment of Secretarial Auditor was done prior to 01.04.2021..

Place: Hyderabad  
Date: 23<sup>rd</sup> April, 2021  
UDIN: F010597C000162034



  
**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: 23<sup>rd</sup> April,2021



  
**Kota Srinivas**  
**Company Secretary in Practice**  
**FCS 10597**  
**CP No.14300**



**Annexure B**

**List of Applicable Acts**

1. The Companies Act, 2013 (the Act)
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
7. Foreign Exchange Management Act, 1999
8. The Minimum Wages Act, 1948
9. The Payment of Gratuity Act, 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
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
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
33. The Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987
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
40. The Hyderabad Metropolitan Water Supply and Sewerage Act, 1989
41. Andhra Pradesh Water, Land and Trees Act, 2002 and Andhra Pradesh Water, Land and Trees Rules, 2004;
42. Employee State Insurance act- 1948
43. Inter state migrant workmen act- 1979
44. Payment of Wages act -1936.


**ANNEXURE - IV**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March 2021**

[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	24 <sup>th</sup> 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 ₹ 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	L99999MH1946PLC00 4768	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	
<b>A. Promoters</b>									
<b>1. Indian</b>									
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt. (s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	2438999999	-	2438999999	100	2438999999	-	2438999999	100	0
Banks / FI									-
Any Other									-
<b>Sub-total (A) (1):-</b>	<b>2438999999</b>	<b>-</b>	<b>2438999999</b>	<b>100</b>	<b>2438999999</b>	<b>-</b>	<b>2438999999</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2438999999</b>	<b>-</b>	<b>2438999999</b>	<b>100</b>	<b>2438999999</b>	<b>-</b>	<b>2438999999</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	1	1	-		1	1	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>1</b>	<b>1</b>	-		<b>1</b>	<b>1</b>	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>(B)=(B)(1)+(B)(2)</b>	-	<b>1</b>	<b>1</b>	-		<b>1</b>	<b>1</b>	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2438999999</b>	<b>1</b>	<b>2439000000</b>	<b>100</b>	<b>2438999999</b>	<b>1</b>	<b>2439000000</b>	<b>100</b>	<b>0</b>

\* 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	2438999999	99.99%	51%	2438999999	99.99%	51%	0
	<b>Total:</b>	<b>2438999999</b>	<b>99.99%</b>	<b>51%</b>	<b>2438999999</b>	<b>99.99%</b>	<b>51%</b>	<b>0</b>

**iii. Change in Promoters' Shareholding - NIL**

	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

**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 ₹ 10 each fully paid up Jointly with M/s. Larsen And Toubro Limited.

## V. INDEBTEDNESS ACCOUNTS:

	Secured Loans excluding deposits (₹)	Unsecured Loans *	Deposits**	Total Indebtedness (₹)
<b>Indebtedness at the beginning of the financial year</b>				
i). Principal Amount *	12518,62,38,994	996,82,25,417	1072,80,46,355	14588,25,10,766
ii). Interest due but not paid				
iii). Interest accrued but not due	392,75,17,256	31,25,80,603		424,00,97,859
<b>Total (i+ii+iii)</b>	<b>12911,37,56,250</b>	<b>1028,08,06,020</b>	<b>1072,80,46,355</b>	<b>15012,26,08,625</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	<b>1227,88,36,575</b>	8,93,981	1292,18,86,743	2520,16,17,299
Reduction	521,07,87,000			521,07,87,000
<b>Net Change</b>	<b>706,80,49,575</b>	<b>8,93,981</b>	1292,18,86,743	<b>1999,08,30,299</b>
<b>Indebtedness at the end of the financial year</b>				
i). Principal Amount	13225,42,88,569	996,91,19,399	2364,99,33,098	16587,33,41,065
ii). Interest due but not paid				
iii). Interest accrued but not due		31,07,67,129		31,07,67,129
<b>Total (i+ii+iii)</b>	<b>13225,42,88,569</b>	<b>1027,98,86,528</b>	2364,99,33,098	<b>16618,41,08,195</b>

\*₹ 819 crores added to deposits that was previously considered as secured loans.

\*\* Inter corporate deposits

## 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
	<b>Name</b>	<b>Mr. K V B Reddy</b>	
	<b>Designation</b>	<b>Managing Director &amp; Chief Executive Officer</b>	
1.	Gross salary	(₹)	(₹)
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	242,66,258	242,66,258
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	97,25,743	97,25,743
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- others, specify...		
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>3,39,92,001*</b>	<b>3,39,92,001*</b>

\* Approved with the special resolution passed in the extra-ordinary general meeting of the Company held on 22<sup>nd</sup> February 2021

**(B). Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	<b>Mrs. Vijayalaxmi Iyer</b>	<b>Mr. Ajit Rangnekar</b>	<b>Mr. M R Prasanna</b>	
	➤ Fee for attending board / committee meetings	1,20,000	2,15,000	2,15,000	5,50,000
	➤ Commission	-	-	-	-
	➤ Others, please specify	-	-	-	-
	Total (1)	1,20,000	2,15,000	2,15,000	5,50,000
2.	Other Non-Executive Directors / Nominee Director	<b>Mr. N V S Reddy</b>		-	-
	➤ Fee for attending board / committee meetings	1,25,000	-	-	1,25,000
	➤ Commission	-	-	-	-
	➤ Others, please specify	-	-	-	-
	Total (2)	1,25,000	-	-	1,25,000
	Total (B)= (1+2)				6,75,000
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
	<b>Name</b>		<b>Mr. Chandrachud D Paliwal</b>	<b>Mr. J. Ravi Kumar</b>	
1.	Gross salary				
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,52,265	55,67,050	<b>1,06,19,315</b>
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	21,600	<b>21,600</b>
	(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-		
2.	Stock Option		-		
3.	Sweat Equity		-		
4.	Commission		-		
		- as % of profit			
		- others, specify...			
5.	Others, please specify		-		
	<b>Total (A)</b>		<b>50,52,265</b>	<b>55,88,650</b>	<b>1,06,40,915</b>

## 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)
<b>A. COMPANY</b>	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**M.K. DANDEKER & CO.**  
*Chartered Accountants*

Phone: +91-44-43614233  
E-mail: [ed@mktandeker.com](mailto:ed@mktandeker.com)  
Web: [www.mktandeker.com](http://www.mktandeker.com)

No. 185 (Old No.109) 2nd Floor,  
Poonamallee High Road, Kilgatt,  
Chennai - 600 010.

**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, 2021, 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, 2021, 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 343(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 informing 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	<p><b>Impairment on Intangible Assets</b></p> <p>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.</p> <p>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 judgments. Therefore, impairment assessment is necessary at every year end to ensure that the carrying value of the assets is fairly stated.</p> <p>Refer "Point II (A2) of Note 25" of the IND AS financial statements.</p>	<p>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.</p> <p>In respect of internal valuations:</p> <ol style="list-style-type: none"> <li>1. We had discussions with the management of the company to understand the driving factors which have been / should have been considered for the impairment analysis.</li> <li>2. Verified the future traffic considered by the management for the cash flow projections with the future traffic estimated by the external professional and the consequential reduction in the estimated traffic for the next few years due to the Covid-19 pandemic and its aftermath.</li> <li>3. Also evaluated the appropriateness of underlying assumptions considered, including discount rate, tax rates etc.</li> </ol>

**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 statements 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, 2015 ("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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



*Independent Auditor's Report*  
L&T Metro Rail (Hyderabad) Limited


**M.K. Dandekar & Co.**  
*Chartered Accountants*

(i) 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".

ii) 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 15 - Contingent Liabilities" 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. Dandekar & Co.,**  
(ICAI Regn. No. 0006795)

  
**S. Poosaidurai**

Partner  
Chartered Accountants  
Membership No. 223754

UDIN: 21223754AAAADMB286  
Date: Apr 23, 2023  
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, no 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.
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 Midhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2015 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.



*Independent Auditor's Report*  
L&T Metro Rail (Hyderabad) Limited

**M.K. Dandekar & Co.**  
*Chartered Accountants*

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. Dandekar & Co.,**  
(ICAI Regn. No. 0006795)

  
**S. Poosalidurai**  
Partner  
Chartered Accountants  
Membership No. 223754

UDIN: 21223754AAADW8286

Date: Apr 23, 2021

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 (f) 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, 2023 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 judgment, 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.



*Independent Auditor's Report*  
L&T Metro Rail (Hyderabad) Limited

**M.K. Dandekar & Co.**  
*Chartered Accountants*

### **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, 2021, 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. Dandekar & Co.,**  
**(ICAI Regn. No. 0006795)**

  
**S. Poosalidurai**

**Partner**

**Chartered Accountants**  
**Membership No. 223754**

**UDIN:** 21223754AAAAADM8286

**Date:** Apr 23, 2021

**Place:** Chennai



**L&T Metro Rail (Hyderabad) Limited**  
Balance Sheet as at March 31, 2021

₹ Crore

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant and Equipment	1	115.06	131.98
b) Investment property	2	1,355.08	1,251.54
c) Intangible assets	3	15,606.52	15,820.15
d) Intangible assets under development	4	13.41	-
e) Other financial assets	5	13.39	10.55
f) Other non-current assets	6	38.18	48.15
		<b>17,231.64</b>	<b>17,262.38</b>
<b>Current assets</b>			
a) Inventories	7	14.46	8.45
b) Financial Assets			
i) Trade receivables	8	30.94	29.30
ii) Cash and cash equivalents	9	158.98	253.74
iii) Bank balances other than as above	9	494.18	500.12
iv) Other financial assets	5	0.56	0.45
c) Other current assets	6	11.80	8.56
		<b>714.92</b>	<b>800.63</b>
<b>TOTAL ASSETS</b>		<b>17,946.76</b>	<b>18,063.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity above capital	10	2,439.00	2,439.00
b) Other equity	11	(2,303.03)	(296.29)
		<b>78.97</b>	<b>1,841.71</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities	12	13,213.23	12,994.32
i) Borrowings	13	73.40	62.62
ii) Other financial liabilities	13	66.96	28.44
b) Other financial liabilities	14	13,303.59	13,386.54
<b>Current liabilities</b>			
a) Financial liabilities	15	2,364.99	1,972.80
i) Borrowings	15	2,176.83	2,031.18
ii) Other financial liabilities	15	22.10	25.36
c) Provisions	16	278	4.91
		<b>-4,507.28</b>	<b>3,135.75</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,946.76</b>	<b>18,063.00</b>

Contingent liabilities:  
Commitments  
Notes forming part of the Financial Statements  
Significant accounting policies

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

(Firm registration number: 0606795;  
Chartered Accountants  
by the body of

*M.K.Dauder & Co.*  
Chartered Accountants

Membership No: 22,1754

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

*M.K.Dauder*  
Managing Director & Chief Executive  
DIN No. 01683467

(Director)

DIN No. 01676518

*J.Rajesh Kumar*  
Chief Financial Officer

Chartered Accountant D Padmini  
(Company Secretary)  
Membership No: ES577

Place: Chennai

Date:



Table 1: Metro Rail (Hyderabad) Limited  
Statement of Profit and Loss for the year ended March 31, 2011

## 2. Choice

Particulars	Note No	2020-21	2019-20
<b>INCOME</b>			
Revenue from operations	08	189.61	587.28
Construction contract revenue		148.08	772.37
Other income	19	18.15	10.92
<b>Total Income</b>		<b>356.02</b>	<b>1,370.57</b>
<b>EXPENSES</b>			
Construction contract expenses			
Operating expenses	20	158.08	772.37
Employee benefit expenses	21	211.93	236.89
Administration and other expenses	22	28.31	24.25
Finance costs	23	34.89	30.91
Depreciation and amortisation	25	1,423.07	542.79
		208.49	145.56
<b>Total Expenses</b>		<b>2,152.77</b>	<b>1,752.77</b>
<b>Profit/(Loss) before tax for the period</b>		<b>(1,796.75)</b>	<b>(382.20)</b>
Tax Expenses:			
Current tax		-	-
Deferred tax		-	-
<b>Profit/(Loss) after tax for the period</b>		<b>(1,796.75)</b>	<b>(382.20)</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to Profit & Loss			
Changes in fair value of cash flow hedges		-	4.86
<b>Total Comprehensive Income for the period</b>		<b>(1,796.75)</b>	<b>(377.34)</b>
Earnings per equity share	24.0		
Basic & Diluted		(7.24)	(1.57)
Face value per equity share	1 to 24	10.00	10.00
Notes forming part of the Financial Statements	25		
Significant accounting policies			
<b>As per our report attached</b>			
For M.R. Dasgupta & Co.,			
File registration number: 0006795			
Chartered Accountants			
by the Auditor			
<b>Sd/-</b>			
<b>Sd/-</b>			
Partner			
Membership No: 725794			
Place: Chennai			
Date: 23.04.2021			

**L&T Metro Rail (Hyderabad) Limited**  
**Statement of Cash Flows for the year ended March 31, 2021**

S. No	Particulars	2020-21	2019-20
A	Net profit / (loss) before tax	11,265,740	(1,352,211)
	Adjustments for:		
	Depreciation and amortisation expense	79,560	148,356
	Finance Cost	1,421,017	542,749
	Income tax expense	(37,173)	(1,060)
	Provision on sale of current investment (net)	0.02	(2,889)
	Other non cash items	4.85	-
	Operating profit before working capital changes	(84,325)	310,411
B	Adjustments for:		
	Increase / (Decrease) in long term prepayable	38,52	22,05
	Increase / (Decrease) in other current liabilities	(4,30)	151,20
	Increase / (Decrease) in other current financial liabilities	869,21	9,55
	Increase / (Decrease) in other non-current financial liabilities	(61,00)	1,45
	Increase / (Decrease) in short term provisions	(4,121)	0.01
	(Decrease) / Decrease in other non-current financial assets	(3,04)	(0.00)
	(Decrease) / Decrease in other non-current assets	20,76	(3,11)
	(Decrease) / Decrease in Investments	(0,00)	(14,09)
	(Decrease) / Decrease in Trade Receivables	(1,04)	(4,12)
	(Decrease) / Decrease in other current (financial assets)	(0,11)	(4,98)
	(Decrease) / Decrease in other current assets	(1,00)	(402,77)
	Net cash generated from/(used in) operating activities	287,80	17,30
	Direct taxes paid/(debt of government)	20,70	(1,640)
	Net cash generated/(used) from Operating Activities	778,56	2,30
B	Cash flow from investing activities		
	Purchase of fixed assets	(152,45)	(1,341,05)
	Sale of fixed assets	(0,02)	-
	Purchase of current investments	-	(1,013,01)
	Sale of current investments	37,17	1,017,95
	Interest received	-	1.98
	Net cash from/(used) from investing activities	(215,20)	(1,536,10)
C	Cash flow from financing activities		
	Proceeds from issue of Equity Share Capital	(0,00)	11,82
	Proceeds from long term borrowings	1,227,97	2,503,65
	Interest paid	(1,814,09)	(3,42,73)
	Net cash from/(used) from financing activities	(586,10)	1,754,69
	Net Increase / (Decrease) in cash and cash equivalents/(A-B+C)	(94,77)	222,58
	Cash and cash equivalents as at the beginning of the year	253,75	31,57
	Cash and cash equivalents as at the end of the year	158,98	253,75

Notes:-

1. Cash flow statement has been prepared under the "Indirect Method" as set out in the Part A5.7 - (Cash Flow statement)
2. Purchase of fixed assets represents additions to property, plant and equipment, immovable property and intangible assets acquired. The movements of (to) which work is progress for property plant and development and immovable property & (to) immovable 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.A. Boudier & Co.,

Firm registered as auditors : 0001731  
 (Chartered Accountants)  
 by the firm of

*Steph. Boudier*  
 S. Boudier

Partner  
 Membership No: 220754



For and on behalf of the Board of Directors of L&T Metro Rail (Hyderabad) Limited  
*K. V. M. Reddy*  
 Managing Director & Chief Executive Officer  
 1105 No. 01/22/467  
 (Director)  
 DIN No: 01676516

*Atul Kumar*  
 Atul Kumar  
 (Chief Financial Officer)

Chartered Accountant (Firm)  
 (Company Secretary)  
 Membership No: 13347  
 Place: Hyderabad  
 Date: 23.08.2021



L&T Metro Rail (Hyderabad) Limited  
 Forms forming part of the Financial Statements  
 I. Property, Plant and Equipment

₹ Crore

Particulars	Cost				Depreciation			Book Value		
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the year	Deductions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
<b>Tangible Assets</b>										
Plant and Machinery										
Land and Building	134.91	-	-	134.91	30.39	15.50	-	33.89	101.81	114.12
Computer	2.87	3.87	1.13	2.10	2.37	0.22	8.89	1.74	9.23	0.60
Furniture & Fixtures	28.11	-	-	28.11	12.17	4.36	-	12.54	19.58	14.34
Office Equipment	14.08	1.18	0.03	15.23	12.25	1.13	0.10	12.69	3.01	2.11
Vehicles	0.14	-	-	0.14	0.13	-	-	0.13	0.01	0.01
<b>Total</b>	<b>180.11</b>	<b>5.05</b>	<b>1.16</b>	<b>183.91</b>	<b>45.02</b>	<b>21.11</b>	<b>9.01</b>	<b>45.43</b>	<b>115.06</b>	<b>131.08</b>

2. Investment Property

A) Completed property

₹ Crore

Particulars	Cost				Depreciation			Book Value		
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the year	Deductions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
<b>Lease Out</b>										
Buildings	678.18	1.37	-	679.55	26.42	13.24	-	10.98	616.81	617.71
Land Lease Rights	47.82	-	-	47.82	2.78	1.19	-	3.44	94.20	87.08
Others	-	-	-	-	-	-	-	-	-	-
Land Lease Rights	-	529.64	-	529.64	-	5.51	-	0.51	529.03	-
<b>Total</b>	<b>726.00</b>	<b>531.01</b>	<b>-</b>	<b>1,257.01</b>	<b>29.20</b>	<b>19.94</b>	<b>-</b>	<b>14.93</b>	<b>1,182.81</b>	<b>685.55</b>

B) Assets completed at profit or loss for investment properties

₹ Crore

Particulars	31-03-2021	31-03-2020
Rental Income	21.12	99.79
Direct operating expenses from property for (grossed) rental income	1.24	-



C) Capital work in Progress

₹ Crores

Particulars	As at April 01, 2020	Additions	As at March 31, 2021
Freehold land	6.78	-	6.78
Transit oriented development	-	-	-
Work in progress	150.81	90.40	241.21
Land income right	(39.14)	-	(39.14)
Salaries and wages	22.82	2.29	25.11
Interest expenses	(58.14)	(3.18)	(61.32)
Other expenses	7.73	0.77	8.50
	1,400.21	118.49	1,518.71
Transfer to marketing	(855.10)	(1.37)	(856.47)
Transfer to Land Income Right*	(67.35)	(429.64)	(497.00)
Transfer to Property, Plant & Equipment	(134.95)	-	(134.95)
Total	443.70	(312.52)	131.18

\*Note 2: Includes expenses and allowances of Rs.15.07 Cro.

Note 2: The balance value of land income right lying in Capital Work in Progress above as on 31.03.2021 is Rs.22.10 Cro.

₹ Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligations in connection with the investment property	47.54	112.72

₹ Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Assets shown under investment property	-	-
Completed property	1,102.81	(83.34)
Capital work in progress	122.67	208.20
TOTAL	1,225.48	1,251.86

i. There are no restrictions on availability of investment property.

ii) The investment property comprises of various independent components for Transit Oriented Development having total development potential of about 18.3 million sq. ft. Each Transit Oriented Development component is capable of independent exploitation and contains independent business activities / undertakings and are currently in various stages of development.

iii) The fair value of the investment properties have been determined with the help of external valuers/department based on government rates, market values and comparable values as ascertained/approved. Fair value of the investment property consisting of Buildings and land income right as of 31.03.2021 is Rs.448.21 Cro and Rs.714.19 Cro respectively.

3. Intangible Assets

₹ Crores

Particulars	Cost			Accumulation			Book Value		
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the year	Deductions	As at March 31, 2021	As at March 31, 2020
Intangible Assets	16,900.21	144.25	-	17,044.46	160.40	267.81	-	428.21	(3,893.65)
Computerised Software	5.37	0.13	-	5.50	4.23	3.18	-	7.41	1.23
Total	16,905.58	144.38	-	17,050.00	164.63	270.99	-	435.62	(3,892.42)



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

**4 Intangible Assets under development**

Particulars	As at April 01, 2020	Additions	As at March 31, 2021
Free software rights	12,716.64	158.08	12,874.69
Construction work in progress	209.38	-	209.38
Salaries and wages	17.93	-	17.93
Staff welfare and other expenses	11.90	-	11.90
Managerial Remuneration	0.00	0.00	0.00
Concession fees	19.64	-	19.64
Travelling & conveyance	135.31	-	135.31
Facility management, communication and other expenses	-	-	-
Interest expenses	4,509.66	-	4,509.66
Depreciation/Amortisation	27.54	-	27.54
Other expenses	14.98	-	14.98
<b>Total</b>	<b>17,672.95</b>	<b>158.08</b>	<b>17,831.03</b>
<b>Less:</b>			
Transfer to Intangible asset	(13,479.31)	(144.67)	(13,623.88)
Transfer to Investment primarily capital work in progress	(480.54)	-	(480.54)
Validity Gap Fund	(1,204.20)	-	(1,204.20)
<b>Total</b>		<b>13.41</b>	<b>13.41</b>

**5 Other financial assets**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Security deposits	0.01	41.72	0.01	7.83
Financial Guarantee Assets	0.40	2.27	0.44	2.67
Others	0.15	0.10	0.00	-
<b>Total</b>	<b>0.56</b>	<b>43.59</b>	<b>0.45</b>	<b>10.50</b>



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

**6 Other non-current and current assets**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Capital advances				
Related parties	-	0.16	-	14.14
Others	-	33.69	-	3.83
Advance recoverable other than in cash				
Prepaid Expenses	9.72	-	0.96	-
Others	2.28	-	1.60	-
Income tax (paid)	-	6.42	-	25.18
<b>Total</b>	<b>11.90</b>	<b>36.18</b>	<b>8.56</b>	<b>48.15</b>

**7 Inventories**

Particulars	As at March 31, 2021	As at March 31, 2020
	Current	Non-current
Securities and equities	14.40	8.45
<b>Total</b>	<b>14.40</b>	<b>8.45</b>

**8 Trade receivables**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Unrecogd. Considered good	32.36	-	41.48	-
Less : Allowance for doubtful debts	1.32	-	12.18	-
<b>Total</b>	<b>30.94</b>	<b>-</b>	<b>29.30</b>	<b>-</b>

No sale or other receivables are due from directors or other officers of the company either socially or jointly with any other person or any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a shareholder.

**9 Cash and Bank Balances**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
(i) Cash and cash equivalents				
a) Balances with banks in current accounts	13.96	-	112.37	-
b) Cash on hand	0.37	-	0.35	-
c) Deposits with maturity of less than three months including interest accrued thereon *	145.05	152.98	140.02	253.24
(ii) Other bank balances				
a) Amount deposited for FSCN support	497.41	-	403.57	-
b) Balances with banks held as margin money deposits	0.77	498.18	2.55	590.12
<b>Total</b>		<b>657.16</b>		<b>753.86</b>

\* Time deposits which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.



# 1.6.7 Notes to the Memorandum

## (i) Equity, Share Capital

(i) Authorised, issued, subscribed and paid up	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ Crores	No. of shares	₹ Crores
Authorised: Equity shares of ₹ 10 each	2,43,90,00,000	2,439.00	2,43,90,00,000	2,439.00
Issued, subscribed and fully paid up	2,43,90,00,000	2,439.00	2,43,90,00,000	2,439.00
Equity shares of ₹ 10 each	2,43,90,00,000	2,439.00	2,43,90,00,000	2,439.00

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up	As at March 31, 2021		As at March 31, 2020	
Particulars	No. of shares	₹ Crores	No. of shares	₹ Crores
At the beginning of the year	2,43,90,00,000	2,439.00	2,43,71,25,000	2,437.18
Issued during the year at (b) (iv) (xii)			1,48,21,033	1.48
At the end of the year	2,43,90,00,000	2,439.00	2,43,90,00,000	2,439.00

## (iii) Voting / rights attached to shares

### Equity shares

- The Company has not issued any class of equity share bearing a pre-scribed ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- The company has not issued any security during the year with the right/vote to convert the share into equity shares at a later date.
- The company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/dividend.
- The shares issued carry equal rights to the dividend declared by the company and no restriction are attached to any specific shareholder.
- The Company has allotted one non-transferable equity share after Golden Share to the Government of Karnataka (Government) having a price of ₹ 10 in percentage of the Shareholder's Agreement entered into with the Government and where, in terms of the said agreement, the Government shall be entitled to appoint a nominee director as the board of directors of the company and to keep as the Government) holds the Golden Share, an affirmative vote of the Government for the election/re-election of the Government shall be required for passing of, for the removal/re-election of, or the resignation of the director of the company, as the case may be, any resolution on all the matters mentioned in the said agreement.

(iv) Details of Shares held by Holding Company Ultimate Holding Company or its subsidiaries or shareholder	As at March 31, 2021		As at March 31, 2020	
Particulars	No. of shares	₹ Crores	No. of shares	₹ Crores
Larson and Touben Limited (including common holding)	2,43,89,99,999	2,439.00	2,43,89,99,999	2,439.00
Total	2,43,89,99,999	2,439.00	2,43,89,99,999	2,439.00

(v) Details of Shareholders holding more than 5% shares in the company	As at March 31, 2021		As at March 31, 2020	
Particulars	No. of shares	%	No. of shares	%
Larson and Touben Limited (including common holding)	2,43,89,99,999	99.9997%	2,43,89,99,999	99.9997%

(vi) Share capital structure of the company is as follows, share issued for compensation upon issue and share brought back during the period of five years immediately preceding the reporting date: Nil

(vii) Other capital: Nil (Preferred Shares: Nil)



L&T Metro Rail (Hyderabad) Limited

Statement of Changes in Equity for the period ended March 31, 2021

11 Other Equity

As on 31.03.2021

₹ Crore

Particulars	Share application money pending allotment	Cash flow hedging reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	-	-	2.82	(599.11)	(596.29)
Profit for the year	-	-	-	(1,766.74)	(1,766.74)
Other comprehensive income	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance at the end of the reporting period	-	-	2.82	(2,365.85)	(2,363.03)

As on 31.03.2020

₹ Crore

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)	2.82	(216.90)	(218.93)
Profit for the year	-	-	-	(382.21)	(382.21)
Other comprehensive income	-	4.85	-	-	4.85
Issue of share capital	-	-	-	-	-
Balance at the end of the reporting period	-	-	2.82	(599.11)	(596.29)



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

**12. Borrowings**

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	Current	Non current	Current	Non current
Secured borrowings				
Term loans				
From banks	-	12,216.42	-	11,724.58
Unsecured borrowings	-	-	-	-
a) Debentures	-	998.91	-	998.92
Loans from related parties	-	-	-	-
a) Subordinate debt for shortfall in post revenue rupee facility	-	-	-	272.98
b) Inter Corporate Deposits	2,364.99	-	1,072.80	-
<b>Total</b>	<b>2,364.99</b>	<b>13,215.33</b>	<b>1,072.80</b>	<b>12,994.57</b>

**a) Term loans**

Particulars	Details
Interest Rate-Term Loan	Interest rate @ 1.50 basis points above the base rate of State Bank of India (floating).
Interest Rate-COR Term Loan	Interest rate @ 210 basis points above the one year MCLR of State Bank of India (floating).
Repayment	Repayable in 33 quarterly unequal instalments beginning from September 30, 2020 and ending on December 31, 2029.

**b) Loans from related parties**

Particulars	Details
Inter Corporate Deposits	Interest @ 7.50 % p.a.

**Security**

- Mortgage of non-agricultural land bearing plot no. 19 forming part of land in survey nos. 552A-554A-558A, mouja zang, wakhanat taluqa, Dist- Raigarh, Maharashtra.
- 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.
- 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
- Charge on right, interest etc. 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.



6) Debentures

Series	No. of Debentures	Face Value of Each Debenture (₹)	Date of Allotment	Coupon Rate	Terms of Repayment
9.11% L&T MREIL June 2015	2,500	10,00,000	31st June, 2015	> 9.11% p.a. payable semi Annually until the maturity date	> Redeemable at Face value at the end of 20th Year from the Date of Allotment.
8.11% L&T MREIL November 2015	2,500	10,00,000	1st November, 2015	> 8.11% p.a. payable semi Annually until the maturity date	
9.25% L&T MREIL January 2016	2,500	10,00,000	18th January, 2016	> 9.25% p.a. payable semi Annually until the maturity date	> Put & Call option available to Debenture Holders & Company respectively on expiry of 10th & 11th Year from the Date of allotment.
8.33% L&T MREIL September 2016	1,000	10,00,000	28th September, 2016	> 8.33% 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.
8.50% L&T MREIL November 2016	1,500	10,00,000	16th November, 2016	> 8.50% 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.



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

**13. Other financial liabilities**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
a) Security deposits	45.29	19.38	-	52.88
b) Premium payable on Financial guarantee contracts	0.00	2.37	0.44	2.07
c) Current maturities of long term borrowings	1,009.01	-	521.08	-
d) Interest accrued	31.08	-	324.01	-
e) Other liabilities	233.77	-	-	-
f) Creditors for capital supplies- Related parties	189.83	-	190.23	-
g) Creditors for capital supplies-others*	69.01	-	120.31	-
h) Dividend payable	101.66	1.75	80.95	3.07
i) Other payables	101.66	-	-	-
<b>Total</b>	<b>2,176.82</b>	<b>21.40</b>	<b>1,811.18</b>	<b>63.63</b>

\*The principal amount of outstanding dues to Salara, small and medium enterprises under MSMEED Act 2006 as at 31 March 2021 is Rs. 8,002 Cr. (FY 2020 Rs. 0 Cr.) and the interest payable thereon is Nil (FY Nil).

**14. Provisions**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Provision for employee benefits	1.28	-	4.41	-
Provision for major maintenance and overhaul expenses*	-	66.56	-	28.58
<b>Total</b>	<b>1.28</b>	<b>66.56</b>	<b>4.41</b>	<b>28.58</b>

\* The Company is required to ignore and mitigate the Project risks for a serviceable condition which requires per radical explorations and overhaul of existing components and project assets. The Company has accordingly recognized a provision in respect of this obligation. The measurement of this provision exceeds the values of future replacement overhaul. These amounts have been discounted to Present value above the time value of money is material.

**15. Other current liabilities**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Statutory payables	52.10	-	25.36	-
<b>Total</b>	<b>22.10</b>	<b>-</b>	<b>25.36</b>	<b>-</b>

**16. Contingent liabilities**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
(i) Claims against the company not acknowledged as debts	-	77.50	-	-
(ii) Liability for duties, Cross and other that may arise in respect of contracts in respect of tender dispute	9.00	21.00	-	-
<b>Total</b>	<b>9.00</b>	<b>98.50</b>	<b>-</b>	<b>-</b>

**Notes:**

- The company expects (cash) payments of Rs.2/47 Cr. (FY 2021/22 Cr.) in respect of contingent liabilities.
- It is not practicable to estimate the timing of cash outflows, if any, in respect of the above duties.

**17. Commitments**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Capital Commitments	197.78	295.77	-	-
<b>Total</b>	<b>197.78</b>	<b>295.77</b>	<b>-</b>	<b>-</b>



# 1.87 Metro Rail (Hyderabad) Limited

## 18 Revenue from operations

Particulars	2020-21	2019-20
Fare revenue	83.98	770.04
Lease revenue	37.76	109.62
Advertising revenue	19.46	52.74
Consultancy and training	7.40	4.17
Other revenue	41.01	50.96
<b>Total</b>	<b>189.61</b>	<b>987.53</b>

## 19 Other Income

Particulars	2020-21	2019-20
Interest Income	37.17	1.96
Dividend/Income from Mutual Funds	-	2.89
Miscellaneous Income	1.16	6.07
<b>Total</b>	<b>38.33</b>	<b>10.92</b>

## 20 Operating expenses

Particulars	2020-21	2019-20
Power & fuel	38.88	59.44
Operations and maintenance expenses	141.02	155.85
Provision for minor maintenance and overhead expenses	31.68	20.50
Others	0.35	1.10
<b>Total</b>	<b>211.93</b>	<b>236.89</b>

## 21 Employee benefit expenses

Particulars	2020-21	2019-20
Salaries and wages	25.39	22.30
Contribution to provident and other funds	0.85	0.69
Staff welfare expenses	1.06	1.06
<b>Total</b>	<b>27.30</b>	<b>24.05</b>



## 22 Administration and other expenses

Particulars	2020-21	2019-20
Advertisement and publicity	0.28	4.56
MTM'schulung' grup' loss on derivatives	0.04	1.36
Office maintenance and other expenses	26.62	12.79
Allowance for doubtful debts	-	8.90
Insurance	6.96	3.20
Audit Fees*	0.09	0.10
<b>Total</b>	<b>34.89</b>	<b>30.91</b>

₹ Crore

\* Auditors remuneration(excluding GST)

Particulars	2020-21	2019-20
a) As auditor	0.07	0.07
b) For other services	0.01	0.01
<b>Total</b>	<b>0.08</b>	<b>0.08</b>

₹ Crore

## 23 Finance costs

Particulars	2020-21	2019-20
<b>Finance Cost</b>		
Interest expenses	1,421.07	542.79
<b>Total</b>	<b>1,421.07</b>	<b>542.79</b>

₹ Crore



#### Notes forming part of the Financial Statements

##### 24.1 Disclosure in pursuant to Ind AS 107: Financial Instruments

###### 24.1.1 Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk 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 'Finance' Treasury & Investment Committee, which is responsible for developing and monitoring the Company's risk management policies. The key roles and integrating activities 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 undelivered 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.	Ageing analysis Credit rating	Diversification of bank deposits, credit limits and letters of credit/bank guarantees
Liquidity Risk	Borrowings and other liabilities	Holding cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - (foreign exchange):	Future (contractual) transactions (foreign and 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

#### 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.

#### 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 our new offers 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 ratings which consider 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 in 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 at the reporting date with the risk of default as at the date of initial recognition. It considers available quantitative and supportive forward-looking information.



Notes forming part of the Financial Statements

26.1 Financial Risk Management

Liquidity risk

Excess liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to cover our various positions. Due to the dynamic nature of the underlying business, Company's management maintains the ability to borrow by maintaining substantially under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (including the various borrowing facilities having) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at Company as per the pattern and times set by the Company.

Financing arrangements

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	As at March 31, 2021		As at March 31, 2020	
<b>Financing rate</b>				
Expiring beyond one year (Basic loans)				
Fixed Interest loans		-		681.10
Non-Fixed Interest loans		-		-
<b>Total</b>		-		681.10
<b>Fixed rate</b>				
Expiring beyond one year (Non-Convertible Debentures)		-		-
<b>Total</b>		-		-

Contractual liabilities at financial liabilities including contractual interest payable on borrowings

Particulars	As at March 31, 2021		As at March 31, 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
<b>Non-derivative liabilities:</b>				
Borrowings	5,611.04	24,389.31	893.69	30,661.68
Trade payables	989.61	-	1,102.15	-
Other financial liabilities	178.20	25.40	83.94	93.64
<b>Total</b>	4,778.85	24,414.71	1,079.78	30,755.32



## Notes forming part of the Financial Statements

### 24.1.1 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 where necessary. During 31 March 2021 and 31 March 2020, 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

₹ Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	13,225.43	12,518.62
Fixed rate borrowings	2,364.99	3,072.80
<b>Total borrowings</b>	<b>15,590.42</b>	<b>14,591.42</b>

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

₹ Crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank overdrafts, bank loans						
Fund Based Limits	8.93%	13,225.43	100%	10.60%	12,518.62	100%
<b>Net exposure to cash flow interest rate risk</b>		<b>13,225.43</b>			<b>12,518.62</b>	

#### 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.

₹ Crore

Particulars	Impact on profit before tax	
	March 31, 2021	March 31, 2020
Interest rates – increase by 25 basis points	33.06	11.22
Interest rates – decrease by 25 basis points	(33.06)	(11.22)



## Notes forming part of the Financial Statements

### 24.1.2 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 coal overrun equity, subordinated debt for shortfall in coal overrun capex liability.

The Company manages its capital so as to safeguard its ability to continue in a going concern and to optimize returns to 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 participation to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the investing assets.

The Company's aim is to maintain profitable growth to support 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 confidence, 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.

#### 2. (Cont)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Total Debt</b>	<b>13,225.43</b>	<b>12,518.62</b>
Total equity	73.15	1,839.89
Add Non-convertible debentures (Subordinated debt instruments)	996.91	996.82
Add Term Corporate deposits	2,364.99	253.80
Add Viability Grant Fund	1,201.20	1,201.29
Adjusted capital	<b>4,639.25</b>	<b>4,391.71</b>
Term-to-adjusted capital	<b>2.83</b>	<b>2.91</b>



## Notes forming part of the Financial Statements

### 24.1.3 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 10% 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: ₹ Crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	USD	Euro	Total	USD	Euro	Total
<b>Financial Liabilities</b>						
Payables - Creditors on account of Capital Expenditure	-	-	-	7.13	-	7.13
Less: Derivatives taken to hedge the above Exposure						
Currency and Interest Rate Swaps	-	-	-	-	-	-
Forward Contracts	-	-	-	-	-	-
Options contracts	-	-	-	-	-	-
<b>Net Exposure</b>	-	-	-	7.13	-	7.13

### 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 financial contracts.

Particulars	Impact on other components of equity	
	As at March 31, 2021	As at March 31, 2020
<b>USD sensitivity</b>		
INR/USD - Increase by 5% (31 March 2021 - 5%)	-	(0.06)
INR/USD - Decrease by 5% (31 March 2021 - 5%)	-	0.06



Notes forming part of the Financial Statements

24.1.4 Fair value measurements

(a) Financial instruments by category

₹ Crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	-	-	-	-	-	-
Security deposits	-	-	11.23	-	-	7.90
Financial Guarantee Assets	-	-	2.67	-	-	2.41
Others	-	-	0.10	-	-	-
Other Receivables	-	-	30.94	-	-	29.35
Cash and cash equivalents	-	-	656.39	-	-	255.75
Earmarked deposit for DSCR support	-	-	497.41	-	-	497.57
Balances with Banks held as margin money deposits	-	-	0.77	-	-	2.35
<b>Total financial assets</b>	-	-	<b>1,199.51</b>	-	-	<b>794.18</b>
<b>Financial liabilities</b>						
Borrowings	-	-	16,615.41	-	-	15,017.26
Other payables	-	-	105.86	-	-	87.13
Security deposits	-	-	64.67	-	-	62.45
Creditors for capital expenditure	-	-	982.61	-	-	1,002.15
<b>Total financial liabilities</b>	-	-	<b>17,778.54</b>	-	-	<b>16,161.99</b>



Notes forming part of the Financial Statements

34.1.4 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.

₹ Crore				
Assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2021	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL:				
Mutual funds	-	-	-	-

₹ Crore				
Assets and liabilities for which fair values are disclosed at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative asset - Foreign exchange forward contracts	-	-	-	-
Derivative asset - Options contract	-	-	-	-
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	-	-	-	-

₹ Crore				
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	-	-	-	-

₹ Crore				
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 contract	-	-	-	-
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 contract	-	-	-	-



## Notes forming part of the Financial Statements

### 24.1.4 Fair value measurement: 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 maximize 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 valuers 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

24.1.4 Fair value measurements Contd...

(c) Fair value of financial assets and liabilities measured at amortised cost

₹ Crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposits	11.23	11.23	7.90	7.90
Others	0.10	0.10	-	-
Financial Guarantee Assets	2.67	2.67	3.11	3.11
Other Receivables	30.94	30.94	29.30	29.30
Cash and Cash Equivalents	656.39	656.39	253.75	253.75
Excluded deposit for DSCR support	497.41	497.41	497.27	497.27
balances with banks held as margin money deposits	0.77	0.77	2.55	2.55
<b>Financial liabilities</b>				
Term Loan Borrowings	16,618.41	16,618.41	15,012.26	15,012.26
Security deposits	64.67	64.67	60.45	60.45
Creditor for capital expenditure and other payables	1,095.46	1,095.46	1,089.28	1,089.28

The carrying amounts of trade receivables, trade payables, advances receivable to cash, short term security deposits, bank deposits with term less 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 value 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 value 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.

(d) Assets pledged as security

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

₹ Crore

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
First charge		
Freehold land	0.10	0.10
Receivables	30.94	29.30
<b>Total assets pledged as security</b>	<b>31.04</b>	<b>29.40</b>



Notes forming part of the Financial Statements

34.3 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 a service perspective. Segment accounting policies are in line with the accounting policies of the Company.

₹ Crore

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Revenue</b>		
Metro Rail System	342.06	1,142.41
Others	163.97	228.16
<b>Total</b>	<b>506.03</b>	<b>1,370.57</b>
<b>Expenditure</b>		
Metro Rail System	651.77	1,104.07
Others	78.94	105.91
<b>Total</b>	<b>730.71</b>	<b>1,209.98</b>
<b>Operating Profit (PBIT)</b>		
Metro Rail System	(409.71)	38.34
Others	84.03	122.25
<b>Interest expense</b>		
Metro Rail System	1,301.09	486.60
Others	59.97	55.26
<b>PAT</b>		
Metro Rail System	(1,770.81)	(448.25)
Others	4.36	66.05

(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.

₹ Crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Segment Assets	Additions to non-current assets	Segment Assets	Additions to non-current assets
Metro Rail System	15,748.61	(124.00)	15,872.60	1,415.69
Others	1,541.76	102.69	1,439.08	(28.97)
<b>Total segment assets</b>	<b>17,290.37</b>	<b>(21.31)</b>	<b>17,311.68</b>	<b>1,386.72</b>
<b>Unaffordable:</b>				
Deferred tax assets	-	-	-	-
Investments	-	-	-	-
Cash and cash equivalents	158.98	(94.77)	253.75	222.35
Other bank balances	(97.41)	-	(97.57)	-
<b>Total assets as per the balance sheet</b>	<b>17,446.76</b>	<b>(116.08)</b>	<b>18,063.00</b>	<b>1,608.20</b>



## (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.

₹ Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Metro Rail System	17,127.28	13,324.40
Others	743.51	695.89
Total segment liabilities	17,870.79	16,220.29
Unallocated:		
Deferred tax liabilities	-	-
Current tax liabilities	-	-
Total liabilities as per the balance sheet	17,870.79	16,220.29

(d) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not 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 segments.

(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

34.4 Machine Under Part A's 12-Income Taxes

(i) consistent of deferred tax (asset)/liability recognized in the Balance Sheet and Statement of Profit and Loss account –

Sr No	Particulars	Balance Sheet		Profit & Loss	
		31.3.2021	31.3.2020	FY 20-21	FY 19-20
1	Difference in book depreciation and income tax depreciation (in amount)	1,627.46	866.85	701.21	508.71
2	Carried forward tax loss (tax amount)	(471.00)	(57.00)	(504.10)	(126.33)
3	Unabsorbed depreciation (tax amount)	(1,205.46)	(433.85)	(508.41)	(158.04)
	Net deferred tax (asset)/liabilities	-	-	-	-

₹ (Rupee)

(ii) Unpaid tax losses (to which no reference tax asset (DTA) is recognized in Balance Sheet –

Sr No	Particulars	31.3.2021		31.3.2020	
		Rs.	₹ (Rupee)	Rs.	₹ (Rupee)
1	Tax losses (Unabsorbed loss and unabsorbed depreciation)	-	-	-	-
2	Amount of losses having expiry (Base amount)	-	-	-	-
3	Amount of losses having no expiry (Base amount)	2,108.77	-	451.87	-

₹ (Rupee)

a. Deferred tax asset on unabsorbed loss/depreciation has been recognized to the extent the same can be set off against deferred tax liability arising on timing difference between book depreciation and tax depreciation.

b. Other deferred tax assets have not been recognized considering the concept of reasonable certainty of future taxable income.



Notes forming part of the Financial Statements

24.5 Disclosure pursuant to Ind AS 116-“Leases”

a) Assets taken on operating lease

The Company has not entered into any finance lease. The Company has taken vehicles under contributory operating lease for short term. These lease agreements are mutually reviewed for a period of one year upon expiry. There are no exceptionally onerous contracts in the lease agreements. The lease expenses in respect of these operating leases have been disclosed in Office maintenance and other expenses, Current Year ₹ 0.43 Cr. (Previous Year ₹ 1.26 Cr.).

b) Assets given under operating lease

The company has entered into Agreements with some of the interested parties for giving the space or lease related to Tarsila Chemical Development and Social Retail.

The company has given its premises under short-term leasehold operating lease. The future minimum lease payments receivable is reported, of which are as follows:

Serial	Particulars	As at 31.03.2021
1	Receivable not later than 1 year	46.94
2	Receivable not later than 1 year and not later than 3 years	23.00
3	Receivable not later than 2 years and not later than 3 years	16.22
4	Receivable not later than 3 years and not later than 4 years	7.13
5	Receivable not later than 4 years and not later than 5 years	0.21
6	Receivable more than 5 years	18.64
	<b>Total (1+2+3+4+5+6)</b>	<b>99.24</b>

₹ Crores

24.6 Disclosure pursuant to Ind AS 19- Employee benefits

(i) Defined contributory plan

An amount of ₹ 0.91 Cr. (Previous Year ₹ 1.10 Cr.) being contribution made in recognized provident fund is recognised as expense.

(ii) Defined benefit plan

- a) The Company operates gratuity plan through a trust reformal 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 requires the company to account risks with an investment risk, interest risk, salary risk and longevity 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 other investments.
Longevity Risk	The present value of the 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. An increase in the salary or the return of the plan participants will increase the plan's liability.



Notes forming part of the Financial Statements

2.4.6 Disclosure pursuant to Ind AS 19 - Employees benefits Contin....

(a) Amounts recognised in Balance Sheet are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
As Present value of defined benefit obligation				
- wholly funded				
- wholly unfunded	3.34	3.74	2.75	3.87
	3.34	3.74	2.75	3.87
	2.27	3.20	2.75	3.87
	0.57	0.54	2.75	3.87
Less : Fair value of plan assets				
Amount to be recognised as liability in (amount)				
(i) Amounts reflected in the Balance Sheet				
Liabilities	(0.57)	(0.54)	2.75	3.87
Assets				
Net liability / (asset)	0.57	0.54	2.75	3.87

(b) Amounts recognised in the Financials are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1 Current service cost	0.52	0.53	0.47	0.56
2 Interest on Defined benefit obligation	0.73	0.26	0.22	0.27
3 Interest income on plan asset	(0.20)	(0.20)		
4 Actuarial (over/shortfall)		0.27	(0.02)	0.15
(Overstatement) - Due to financial assumption	(0.04)			
(Understatement) - Due to demographic assumption				
Reimbursement - Due to expectation adjustments	(0.21)	(0.41)	(0.52)	(0.50)
Total (A+B+C)	0.30	0.26	0.15	0.68
1 Amount included in Financials	(1.30)	0.24	0.15	0.68
11 Amount included as part of "Finance cost"	-	-	-	-
Total (A + B)	0.30	0.24	0.15	0.68
Actual return on plan assets	-	-	-	-



Notes forming part of the Financial Statements

34.6 Disclosure pursuant to Ind AS 19 - Employee benefits Contd.....

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

₹ Crore

Particulars	Gratuity plan		Compensated absence	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening balance of the present value of defined benefit obligation	3.75	3.32	3.87	3.32
Add: Current service cost	0.29	0.46	6.47	0.56
Add: Interest cost	0.23	0.26	0.22	0.27
Add: Contributions by plan participants	-	-	-	-
i) Employee	-	-	-	-
ii) Employee	-	-	-	-
Add: Remeasurements due to experienced adjustments	(0.11)	(0.41)	(0.52)	(0.14)
Less: Benefits paid	(0.78)	(0.35)	1.39	0.66
Add: Remeasurements due to financial assumptions	(0.04)	0.27	(0.02)	0.15
Add: Past service cost	-	-	-	-
Closing balance of the present value of defined benefit obligation	3.34	3.75	2.73	3.87

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

₹ Crore

Particulars	Gratuity plan	
	As at March 31, 2021	As at March 31, 2020
Opening balance of fair value of plan assets	3.21	2.99
Add: Expected return on plan assets	0.20	0.20
Add: Remeasurements- return on assets	(0.12)	0.14
Add: Contribution by employee	0.31	0.23
Add: Contribution by plan participants	-	-
Less: Adjustment to opening balance & others	0.04	-
Less: Benefits paid	0.78	0.38
Closing balance of fair value of plan assets	2.78	3.21

g) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at March 31, 2021	As at March 31, 2020
1) Discount rate	6.86%	6.72%
2) Salary growth rate	10.00%	10.00%
3) Expected rate of return	6.86%	6.72%
4) Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
5) Attrition rate	3.00%	3.00%



## 24.6 Disclosure pursuant to Ind AS 19 - Employee benefits: Contd....

a) A quantitative sensitivity analysis for significant assumption as at 31 March 2021

₹ Crore

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1) Discount rate	1.00%	1.00%	3.08	3.43	3.63	4.08
2) Salary growth rate	1.00%	1.00%	3.56	4.00	3.11	3.49
3) Attrition rate	1.00%	1.00%	1.30	1.70	3.38	3.79

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

Particulars	As at March 31, 2021	As at March 31, 2020
Insurer managed funds	100%	100%

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

Particulars	As at March 31, 2021	As at March 31, 2020
1. Disability	12.70	12.9
2. Compensated absence	6.56	5.58

## 24.7 Disclosure pursuant to Ind AS 23 - Borrowing Costs

Additions during the year to capital work-in-progress/intangible assets under development include ₹ 13.11 Cr. (previous year: ₹ 7.65 Cr.) being borrowing cost capitalised in accordance with Ind AS 23 "Borrowing Costs". Asset-wise break-up of borrowing costs capitalised is as follows:

₹ Crore

Asset Class	As at March 31, 2021	As at March 31, 2020
Tangible - Capital work in progress	13.11	5.79
Intangible - Intangible Assets under development	-	708.76
<b>TOTAL</b>	<b>13.11</b>	<b>766.15</b>



**L&T Metro Rail (Hyderabad) Limited**  
**Notes forming part of the Financial Statements**  
**24.8 Disclosure pursuant to Ind AS 24 - Related party disclosures**

- (i) List of related parties where control exists  
 (a) Holding Company (i) Larsen & Toubro Limited  
 (b) Fellow Subsidiaries  
 1) L&T Infotech Limited  
 2) L&T Ready Designers 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. H Reddy, Managing Director and CEO  
 2) Mr. J. Jay Kumar, Chief Financial Officer  
 3) Mr. Chandraiah D Patilwal, Head - Legal & Company Secretary

**(iii) Disclosure of related party transactions**

Name/Relationship/ Nature of transaction		2020-21	2019-20
<b>1. Holding Company</b>			
<b>Larsen &amp; Toubro Limited</b>			
(a) Pay roll & TDS/1: Processing fees		0.00	0.03
(b) Cost of Services by		0.72	0.82
(c) Cost of services to		1.16	3.69
(d) Subscription to Equity Shares		-	11.82
(e) Inter Corporate Deposit received		1,292.19	146.95
(f) Subordinate debt received for shortfall in cost overrun		-	272.99
(g) Repayment of Subordinate debt		272.99	819.00
(h) Mezzanine debt for cost overrun equity		-	33.18
(i) Interest on inter corporate deposits		105.53	0.57
(j) Corporate Financial Guarantee Charge		0.57	14.14
(k) Mobilisation advance paid		-	575.31
(l) Intangible Assets/Construction work in progress		141.81	9.00
(m) Overheads charged by		5.72	0.06
(n) Overheads charged to		-	-
<b>2. Fellow Subsidiaries</b>			
<b>(i) L&amp;T Infotech Limited</b>			
(a) Purchase of services and products		2.95	2.90
<b>(ii) L&amp;T Technology Services Ltd</b>			
Cost of services provided by:		-	0.17

IV) Key Management Personnel Compensation		₹ Crore	
Particulars		2020-21	2019-20
Short Term Employee Benefits		4.38	4.73
Post Employee Benefit		0.11	0.11
<b>Total</b>		<b>4.49</b>	<b>4.84</b>



Notes forming part of the Financial Statements

24.8 Disclosure pursuant to Ind AS 24 -Related party disclosures Contd.:-

V) Due to / from related parties

Name/Relationship	As at March 31, 2021		As at March 31, 2020	
	Due to	Due from	Due to	Due from
Larsen and Toubro Limited (Holding company)	647.82	-	672.65	-
Larsen and Toubro Limited (Holding company-Mobilisation advance)	-	-	-	14.14
Larsen & Toubro Ltd (LTIMCO)	0.01	-	1,072.80	0.19
Inter Corporate Deposit	2,364.99	-	272.99	-
Subordinate debt for shortfall in cost overrun rupee facility	-	-	-	-
Interest on Inter-corporate Deposit	85.50	-	27.04	-
(iii) Fellow subsidiaries				
(a) L&T Infotech Limited	0.45	-	0.74	-
(b) L&T Realty Developers Limited	-	-	1.89	-
(c) Larsen and Toubro Limited Construction Facilities	-	0.03	-	0.37
(d) L&T Technology Services Ltd	-	-	0.20	-
(iv) Joint Ventures				
(a) L&T Transportation Infrastructure Ltd	-	0.01	-	-

VI) Commitment with Related Parties

₹ Crore

Capital commitment in respect of additions to Assets (Tangible & Intangible assets)	As at March 31, 2021	As at March 31, 2020
Larsen & Toubro Limited	146.62	173.78
Larsen & Toubro Infotech Limited	1.01	1.97

Note:

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



24.9 Disclosure pursuant to Ind AS 33 - Earnings per share

Particulars	₹ Crore / Nos	2020-21	2019-20
Profit After Tax	₹ Crore	(1,766.74)	(382.21)
Number of equity shares outstanding	Nos	2,43,90,00,000	2,43,90,00,000
Weighted average number of equity shares	Nos	2,43,90,00,000	2,41,67,52,377
Earnings Per Share			
Basic & Diluted	₹ Crore	(7.24)	(1.57)
Normal value per equity share	₹ Crore	(0.00)	(0.00)

24.10 Disclosure pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Movement in Provisions, Major Maintenance and overhead expenses:

Particulars	₹ Crore
Balance as at 01.04.2020	28.56
Additional provision during the year (including unwinding of Interest)	38.32
Provision used during the year	-
Provision reversed during the year	-
Balance as at 31.03.2021	(60.86)

24.11 Expenditure in Foreign Currency

Particulars	As at March 31, 2021	As at March 31, 2020
(a) overseas contract	105.30	357.25
Professional/consultancy fees	1.62	-
Travelling expenses	-	0.01
Total	107.22	347.26

24.12 Impact of Covid on Financials:-

The Company has taken into account the possible impact of Covid 19 while preparation of the financial statements including assessment of liquidity and going concern assumption, recoverable values of the financial and non-financial assets and impact on revenue recognition in the light of certain changes in real estate market conditions, work from home policies being followed by corporates etc. The Company has carried out this assessment based on longer period of the concession, entitlement for force majeure compensation and other available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

24.13 Pursuant to the Employees Stock Option Scheme established by the holding Company (i.e. Larsen & Toubro Limited), stock options were granted to the departed employees of the Company. Total cost incurred by the holding Company, in respect of the same is ₹ 4.01 Cr. The same is being recovered from the company over the period of vesting by the holding Company. Accordingly, cost of ₹ 4.58 Cr. (FY: ₹ 4.01 Cr.) has been recovered by the holding Company upto current year, out of which, ₹ 0.57 Cr. (FY: ₹ 0.86 Cr.) was recovered during the year. Balance of ₹ 0.30 Cr. will be recovered in future periods.

24.14 The corresponding previous year's figures have been reworded wherever necessary to conform to the presentation of the current year's accounts.

24.15 Figures have been rounded off to the nearest rupee.



## **L&T Metro Rail (Hyderabad) Limited**

### **Notes Forming part of the Accounts Note 25: 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 Oriented 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 L.B. Nagar (29.55 KM), Corridor-2: JBS to MGJBS (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 by various dates starting from 28th November 2017 to 8th February 2020.

The Company also completed construction of 1.25 million sq. space of Transit oriented development (TOD) consisting of 4 malls and an office block at Punjagutta, Erram Manath, Hitech City and Moosambathu locations and commenced commercial operations on various dates starting from 29.11.2017 to 09.08.2019. The construction work for an office block at 0.5 Million sq. at Raidurg site is under progress.

The project has been funded by promoters' share capital, liability 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, for certain financial instruments that are measured at fair value in accordance with



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

**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.

Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

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

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

- it is expected to be realized within twelve months after the reporting date; or
- 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:

- it is due to be settled within twelve months after the reporting date; or
- 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 the settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

#### 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 fund, lease 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 and when the customer receives the benefit of the company's performance and the



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

- 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 part of a part of the asset ("asset component") is significant to total cost of the asset and its useful life of that part is different from the useful life of the remaining asset, useful life



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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 recognized 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/ 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 monetization.

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 recognized 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-deductible credits availed, if any, less accumulated depreciation and cumulative impairment.

Subsequent expenditure is capitalized 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 derecognized.

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-deductible 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.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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 derecognized 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 post 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:

- the provision for impairment loss, if any; and
- the reversal of impairment loss recognized in previous periods, if any.

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

- in the case of an individual asset, at the higher of the net selling price and the value in use;
- 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.

The asset 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).



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

#### 1). 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 recognized in the period in which the employee renders the related service.

##### b) Post-employment benefits

i). Defined contribution plans: The state government provided fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution payable under the schemes is recognized 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.

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

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognized in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs.

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

##### 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 Projected Unit Credit Method is used for determining the present value of the obligation under the defined benefit plans. It is based on the market yield on government securities of a maturity period



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

equivalent to the weighted average maturity profile of the related obligations at the Balance sheet date.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, remeasurements including actuarial gains and losses, are recognized in the statement of profit and loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognized in the Statement of Profit and loss under the finance cost.

#### 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 is a lessee.

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019.

Assets taken on lease are accounted as right of use assets and the corresponding lease liability is accounted at the lease commencement date.

Initially the right of use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate or a change in the estimate of the guaranteed residual value or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The right of use asset is measured by applying cost model i.e. right of use asset at cost less accumulated depreciation/impairment losses. The right of use asset is depreciated using the straight line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is lower. Carrying amount of lease liability is increase interest on lease liability and reduced by lease payments made.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

Lease payments associated with following leases are recognized as expense on straight line basis

- (i) Low value leases, and
- (ii) Leases which are short term.

The Company is a lessee

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognized in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease. The group recognizes lease payment in case of assets given on operating leases as income on a straight line basis. The company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

### 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 sale.

### 14. Financial Instruments

Financial assets and financial liabilities are recognized 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 amortized cost or fair value. Investments in debt instruments that meet the following conditions are subsequently measured at amortized 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).



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

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 recognized 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 recognized in profit or loss and other changes in fair value are recognized 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 derecognized 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 recognizing impairment loss on financial assets measured at amortized 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 recognized 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 reported loss allowance determined in per impairment requirements of Ind AS 109 and the lifetime recognized loss cumulative amortization. All other financial liabilities including



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

Loans and borrowings are measured at amortized cost using Effective Interest Rate (EIR) method.

Financial liability is derecognized 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 recognized amounts and there is an intention to settle on a net basis or realize 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 recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing 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 recognized assets or liabilities or a firm commitment (fair value hedges);
- (b) hedges of a particular risk associated with a recognized 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~~



## **Notes forming part of the Accounts (contd.)**

### **Significant Accounting Policies (contd.)**

hedged item arising from the hedged risk is amortized 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 recognized in other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss and is included in the other expenses.

Amounts previously recognized 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, on the same line as the recognized 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 recognized 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 recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized 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 recognized 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 recognized in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognized 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 the carrying amount of the related assets, are also included in the borrowing costs.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized 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 recognized 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 recognized 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.

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.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

- (iv) Segment result includes margins on inter-segment capital jobs, which are reduced to 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

The 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 recognized on temporary differences between the carrying amount 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/arises under the head "capital gains" are recognized 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 realized.

Other deferred tax assets are recognized 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 realized.

Transaction or event which is recognized 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 realize the assets and settle the liability simultaneously.

### 20. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- a) the company has a present obligation (legal or constructive) as a result of a past event
- and 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.



## Notes forming part of the Accounts (contd.)

### Significant Accounting Policies (contd.)

Reimbursement expected in respect of expenditure required to settle a provision is recognized 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:

- Estimated number of contracts remaining to be executed on capital account and not provided for
- Other non-cancelable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- 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:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature
- non-cash items such as depreciation, provisions, deferred taxes, un-realised foreign currency gains and losses, and undistributed profits of associates; and
- 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 include items which are not available for general use as at the date of Balance Sheet.



**Notes forming part of the Accounts (contd.)**  
**Significant Accounting Policies (contd.)**

**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 estimation is recognised in the period in which the results are known.

As per our report attached  
**For M.C. DANDIEKER & CO.,**

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

**S. Poosaldurai**

Partner

Membership No: 213754

Place:  
 Date:



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

**M.V.R. Reddy**  
 Managing Director & CEO  
 DIN No: 01683467

**J. Rav Kumar**  
 (Chief Financial Officer)

**Chandrabud D Pillai**  
 (Company Secretary)  
 Membership No: F5577

Place: Hyderabad  
 Date: 23.04.2021