

## **BOARD'S REPORT**

Dear Members,

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

### **Financial Results / Financial Highlights:**

<i>(Rs. in crore)</i>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Profit / (Loss) Before Depreciation, exceptional items & Tax	(135.45)	(119.76)
Less: Depreciation, amortization, impairment and obsolescence	106.24	107.64
Profit / (Loss) before exceptional items and tax	(241.69)	(227.40)
Add: Exceptional Items	-	-
Profit / (Loss) before tax	(241.69)	(227.40)
Less: Provision for tax	(0.07)	-
Loss for the period carried to the Balance Sheet	(241.76)	(227.40)
Add: Other comprehensive Income	0.00	(0.00)
Total Comprehensive income of the year	(241.76)	(227.40)
Add: Balance brought forward from previous year	(343.32)	(115.93)
<b>Balance to be carried forward</b>	<b>(585.08)</b>	<b>(343.32)</b>

### **State of Company Affairs:**

The gross revenue and other income for the financial year under review were Rs.145.84 crore as against Rs.141.95 for the previous financial year registering an increase of 2.74%. The loss before tax was Rs.241.69 crore and loss after tax was Rs.241.76 crore for the financial year under review as against loss before tax was

Rs.227.40 crore and loss after tax Rs.227.40 crore for the previous financial year, registering an increase in loss by 6.29% and 6.32% respectively.

**Capital & Finance:**

During the year the Company has issued and allotted 5,40,00,000 Compulsorily Convertible Preference shares at Rs.10/- each amounting to Rs.54 crore to L&T Infrastructure Development Projects Limited on preferential allotment basis.

Further 4,20,00,000 number of equity shares of Rs.10/- each were acquired by M/s. L&T Transportation Infrastructure Limited from M/s. L&T Infrastructure Development Projects Ltd. (Promoter).

**Capital Expenditure:**

As on March 31, 2020 the gross fixed and intangible assets including leased assets, stood at Rs.2,266.89 crore and the net fixed and intangible assets, including leased assets, at Rs.2,001.31 crore. Capital Expenditure during the year amounted to Rs.0.60 crore including capital expenditure of Rs.0.16 crore incurred towards intangible assets

**Deposits:**

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

**Depository System:**

As on March 31, 2020, the shares of the Company are held in the following manner:

Equity shares:

The entire holding of the Company's equity paid up capital representing 28,53,40,000 equity shares @ Rs.10/- each are held in dematerialized form.

Compulsorily Convertible Preference Shares (CCPS)

The entire holding of the Company's preference share capital representing 5,40,00,000 CCPS @ Rs.10/- each are held in dematerialized form.

**Subsidiary Companies:**

The company does not have any Subsidiary / Joint Venture Company under its purview.

**Particulars of loans given, investments made, guarantees given or security provided by the Company:**

Since the Company is engaged in the business of developing infrastructure facilities, the provisions of Section 186 except sub-section (1) of the Act are not applicable to the Company.

Details of loans given, investments made or guarantees given or security is provided in the financial statement.

**Particulars of Contracts or Arrangements with related parties:**

All related party transactions during the year have been approved in terms of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The entire related party transactions were at arms'-length basis and in the ordinary course of business. The details of material Related Party Transactions are provided in **Annexure I (AOC-2)**.

**Amount to be carried to reserve:**

Since the Company has incurred losses for the year ended March 31, 2020 no amount is required to be transferred to the statutory reserve as required.

**Dividend:**

As the Company has no distributable profits, no dividend is recommended for the year.

**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.

**Details of significant and material orders:**

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

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

Conservation of Energy and Technology absorption

In view of the nature of activities which are being carried on by the Company Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, conservation of energy and technology absorption does not apply to the Company.

Foreign exchange earnings and outgo

During the year, the Company had incurred expenditure amounting to Rs. 9,13,661/- in foreign currency.

**Risk Management Policy:**

The Company follows the risk management policy of its Holding Company 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

**Corporate Social Responsibility:**

Since your Company does not exceed any of the threshold limits specified under section 135 of the Act, the provisions of Corporate Social Responsibility are not applicable.

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

Mr. R.G.Ramachandran, Director retired by rotation at the Annual General Meeting held on September 24, 2019 and was reappointed as Director.

Mr.P.S.Kapoor was appointed as Additional Director on April 22, 2019. He was then appointed as Director at the Annual General Meeting held on September 24, 2019.

Dr. Esther Malini resigned as Director of the Company with effect from April 17, 2019.

Ms. Samyuktha Surendran was appointed as Additional Director (Independent Woman Director) on April 22, 2019. She was then re-appointed as an Independent Director at the Annual General Meeting held on September 24, 2019.

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

The first term of 5 years of the Independent Directors of the Company namely Dr. A. Veeraragavan and Dr. Koshy Varghese concluded on March 30, 2020. Subsequently, they (Independent Directors) were re-appointed for a second term of 5 years from March 31, 2020 to March 30, 2025

The qualification, technical knowledge and expertise of the Independent Directors are best suited for the Company's business. The Independent Directors were re-appointed for the second term of 5 years as non-executive directors felt that the contribution of the Independent Directors towards the progress of the Company was invaluable so far and will continue to be so in future also.

Composition of Board of Directors of the Company as on March 31, 2020 stood as below:

<b>S. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>DIN</b>
1	Mr. Pramod Sushila Kapoor	Director	02914307
2	Mr. R.G.Ramachandran	Director	02671982
3	Dr. A.Veeraragavan	Independent Director	07138615
4	Dr. Koshy Varghese	Independent Director	03141594
5.	Ms. Samyuktha Surendran	Independent Director	07138327

The Key Managerial Personnel (KMP) of the Company as on March 31, 2020 are:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>
1	Mr. Rajesh Vichare	Manager	October 16, 2017
2	Ms. Sindhu K.	Chief Financial Officer	March 15, 2010
3	Mr. Karthikeyan T.V.	Company Secretary	January 11, 2017

**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.

During the year five Board Meetings were held. The details of the Board meetings conducted during the year are given below:

<b>Date</b>	<b>Strength</b>	<b>Directors Present</b>
April 22, 2019	4	3
July 11, 2019	5	4
October 11, 2019	5	5
December 09, 2019	5	3
January 10, 2020	5	5

**Information to the Board:**

The Board of Directors has complete access to the information within the Company which interalia includes:

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Financing plans of the Company
- Minutes of the meeting of the Board of Directors, Audit Committee (AC), Nomination and Remuneration Committee (NRC)
- Report on fatal or serious accidents
- Any materially relevant default, if any, in financial obligations to and by the Company
- Any issue which involves possible public or product liability claims of substantial

nature, including any Judgement or Order, if any, which may have strictures on the conduct of the Company

- Development in respect of human resources
- Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investor service

The Independent Directors have the freedom to interact with the Company's management. Interactions happen during the Board / Committee Meetings, when senior company personnel are asked to make presentations about performance of the Company. Presentations are made regularly to the Board/NRC/AC (minutes of Board, AC and NRC are circulated to the Board), Presentations, inter alia cover business strategies, management structure, management development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit reports, risk management, etc.

### **Audit Committee**

The Audit Committee was constituted in terms of the requirements of the Act. As on March 31, 2020 the Committee comprised of Dr. A.Veeraragavan, Dr. Koshy Varghese and Mr. Pramod Sushila Kapoor.

During the year four audit committee meetings were held. The details of the meetings conducted during the year under review are given below:

<b>Date</b>	<b>Strength</b>	<b>Members Present</b>
April 22, 2019	3	2
July 11, 2019	3	2
October 11, 2019	3	3
January 10, 2020	3	3

### **Vigil Mechanism / Whistle Blower Policy**

As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns. The Head Internal Auditor of the Holding Company was the co-ordinator for the Vigil

Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

The Company follows the whistle blower policy of the Holding Company to report concerns about unethical activities, actual/suspected frauds and violation of Company's Code of Conduct. The policy provides for adequate safeguards against victimization of persons who avail the same and provides for direct access to the Chairman of the Audit Committee.

Member can view the details of the whistle blower policy under the said framework of the Holding Company on its website [www.lntidpl.com](http://www.lntidpl.com).

#### **Company Policy on Director Appointment and Remuneration:**

The Nomination and Remuneration Committee was constituted in terms of the requirements of the Act. As on March 31, 2020 the committee comprised of Dr.A.Veeraragavan, Dr.Koshy Varghese and Mr. R.G.Ramachandran.

During the year, two Meetings of the Nomination and Remuneration Committee was held. The details of the meeting conducted during the year under review are given below:

<b>Date</b>	<b>Strength</b>	<b>Members Present</b>
April 22, 2019	3	2
January 10, 2020	3	3

The Committee had formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the KMP and the criteria for determining qualifications, positive attributes and independence of a Director and also for KMP.

#### **Declaration of independence:**

The Company has received declaration of independence as stipulated under Section 149(7) of the Act from the Independent Directors confirming that he/she is not disqualified from continuing as an Independent Director.



**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 Audit Committee and 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.

**Directors Responsibility Statement:**

The Board of Directors of the Company confirms that:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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 profit or 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 control with respect to reporting on financial statements and the said system is operating effectively.

- 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.

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

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, committees 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, its culture, Board effectiveness, Board functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all directors in their individual capacity will be evaluated.

Further, the Independent Directors reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

**Compliance with Secretarial Standards on Board 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.

**Protection of Women at Workplace:**

The Company has adopted a policy on Protection of Women's Rights at workplace in line with the policy formulated by the Holding company. The Company has an Internal Complaints Committee under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. This has been widely disseminated. There were no complaints of sexual harassment received by the Company during the year.

**Auditors Report:**

The Auditors' Reports on the standalone financial statements for the financial year 2019-20 are unqualified. The Notes to the accounts referred to in the Auditors' Reports are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Act.

**Auditor:**

The Company at the Fourth Annual General Meeting (AGM) held on September 24, 2015 for the Financial Year 2014-15 had appointed M/s. M. K. Dandeker & Co, Chartered Accountants, (ICAI Registration no: 000679S), Chennai as Statutory Auditors of the Company to hold office until the conclusion of the sixth consecutive Annual General Meeting of the Company.

**Secretarial Auditor:**

M/s.B.Chitra & Co, Company Secretary in practice (C.O.P.No.2928) was appointed to conduct the secretarial audit of the Company for the financial year 2019 – 20, as required under Section 204 of the Act and Rules thereunder. The secretarial audit report dated 14.07.2020 to the Shareholders for the financial year 2019-20 is attached as **Annexure II** to this Report and is unqualified and has no adverse remark.

**Cost auditor:**

M/s Srinivasan Damodaram & Associates, Cost Accountant (Membership No.000825), was appointed as Cost Auditor of the Company for audit of cost accounting records for the financial year 2019 – 20, pursuant to the provisions of Section 148 of the Act and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014. The Report of the Cost Auditors for the financial year 2018-2019 was filed with Ministry of Corporate Affairs.

**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.

**Extract of Annual Return:**

The extract of the annual return in Form No. MGT – 9 is enclosed to this Report as '**Annexure III**'.

**Acknowledgement:**

The Board of Directors wish to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. Your Directors take this opportunity to thank financial institutions, banks, Central and State Government authorities, regulatory authorities, stock exchanges and all the stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

*Date: July 8, 2020*  
*Place: Chennai*

**Pramod Sushila Kapoor**  
*Director*  
*DIN: 02914307*

**R.G.Ramachandran**  
*Director*  
*DIN:02671982*

**FORM NO. AOC.2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under the third proviso thereto**

*(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

1. Details of contracts or arrangements or transactions not at arm's length basis

The Company has not entered into such transactions during the year.

2. Details of material contracts or arrangement or transactions at arm's length basis

- a. There were no contracts or arrangements entered into by the Company with related party(s) during the FY 2019 – 20 which required shareholders' approval as per Sec. 188(1) of the Companies Act, 2013
- b. The details of related party transactions during the FY 2019 – 20 form part of the financial statements as per Ind AS 24 and the same is given in Note

For and on behalf of the Board

*Date: July 8, 2020*  
*Place: Chennai*

**Pramod Sushila Kapoor**  
*Director*  
*DIN: 02914307*

**R.G.Ramachandran**  
*Director*  
*DIN:02671982*

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 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:**

CIN	U45203TN2011PLC083661
Registration Date	20/12/2011
Name of the Company	L&T Deccan Tollways Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai- 600089 Contact no: 044 22528728
Whether listed company Yes / No	No
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: 022 4914 2591

**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	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100%

**III. Particulars of Holding, Subsidiary and Associate Companies**

S. No	Name and Address of The Company CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	L&T Infrastructure Development Projects Limited CIN: U65993TN2001PLC046691	Holding	85%	2(46)



L&T Deccan Tollways Limited

<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	8*	-	8*	0	8*	-	8*	0	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>8*</b>	<b>-</b>	<b>8</b>	<b>0.01</b>	<b>8*</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>8*</b>	<b>-</b>	<b>8</b>	<b>0.01</b>	<b>8*</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>285340000*</b>	<b>8</b>	<b>285340000</b>	<b>100</b>	<b>285340000</b>	<b>-</b>	<b>285340000</b>	<b>100</b>	<b>-</b>	<b>-</b>

*\*including Shares held by individuals jointly with L&T Infrastructure Development Projects Limited*



**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding as on April 01, 2019			Shareholding as on March 31, 2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares company	% of Shares Pledged / encumbered to total shares	
1	L&T IDPL	285339992	99.99%	Nil	243339992	85.28	Nil	(14.72)
2	L&T TIL	-	-	Nil	42000000	14.72	Nil	14.72
	<b>Total</b>	<b>285339992</b>	<b>99.99%</b>	<b>Nil</b>	<b>243339992</b>	<b>100</b>	<b>Nil</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding:**

S. No.	For each of the Promoters	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
<b>1</b>	<b>L&amp;T IDPL</b>				
	As on April 1,2019	285339992	99.99	285339992	99.99
	Transfer to L&T Transportation Infrastructure Limited	(4,20,00,000)	(14.72)	(4,20,00,000)	(14.72)
	As on March 31, 2020	24,33,39,992	85.28	24,33,39,992	85.28
<b>2</b>	<b>L&amp;T Transportation Infrastructure Limited</b>				
	As on April 01,2019	0	0	0	0
	Transfer from L&T IDPL	4,20,00,000	14.72	4,20,00,000	14.72
	As on March 31, 2020	4,20,00,000	14.72	4,20,00,000	14.72

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

S. No.	For each of the Promoters	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
<b>1.</b>	<b>Mr. Shailesh K. Pathak jointly with L&amp;T IDPL</b>				
	As on April 1, 2019	1	0	1	0
	No change during the year	-	-	-	-
	As on March 31, 2020	1	0	1	0
<b>2</b>	<b>Mr.Karthikeyan T.V jointly with L&amp;T IDPL</b>				
	As on April 1, 2019	1	0	1	1
	Change during the year	-	-	-	-
	As on March 31, 2020	1	0	1	1

3	<b>Mr.J.Subramanian</b>				
	As on April 1, 2019	2	0	2	0
	No change in Shareholding during the year	-	-	-	-
	As on March 31, 2020	2	0	2	0
4	<b>Mr.P.G.Suresh Kumar jointly with L&amp;T IDPL</b>				
	As on April 1, 2019	1	0	1	1
	Change during the year	-	-	-	-
	As on March 31, 2020	1	0	1	1
5	<b>Mr.T.S.Venkatesan jointly with L&amp;T IDPL</b>				
	As on April 1, 2019	1	0	1	1
	Change during the year	-	-	-	-
	As on March 31, 2020	1	0	1	1
6	<b>Dr. Esther Malini jointly with L&amp;T IDPL</b>				
	As on April 01, 2019	1	0	1	0
	No change during the year	-	-	-	-
	As on March 31, 2020	1	0	1	0

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

S. No.	For Each of the Directors and Key Managerial Personnel	No. of shares	% of total shares of the company	Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company
1	Mr. R.G.Ramachandran jointly with L&T IDPL				
	As on April 1, 2019	1	0	1	0
	No change in shareholding during the year	0	0	0	0
	As on March 31, 2020	1	0	1	0

**V. Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

*(Amount in Rs)*

Particulars of Indebtedness	Secured Loans excluding deposits*	Unsecured Loans	Total Indebtedness
<b>As on April 1, 2019</b>			
i) Principal Amount	10,22,20,36,397	58,00,00,000	10,80,20,36,397
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>10,22,20,36,397</b>	<b>58,00,00,000</b>	<b>10,80,20,36,397</b>
<b>Changes during the financial year</b>			
Addition	-	7,31,787	-
Reduction	(2,52,10,138)	(20,62,47,930)	(2,52,10,138)
<b>Net Change</b>	<b>(2,52,10,138)</b>	<b>(20,62,47,930)</b>	<b>(2,52,10,138)</b>
<b>As on March 31, 2020</b>			
i) Principal Amount	10,19,68,26,259	37,44,83,857	10,77,68,26,259
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>10,19,68,26,259</b>	<b>58,00,00,000</b>	<b>10,77,68,26,259</b>

**VI. Remuneration of Directors and Key Managerial Personnel****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****B.***(Amount in Rs.)*

S. No.	Particulars of Remuneration	Manager: Mr. Rajesh Vichare	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,79,000	21,79,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
5.	Others, please specify	-	-
	<b>Total</b>	<b>21,79,000</b>	<b>21,79,000</b>
	<b>Ceiling as per the Act</b>	<b>1,24,99,545</b>	<b>1,24,99,545</b>

**C. Remuneration to other directors:***(Amount in Rs.)*

Sl. no	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Dr.A.Veeraragavan	Dr. Koshy Varghese	Ms.Samyuktha Surendran	
	Fee for attending Board Meeting	1,25,000	1,00,000	50,000	2,75,000
	Fee for attending committee meetings	60,000	40,000		1,00,000
	Commission	-	-		-
	Others, please specify	-	-		-
	<b>Total (1)</b>	<b>1,85,000</b>	<b>1,40,000</b>	<b>50,000</b>	<b>3,75,000</b>
2	Other Non-Executive Directors Mr. R.G.Ramachandran Mr.P.S.Kapoor No Fee for attending board / committee Meetings and no Commission	-	-		-
	<b>Total (2)</b>	-	-		-
	<b>Total (B)=(1+2)</b>	<b>1,85,000</b>	<b>1,40,000</b>	<b>50,000</b>	<b>3,75,000</b>
	<b>Overall Ceiling as per the Act(sitting fees)</b>	<b>Not more than Rs.1,00,000/- per meeting of Board or Committee</b>			

**D. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

No remuneration was paid to KMP other than Manager of the Company. Ms. Sindhu K, CFO and Mr. Karthikeyan TV, Company Secretary are employees of the Holding Company.

**VII. Penalties / Punishment/ Compounding of Offences: Nil**

For and on behalf of the Board

Date: July 8, 2020  
Place: Chennai

**Pramod Sushila Kapoor**  
Director  
DIN: 02914307

**R.G.Ramachandran**  
Director  
DIN:02671982

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of M/s. L&T Deccan Tollways Limited**

### **Report on the Ind AS Financial Statements**

#### **Opinion**

We have audited the Ind AS financial statements of **L&T Deccan Tollways Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

#### **Material Uncertainty relating to Going Concern**

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

Note C (12) in the Ind AS financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note C (12), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the Ind AS financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

## **Information Other than the Ind AS 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 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, total comprehensive income, 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Date:** May 02, 2020

**Place:** Chennai

**UDIN:** 20223754AAAADS3961

**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 Company does not have any immovable properties and hence clause 3 (i)(c) of the Companies (Auditor's Report) Order 2016 is not applicable.
2. The Company is engaged in the business of infrastructure development and maintenance and hence clause 3(ii) of Companies (Auditor's Report) order 2016 relating to inventory is not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The Company has not entered into any transaction in respect of loans, investments, guarantees and securities, which attracts provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the paragraph 3(iv) of the of Companies (Auditor's Report) order 2016 is not applicable to the Company.
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, cess and any other statutory dues with the appropriate authorities.  
b. According to the information and explanation given to us, the details of statutory dues which have not been deposited as on March 31, 2020 on account of disputes are given below:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (In Rs.)
Income Tax	A.Y. 2016-17	CIT (Appeals)	19,09,546

Out of the above demand, a sum of Rs.3,81,910 was paid as deposit to file an appeal before the Commissioner of Income Tax (Appeals).

8. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, and Government.
9. According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including Debt instruments) or term loans during the year and hence clause 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
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 made preferential allotment of shares during the year and has made compliance of provisions of section 42 of the Companies Act, 2013. The funds raised have been used for the purposes for which they were raised.
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. 000679S)**

**Date:** May 02, 2020

**Place:** Chennai

**UDIN:** 20223754AAAADS3961

**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 Deccan Tollways Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

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

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Date:** May 02, 2020

**Place:** Chennai

**UDIN:** 20223754AAAADS3961

**S. Poosaidurai  
Partner  
Chartered Accountants  
Membership No. 223754**

**L&T Deccan Tollways Limited**  
**CIN:U45203TN2011PLC083661**  
**Balance Sheet as at March 31, 2020**

Particulars	Note	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Property, plant and equipment	1	18,911,987	21,604,482
b) Capital work in progress	1(a)	1,672,274	-
c) Intangible assets	2	19,938,583,351	20,899,585,754
d) Intangible assets under development	2(a)	53,941,401	148,391,326
e) Financial assets			
i) Loans	3	6,476,212	5,949,951
f) Other non-current assets	4	202,386	571,517
		<b>20,019,787,611</b>	<b>21,076,103,030</b>
<b>(2) Current assets</b>			
a) Financial assets			
i) Investments	6	149,666,193	463,190,529
ii) Cash and cash equivalents	7	10,801,973	25,540,883
iii) Other bank balances	7(b)	324,610,291	306,502,852
b) Current tax assets (net)	5	6,950,659	3,596,726
c) Other current assets	4	17,911,929	29,050,185
		<b>509,941,045</b>	<b>827,881,175</b>
<b>TOTAL ASSETS</b>		<b>20,529,728,656</b>	<b>21,903,984,205</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share capital	8	2,853,400,000	2,853,400,000
b) Other equity	9	(5,104,567,646)	(3,433,268,806)
		<b>(2,251,167,646)</b>	<b>(579,868,806)</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	10	21,303,105,112	20,162,078,987
ii) Other financial liabilities	12	209,987,670	78,619,941
b) Provisions	13	396,152,771	212,011,657
		<b>21,909,245,553</b>	<b>20,452,710,585</b>
<b>(2) Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	10	280,000,000	580,000,000
ii) Trade payable	11	31,412,432	39,219,202
iii) Other financial liabilities	12	465,867,926	1,297,733,509
b) Other current liabilities	14	93,391,669	113,223,043
c) Provisions	13	978,722	966,672
		<b>871,650,749</b>	<b>2,031,142,426</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>20,529,728,656</b>	<b>21,903,984,205</b>
Contingent liabilities	A		
Commitments	B		
Other notes forming part of accounts	C		
Significant accounting policies	D		
As per our report attached For <b>M.K.Dandeker &amp; Co.</b> Chartered Accountants (Firm registration no. 000679S) by the hand of		<b>For and on behalf of the Board</b>	
		<b>R.G. Ramachandran</b> Director (DIN: 02671982)	<b>Pramod Sushila Kapoor</b> Director (DIN: 02914307)
<b>S. Poosaidurai</b> <b>Partner</b> Membership No. 223754		<b>K. Sindhu</b> Chief Financial Officer	<b>Karthikeyan T.V</b> Company Secretary Membership No. A9743
Place: Chennai Date: May 02, 2020			Place: Chennai Date: May 02, 2020

**L&T Deccan Tollways Limited**  
**CIN:U45203TN2011PLC083661**  
**Statement of Profit and loss for the year ended March 31, 2020**

Particulars	Note	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
<b>REVENUE</b>			
Revenue from Operations	15	1,419,087,530	1,348,308,665
Other income	16	39,294,411	71,189,932
<b>Total income</b>		<b>1,458,381,941</b>	<b>1,419,498,597</b>
<b>EXPENSES</b>			
Operating expenses	17	356,784,692	323,834,310
Employee benefit expense	18	34,352,796	23,673,962
Finance costs	19	2,399,616,428	2,248,587,884
Depreciation, amortisation and obsolescence	2	1,062,354,639	1,076,423,445
Administration and other expenses	20	22,162,836	20,863,383
<b>Total expenses</b>		<b>3,875,271,391</b>	<b>3,693,382,984</b>
<b>Profit/(loss) before Tax</b>		<b>(2,416,889,450)</b>	<b>(2,273,884,387)</b>
<b>Less: Tax Expenses</b>			
- Current Tax pertaining to Prior Year		682,634	-
<b>Profit/(loss) for the year</b>		<b>(2,417,572,084)</b>	<b>(2,273,884,387)</b>
<b>Other comprehensive income</b>			
i) Items that will not be reclassified to profit or loss (net of tax)			
- Remeasurements of the defined benefit plans		25,314	(45,240)
<b>Total comprehensive income for the year</b>		<b>(2,417,546,770)</b>	<b>(2,273,929,627)</b>
Earnings per equity share (Basic and Diluted)	C (8)	(8.47)	(7.97)
Face value per equity share		10.00	10.00
Contingent liabilities	A		
Commitments	B		
Other notes forming part of accounts	C		
Significant accounting policies	D		

As per our report attached  
**For M.K.Dandeker & Co.**  
Chartered Accountants  
(Firm registration no. 000679S)  
by the hand of

**For and on behalf of the Board**

**R.G. Ramachandran**  
Director (DIN: 02671982)

**Pramod Sushila Kapoor**  
Director (DIN: 02914307)

**S. Poosaidurai**  
**Partner**  
Membership No. 223754

**K. Sindhu**  
Chief Financial Officer

**Karthikeyan T.V**  
Company Secretary  
Membership No. A9743

Place: Chennai  
Date: May 02, 2020

Place: Chennai  
Date: May 02, 2020

**L&T Deccan Tollways Limited**  
**CIN:U45203TN2011PLC083661**  
**Cash Flow Statement for the year ended March 31, 2020**

S.No.	Particulars	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
<b>A</b>	<b>Cash flow from operating activities</b>		
	Net profit / (loss) before tax	(2,416,889,450)	(2,273,884,387)
	<b>Adjustments for:</b>		
	Depreciation and amortisation expense	1,062,354,639	1,076,423,445
	Interest expense	2,399,616,428	2,248,587,884
	Other comprehensive income	25,314	(45,240)
	Interest income	(19,659,082)	(21,410,750)
	(Profit)/loss on sale of current investments (net)	(18,911,077)	(40,722,881)
	(Profit)/loss on sale of Property, plant & equipment	(244,593)	10,085
	<b>Operating profit before working capital changes</b>	<b>1,006,292,179</b>	<b>988,958,156</b>
	<b>Adjustments for:</b>		
	Increase / (Decrease) in long term provisions	158,684,017	139,455,879
	Increase / (Decrease) in trade payables	(7,806,770)	18,064,079
	Increase / (Decrease) in other current liabilities	41,839,883	(21,617,487)
	Increase / (Decrease) in other current financial liabilities	(940,496,836)	549,800,329
	Increase / (Decrease) in other non-current financial liabilities	1,385,670	-
	Increase / (Decrease) in short term provisions	12,050	(603,043)
	(Increase) / Decrease in long term loans	(526,261)	(2,677,871)
	(Increase) / Decrease in other non-current assets	369,131	(571,517)
	(Increase) / Decrease in other current assets	11,138,256	(8,366,930)
	<b>Net cash generated from/(used in) operating activities</b>	<b>270,891,319</b>	<b>1,662,441,595</b>
	Net income tax (paid)/refunds	(4,036,567)	3,987,117
	<b>Net Cash(used in)/generated from Operating Activities</b>	<b>266,854,752</b>	<b>1,666,428,712</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of Property, plant & equipment	(5,990,438)	(626,561,706)
	Sale of Property, plant & equipment	352,941	278,951
	(Purchase)/Sale of current investments (net)	332,435,413	(1,438,078)
	Increase in other bank balances	(18,107,439)	(18,355,501)
	Interest received	19,659,082	21,410,750
	<b>Net cash (used in)/generated from investing activities</b>	<b>328,349,559</b>	<b>(624,665,584)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of preference shares	540,000,000	-
	Proceeds from long term borrowings	-	80,789,636
	Repayment of long term borrowings	(25,778,031)	(30,671,466)
	Interest paid	(1,124,165,190)	(1,090,551,280)
	<b>Net cash (used in)/generated from financing activities</b>	<b>(609,943,221)</b>	<b>(1,040,433,110)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(14,738,910)</b>	<b>1,330,018</b>
	Cash and cash equivalents as at the beginning of the year	25,540,883	24,210,865
	<b>Cash and cash equivalents as at the end of the year</b>	<b>10,801,973</b>	<b>25,540,883</b>

**Components of Cash & Cash Equivalents:**

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	3,306,680	10,905,736
Balances with Schedule Banks		
In Current Accounts	7,495,293	14,635,147
	<b>10,801,973</b>	<b>25,540,883</b>

**Notes:**

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements.
- Cash and cash equivalents represent cash and bank balances.
- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached  
**For M.K.Dandekar & Co.**  
Chartered Accountants  
(Firm registration no. 000679S)  
by the hand of

**For and on behalf of the Board**

**R.G. Ramachandran**      **Pramod Sushila Kapoor**  
Director (DIN: 02671982)      Director (DIN: 02914307)

**S. Poosaidurai**  
**Partner**  
Membership No. 223754

**K. Sindhu**      **Karthikeyan T.V**  
Chief Financial Officer      Company Secretary  
Membership No. A9743

Place: Chennai  
Date: May 02, 2020

Place: Chennai  
Date: May 02, 2020

L&T Deccan Tollways Limited  
CIN:U45203TN2011PLC083661  
Statement of Changes in Equity for the year ended March 31, 2020

A) Equity share capital

Particulars	No. of shares	₹
Balance at the beginning of the year	285,340,000	2,853,400,000
Changes in equity share capital	-	-
<b>Balance at the end of the year</b>	<b>285,340,000</b>	<b>2,853,400,000</b>

B) Other Equity

As at March 31, 2020

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus	Total ₹
			Retained earnings	
Balance at the beginning of the year	-	-	(3,433,268,806)	(3,433,268,806)
Equity component of loan from Related Party	-	206,247,930	-	206,247,930
Profit/(loss) for the year	-	-	(2,417,572,084)	(2,417,572,084)
Other comprehensive income	-	-	25,314	25,314
Issue of 0.01% Compulsorily Convertible Preference Share Capital	-	540,000,000	-	540,000,000
<b>Balance at the end of the year</b>	<b>-</b>	<b>746,247,930</b>	<b>(5,850,815,576)</b>	<b>(5,104,567,646)</b>

As at March 31, 2019

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus	Total ₹
			Retained earnings	
Balance at the beginning of the year	-	-	(1,159,339,179)	(1,159,339,179)
Profit/(loss) for the year	-	-	(2,273,884,387)	(2,273,884,387)
Other comprehensive income	-	-	(45,240)	(45,240)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>(3,433,268,806)</b>	<b>(3,433,268,806)</b>

As per our report attached  
For M.K.Dandeker & Co.  
Chartered Accountants  
(Firm registration no. 000679S)  
by the hand of

For and on behalf of the Board

**R.G. Ramachandran**  
Director (DIN: 02671982)

**Pramod Sushila Kapoor**  
Director (DIN: 02914307)

**S. Poosaidurai**  
Partner  
Membership No. 223754

**K. Sindhu**  
Chief Financial Officer

**Karthikeyan T.V**  
Company Secretary  
Membership No. A9743

Place: Chennai  
Date: May 02, 2020

Place: Chennai  
Date: May 02, 2020



L&T Deccan Tollways Limited

Notes forming part of Accounts for the year ended March 31, 2020

1) Property, plant and equipment

₹

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	For the year	On disposals	As at March 31, 2020	As at March 31, 2020	As as March 31, 2019
<b>Owned</b>										
Plant and equipment	5,664,867	-	-	5,664,867	1,076,522	475,762	-	1,552,284	4,112,583	4,588,345
Furniture and fixtures	4,425,047	209,143	534,375	4,099,815	1,550,952	499,798	481,301	1,569,449	2,530,366	2,874,095
Vehicles	5,263,602	933,060	359,980	5,836,682	1,460,103	850,965	359,978	1,951,090	3,885,592	3,803,499
Office equipment	2,828,354	226,293	404,228	2,650,419	1,177,492	469,313	404,201	1,242,604	1,407,815	1,650,862
Electrical installations	6,875,585	-	269,732	6,605,853	1,503,213	662,477	269,727	1,895,963	4,709,890	5,372,372
Air conditioning and refrigeration	4,236,416	-	155,218	4,081,198	1,797,256	975,670	155,210	2,617,716	1,463,482	2,439,160
Computers, laptops and printers	2,443,452	603,250	348,481	2,698,221	1,567,303	621,908	293,249	1,895,962	802,259	876,149
<b>Total</b>	<b>31,737,323</b>	<b>1,971,746</b>	<b>2,072,014</b>	<b>31,637,055</b>	<b>10,132,841</b>	<b>4,555,893</b>	<b>1,963,666</b>	<b>12,725,068</b>	<b>18,911,987</b>	<b>21,604,482</b>
<i>Previous year</i>	<i>31,260,477</i>	<i>1,286,713</i>	<i>809,867</i>	<i>31,737,323</i>	<i>5,683,527</i>	<i>4,970,145</i>	<i>520,831</i>	<i>10,132,841</i>	<i>21,604,482</i>	<i>25,576,950</i>

1(a) Capital work in progress

₹

Particulars	Cost			
	As at April 01, 2019	Additions	Capitalised during the year	As at March 31, 2020
Electrical Installations (Refer note below)	-	1,672,274	-	1,672,274
<b>Total</b>	<b>-</b>	<b>1,672,274</b>	<b>-</b>	<b>1,672,274</b>
<i>Previous year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

Note: Indicates materials purchased for solar power plant at Toll Plazas

2) Intangible assets

₹

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	For the year	On disposals	As at March 31, 2020	As at March 31, 2020	As as March 31, 2019
Specialised software	3,729,877	745,701	-	4,475,578	1,817,792	1,371,952	-	3,189,744	1,285,834	1,912,085
Toll collection rights*	22,481,073,478	96,050,642	-	22,577,124,120	1,583,399,809	1,056,426,794	-	2,639,826,603	19,937,297,517	20,897,673,669
<b>Total</b>	<b>22,484,803,355</b>	<b>96,796,343</b>	<b>-</b>	<b>22,581,599,698</b>	<b>1,585,217,601</b>	<b>1,057,798,746</b>	<b>-</b>	<b>2,643,016,347</b>	<b>19,938,583,351</b>	<b>20,899,585,754</b>
<i>Previous year</i>	<i>21,865,644,687</i>	<i>619,158,668</i>	<i>-</i>	<i>22,484,803,355</i>	<i>513,764,301</i>	<i>1,071,453,300</i>	<i>-</i>	<i>1,585,217,601</i>	<i>20,899,585,754</i>	<i>21,351,880,386</i>

2(a) Intangible assets under development

₹

Particulars	Cost			
	As at April 01, 2019	Additions	Capitalised during the year	As at March 31, 2020
Construction cost #	148,391,326	-	94,449,925	53,941,401
<b>Total</b>	<b>148,391,326</b>	<b>-</b>	<b>94,449,925</b>	<b>53,941,401</b>
<i>Previous year</i>	<i>148,391,326</i>	<i>-</i>	<i>-</i>	<i>148,391,326</i>

\* Toll collection rights includes discounted value of premium payable to NHAI over the concession period from the date of provisional commercial operations.

# The Company has completed the work of 0.900 km at Tadola village for which NHAI has given confirmation of completion vide letter dated. March 24, 2020. Accordingly, the Company has capitalised the proportionate amount from Capital Work in progress.

**L&T Deccan Tollways Limited**  
**Notes forming part of Accounts for the year ended March 31, 2020**

**3 Loans**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
a) Security deposits						
Unsecured, considered good	-	6,476,212	6,476,212	-	5,949,951	5,949,951
	<b>-</b>	<b>6,476,212</b>	<b>6,476,212</b>	<b>-</b>	<b>5,949,951</b>	<b>5,949,951</b>

**4 Other non-current and current assets**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
<b>Advances other than capital advances:</b>						
Advances to employees	171,468	-	171,468	29,480	-	29,480
<b>Others:</b>						
Prepaid Insurance	3,237,241	-	3,237,241	2,862,500	-	2,862,500
Prepaid expenses	15,000	-	15,000	330,747	-	330,747
VAT recoverable	-	-	-	15,885,607	-	15,885,607
GST Input Credit (Net of liability)	6,242,568	-	6,242,568	7,543,386	-	7,543,386
Gratuity plan asset (Net of provisions)	189,455	202,386	391,841	126,303	571,517	697,820
Other receivables	8,056,197	-	8,056,197	2,272,162	-	2,272,162
	<b>17,911,929</b>	<b>202,386</b>	<b>18,114,315</b>	<b>29,050,185</b>	<b>571,517</b>	<b>29,621,702</b>

**5 Current tax assets (Net)**

Income tax net of provisions	6,950,659	-	6,950,659	3,596,726	-	3,596,726
	<b>6,950,659</b>	<b>-</b>	<b>6,950,659</b>	<b>3,596,726</b>	<b>-</b>	<b>3,596,726</b>

6 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
	Current ₹	Current ₹
<b>Investments carried at fair value through Profit and loss</b>		
Liquid Mutual fund units	149,666,193	463,190,529
	<b>149,666,193</b>	<b>463,190,529</b>
Aggregate book value of quoted investments	149,652,029	452,767,524
Aggregate market value of quoted investments	149,666,193	463,190,529

Details of Liquid Mutual Fund Units as on March 31, 2020 & March 31, 2019 are given below:

Particulars	No. of Units	31-03-20		31-03-19
		Cost	Market Value	Market Value
IDFC Cash Fund -Growth-(Regular Plan)	-	-	-	18,470,163
IDFC Overnight Fund - Regular Growth	80,111	85,247,602	85,253,361	-
INVESCO INDIA Liquid Fund - Growth Plan (LF-SG)	-	-	-	111,202,446
TATA Money Market Fund Regular Plan-Growth	-	-	-	21,586,273
UTI-Liquid cash plan-Institutional - Growth	-	-	-	20,028,967
Reliance Liquidity Fund-Growth Plan Growth Option	-	-	-	41,538,645
L&T Liquid Fund - Regular Growth	-	-	-	88,869,705
ICICI MF Liquid Fund - Regular Plan Growth	-	-	-	32,687,741
ICICI Overnight Fund Growth	523,183	56,286,995	56,294,790	-
SBI MF Liquid Fund - Regular Plan Growth	-	-	-	128,806,589
SBI Overnight Fund - Regular Growth	2,518	8,117,432	8,118,043	-
<b>Total</b>	<b>605,812</b>	<b>149,652,029</b>	<b>149,666,193</b>	<b>463,190,529</b>

7 Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
<b>a) Balances with banks</b>		
- In Trust retention and escrow accounts (Refer Note below)	7,495,293	14,627,812
- In Other Current accounts	-	7,335
b) Cash on hand	3,306,680	10,905,736
	<b>10,801,973</b>	<b>25,540,883</b>

7 (b) Other bank balances

a) Term deposits with original maturity of less than 3 months (Refer note below)	324,055,555	306,502,852
b) Term deposits with original maturity of more than 3 months but less than 12 months	554,736	-
	<b>324,610,291</b>	<b>306,502,852</b>

**Note:** The trust retention and escrow accounts carry a First charge to the extent of amount payable as per the waterfall mechanism as defined in the Concession agreement / Common loan agreement. As at March 31, 2020, there were no amounts included in this which are restricted/earmarked for any specific purposes by virtue of the said waterfall mechanism except the fixed deposit with the lead bank for the purpose of debt service reserve account as required in the loan agreement.

**L&T Deccan Tollways Limited**  
**Notes forming part of Accounts for the year ended March 31, 2020**

**8 Share Capital**

**(i) Authorised, issued, subscribed and paid up**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
Authorised:				
Equity shares of ₹ 10 each	310,000,000	3,100,000,000	310,000,000	3,100,000,000
0.01% Compulsorily Convertible Preference shares of ₹ 10 ea	54,000,000	540,000,000	-	-
	<b>364,000,000</b>	<b>3,640,000,000</b>	<b>310,000,000</b>	<b>3,100,000,000</b>
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	285,340,000	2,853,400,000	285,340,000	2,853,400,000
0.01% Compulsorily Convertible Preference shares of ₹ 10 ea	54,000,000	540,000,000	-	-
	<b>339,340,000</b>	<b>3,393,400,000</b>	<b>285,340,000</b>	<b>2,853,400,000</b>

**(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	285,340,000	2,853,400,000	285,340,000	2,853,400,000
Issued during the year as fully paid	-	-	-	-
<b>At the end of the year</b>	<b>285,340,000</b>	<b>2,853,400,000</b>	<b>285,340,000</b>	<b>2,853,400,000</b>

**(iii) Reconciliation of 0.01% Compulsorily convertible preference share (CCPS) - issued, subscribed & paid up:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	-	-	-	-
Issued during the year as fully paid	54,000,000	540,000,000	-	-
<b>At the end of the year</b>	<b>54,000,000</b>	<b>540,000,000</b>	<b>-</b>	<b>-</b>

**(iii) Terms / rights attached to Shares**

**a) Equity shares of ₹ 10 each**

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.

**b) 0.01% Compulsorily Convertible Preference Shares of ₹ 10 each**

The preference shares shall be converted into equity shares at face value of ₹ 10 on or before the 10th year from the date of allotment in one or more tranches as the case maybe.

Preference share holders shall be Non-participating rights in the surplus funds.

Preference share holders shall be Non-participating rights in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

Preference share holders would be paid dividend, if any, on non cumulative basis.

Preference share holder carry voting rights as per provisions of Section 47 (2) of the Act.

**(iv) Details of Equity Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited (including nominee holding)	243,339,998	2,433,399,980	285,339,998	2,853,399,980
L&T Transportation Infrastructure Limited	42,000,000	420,000,000	-	-
	<b>285,339,998</b>	<b>2,853,399,980</b>	<b>285,339,998</b>	<b>2,853,399,980</b>

**Note:** During the year, L&T Transportation Infrastructure Limited has acquired 4,20,00,000 equity shares of L&T Deccan Tollways Limited each ₹ 10/- at par from L&T Infrastructure Development Projects Limited on December 24, 2019.

**(iv) Details of Preference Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited	54,000,000	540,000,000	-	-
	<b>54,000,000</b>	<b>540,000,000</b>	<b>-</b>	<b>-</b>

**Note:** During the year, the Company has allotted 5,40,00,000 preference shares each of ₹ 10/- at par to L&T Infrastructure Development Projects Limited on June 26, 2019.

**(v) Details of Shareholders holding more than 5% shares in the Company:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	%	No. of shares	%
L&T Infrastructure Development Projects Limited (including nominee holding)	243,339,998	85.28%	285,339,998	99.99%
L&T Transportation Infrastructure Limited	42,000,000	14.72%	-	0%

(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 Deccan Tollways Limited**

Notes forming part of Accounts for the year ended March 31, 2020

**9 Other Equity**

**A) As at March 31, 2020**

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance at the beginning of the year	-	(3,433,268,806)	(3,433,268,806)
Equity component of loan from Related Party	206,247,930	-	206,247,930
Profit/(loss) for the year	-	(2,417,572,084)	(2,417,572,084)
Other comprehensive income	-	25,314	25,314
Issue of 0.01% Compulsorily Convertible Preference Share Capital	540,000,000	-	540,000,000
<b>Balance at the end of the year</b>	<b>746,247,930</b>	<b>(5,850,815,576)</b>	<b>(5,104,567,646)</b>

**B) As at March 31, 2019**

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance at the beginning of the year	-	(1,159,339,179)	(1,159,339,179)
Profit/(loss) for the year	-	(2,273,884,387)	(2,273,884,387)
Other comprehensive income	-	(45,240)	(45,240)
<b>Balance at the end of the year</b>	<b>-</b>	<b>(3,433,268,806)</b>	<b>(3,433,268,806)</b>

**L&T Deccan Tollways Limited**

**Notes forming part of Accounts for the year ended March 31, 2020**

**10 Borrowings**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current ₹	Non current ₹	Total ₹	Current ₹	Non current ₹	Total ₹
<b>Secured borrowings</b>						
a) Term loans						
i) From banks	-	6,709,930,662	6,709,930,662	-	8,125,425,732	8,125,425,732
ii) From Financial Institution (Refer note (a) below)	-	3,416,482,597	3,416,482,597	-	2,073,157,661	2,073,157,661
<b>Unsecured borrowings</b>						
a) Loan from related party (Refer note (b) below)	280,000,000	94,483,857	374,483,857	580,000,000	-	580,000,000
b) Deferred payment liabilities (Refer note (c) below)	-	11,082,207,996	11,082,207,996	-	9,963,495,594	9,963,495,594
	<b>280,000,000</b>	<b>21,303,105,112</b>	<b>21,583,105,112</b>	<b>580,000,000</b>	<b>20,162,078,987</b>	<b>20,742,078,987</b>

**Notes:**

a) On December 23, 2019, Tranche B Loan of Axis Bank Ltd amounting to ₹ 134,87,98,439 was taken over by Aditya Birla Finance Limited with same terms and conditions.

b) During the year, the Company had obtained in principle approval from its existing senior lenders for novation of loan amounting to ₹ 30,00,00,000 borrowed from L&T Transportation Infrastructure Limited. The repayment of ₹ 30,00,00,000 shall be subservient to the existing senior debt and shall commence after full repayment of existing senior debt obligations. The balance unsecured borrowings of ₹ 28,00,00,000 (see schedule 11(a) below) is shown as current financial liabilities as the same is repayable to L&T Transportation Infrastructure Limited on demand.

c) The Company has received the approval from the Authority (NHAI) vide its letter dated October 30, 2019 for deferment of premium payable as per Article 26, clause 26.2.1 of the Concession agreement. The effect of deferment is not considered in the current year as the documentation process is yet to be completed.

**a) Details of Term Loans**

Particulars	Effective interest rate	Terms of repayment
Term loans from banks and financial Institution (Tranche A)	1 year MCLR + applicable spread	Repayable in 162 unequal monthly instalments commencing from October 2017
Term loan from financial Institution (Tranche B)	Base rate + applicable spread	Repayable in 120 unequal monthly instalments commencing from April 2021

**b) Nature of security for Term Loans**

- Secured by first charge by way of hypothecation on all movable/immovable assets of the Company, both present and future, excluding Project assets as defined in the Concession Agreement.
- First charge on Project book debts, operating cash flows, receivables, commissions, insurance proceeds, revenues of whatsoever nature and wherever arising, present and future.
- Assignment of all the rights, title, interest, benefits, claims and demands, whatsoever of the company.
- Escrow account to the extent of waterfall of priorities of payment as permitted to the lenders under Escrow Agreement.
- Debt Service Coverage Ratio support amount.
- First charge of all the Company's rights, interests related to the proposed project under the letter of credit (if any), guarantee or performance bond provided by any party.

**c) Presentation of Borrowings in the Balance Sheet is as follows:**

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings	10,126,413,259	10,198,583,393
Current maturities of long term borrowings	70,413,000	23,453,004

**d) Details of unsecured loans**

The unsecured loan of ₹ 28,00,00,000 taken from a related party (Refer 10 (a) above) is repayable on demand and carries no interest.

e) There has been no default in the repayment of borrowings and interest obligations during the year.

f) As at March 31, 2020, the Company has ₹ 40,68,86,091 ( Previous year end March 31, 2019 ₹40,68,86,091) of undrawn committed borrowing facilities.

**L&T Deccan Tollways Limited**  
**Notes forming part of Accounts for the year ended March 31, 2020**

**11 Trade payables**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current ₹	Non Current ₹	Current ₹	Non Current ₹
Dues to related parties	5,661,550	-	10,078,872	-
Dues to others	25,750,882	-	29,140,330	-
	<b>31,412,432</b>	<b>-</b>	<b>39,219,202</b>	<b>-</b>

**12 Other financial liabilities**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current ₹	Non current ₹	Total ₹	Current ₹	Non current ₹	Total ₹
a) Current maturities of long term borrowings	70,413,000	-	70,413,000	23,453,004	-	23,453,004
b) Interest accrued: - on Negative grant deferment	-	208,602,000	208,602,000	-	78,619,941	78,619,941
c) Other liabilities - Creditors for capital supplies	395,454,926	-	395,454,926	1,274,280,505	-	1,274,280,505
d) Security deposits	-	1,385,670	1,385,670	-	-	-
	<b>465,867,926</b>	<b>209,987,670</b>	<b>675,855,596</b>	<b>1,297,733,509</b>	<b>78,619,941</b>	<b>1,376,353,450</b>

**13 Provisions**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current ₹	Non current ₹	Total ₹	Current ₹	Non current ₹	Total ₹
Provision for employee benefits						
- Leave Encashment - Net of plan assets	-	404,075	404,075	160,347	-	160,347
- Retention Pay	978,722	1,252,133	2,230,855	806,325	770,816	1,577,141
Provisions for major maintenance reserve	-	394,496,563	394,496,563	-	211,240,841	211,240,841
	<b>978,722</b>	<b>396,152,771</b>	<b>397,131,493</b>	<b>966,672</b>	<b>212,011,657</b>	<b>212,978,329</b>

**14 Other non-current and current liabilities**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current ₹	Non current ₹	Total ₹	Current ₹	Non current ₹	Total ₹
i) Liability for expenses	66,107,987	-	66,107,987	23,651,070	-	23,651,070
ii) Statutory Liabilities	6,505,889	-	6,505,889	6,033,233	-	6,033,233
iii) Other Liabilities	2,742,458	-	2,742,458	3,710,959	-	3,710,959
iv) Dues to related parties: - for capital goods	16,669,628	-	16,669,628	78,340,885	-	78,340,885
- for other services	1,365,707	-	1,365,707	1,486,896	-	1,486,896
	<b>93,391,669</b>	<b>-</b>	<b>93,391,669</b>	<b>113,223,043</b>	<b>-</b>	<b>113,223,043</b>

**A Contingent Liabilities**

Contingent liabilities as at March 31, 2020 is as below (previous year: ₹ 19,09,546)

Particulars	A.Y.	Amount ( In ₹.)
Income tax demand	2016-17	19,09,546

**B Commitments**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2020 is ₹ 75,90,873 (previous year: ₹ Nil)

**L&T Deccan Tollways Limited**

Notes forming part of Accounts for the year ended March 31, 2020

**15 Revenue from operations**

Particulars	2019-20		2018-19	
	₹	₹	₹	₹
<b>Operating revenue:</b>				
Toll Collections	1,419,087,530		1,348,308,665	
		1,419,087,530		1,348,308,665
		<b>1,419,087,530</b>		<b>1,348,308,665</b>

**16 Other income**

Particulars	2019-20		2018-19	
	₹	₹	₹	₹
Interest income from:				
Bank deposits	19,585,955		20,396,587	
Others	73,127		1,014,163	
		19,659,082		21,410,750
License fee from wayside amenities & others		101,890		-
Utility Shifting income (net)		-		129,983
Profit on sale of current investments		18,896,913		30,299,876
Net Gain/(Loss) on financial instruments designated at FVTPL		14,164		10,423,005
Profit/(loss) on disposal of property, plant & equipment		244,593		(10,085)
Other Income		377,769		8,936,403
		<b>39,294,411</b>		<b>71,189,932</b>

**17 Operating expenses**

Particulars	2019-20		2018-19	
	₹	₹	₹	₹
Toll management fees		57,769,406		55,816,693
<b>COS expense (net):</b>		-		1,738,098
COS Income received from NHAI	(179,643,286)		(211,671,595)	
Less: COS Sub-contracting charges	179,643,286		213,409,693	
Security services		15,210,175		13,922,159
Insurance		5,182,777		4,483,583
Concession fee		1		1
<b>Repairs and maintenance:</b>				
Toll road & bridge	62,565,102		52,374,038	
Plant and machinery	3,534,882		2,524,268	
Periodic major maintenance	157,798,625		140,827,227	
Others	13,571,737		9,973,121	
		237,470,346		205,698,654
Professional fees		16,708,850		16,597,705
Power and fuel		24,443,137		25,577,417
		<b>356,784,692</b>		<b>323,834,310</b>

**18 Employee benefit expenses**

Particulars	2019-20		2018-19	
	₹	₹	₹	₹
Salaries, wages and bonus		24,550,238		19,200,685
<b>Contributions to and provisions for:</b>				
Provident fund	1,296,629		1,044,442	
Gratuity	620,229		286,776	
Leave Encashment	2,095,035		347,342	
		4,011,893		1,678,560
Director Sitting Fees		460,200		413,000
Staff welfare expenses		5,330,465		2,381,717
		<b>34,352,796</b>		<b>23,673,962</b>



**L&T Deccan Tollways Limited**

Notes forming part of Accounts for the year ended March 31, 2020

**19 Finance costs**

Particulars	2019-20		2018-19	
	₹	₹	₹	₹
Interest on :				
- Term Loans		1,117,728,961		1,087,875,855
- Negative Grant		129,982,058		62,103,280
- Others		64,230		49,587
Other Borrowing cost		6,372,000		-
Unwinding of discount and implicit interest expense on fair value		1,145,469,179		1,098,559,162
		<b>2,399,616,428</b>		<b>2,248,587,884</b>

**20 Administration and other expenses**

Particulars	2019-20		2018-19	
	₹	₹	₹	₹
Rent, rates and taxes		2,049,460		337,825
Payments to Auditor - refer note (a) below		572,300		724,520
Professional fees		5,778,626		5,165,636
Postage and communication		784,059		1,104,042
Printing and stationery		283,924		585,207
Travelling and conveyance		6,732,642		6,296,407
Insurance Expenses		492,652		610,844
Repairs and Maintenance - Others		2,357,982		2,304,553
Bank Charges		1,675,934		2,400,620
Miscellaneous expenses		1,435,257		1,333,729
		<b>22,162,836</b>		<b>20,863,383</b>

**(a) Payments to auditor (including GST) as follows:**

Particulars	2019-20	2018-19
	₹	₹
a) As auditor	236,000	236,000
b) For taxation matters	59,000	59,000
c) For other services	277,300	429,520
<b>Total</b>	<b>572,300</b>	<b>724,520</b>

**L&T Deccan Tollways Limited****C Other Notes forming part of financial statements****1 Corporate Information**

L&T Deccan Tollways Limited is a Special Purpose Vehicle (SPV) incorporated for the purpose of the four-laning of Maharashtra/Karnataka Border-Sangareddy section of NH-9 (from KM 348.800 to KM 493.000 of NH-9) in the states of Karnataka and Andhra Pradesh to be executed as Build Operate Transfer (Toll) project on Design Build Finance Operate and Transfer pattern under NHDP Phase IV B vide Concession Agreement dated February 02, 2012. Concession period is for twenty five years commencing from April 01, 2014 being the Appointed Date in terms of clause 3.1 of the the agreement. The Concession is for a period of 25 years including the construction period. At the end of the 25 years, the entire facility will be transferred to National Highways Authority of India. The Company had commenced commercial operations since October 14, 2017. The Company has received the completion certificate for 142.786km with respect to the provisional COD certificate issued by Independent Engineer dated October 14, 2017. During the year, the Company has completed the work for 0.900 km at Tadola village for which NHAI has given confirmation of completion vide letter dated March 24, 2020.

- 2 The CIF value of imports made during the year in foreign currency is ₹81,107 (previous year: ₹NIL) and expenditure incurred in foreign currency during the year is ₹8,32,554 (previous year: ₹3,08,830)

**3 Disclosure pursuant to Ind AS 19 "Employee benefits":****(i) Defined contribution plan:**

The Company's provident fund and super annuation fund are the defined contribution plans. The Company is required to contribute a specified percentage of payroll costs to the recognised provident fund and Life Insurance Corporation of India respectively to fund the benefits. The only obligation of the Company with respect to these plans is to make the specified contributions.

An amount of ₹ 12,96,629 (previous year : ₹ 10,44,442) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 17) in the Statement of Profit and loss (previous year : ₹ 10,44,442)

**(ii) Defined benefit plans: - Gratuity Plan**

- a) Characteristics of its defined benefit plans and risks associated with them

i	Benefits offered	15/26 × Salary × Duration of Service
ii	Salary definition	Basic Salary including Dearness Allowance (if any)
iii	Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was not applied
iv	Vesting conditions	5 years of continuous service (Not applicable in case of death/disability)
v	Benefit eligibility	Upon Death or Resignation or Retirement
vi	Retirement age	58 Years

- b) The amounts recognised in Balance Sheet are as follows:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	₹	₹
A) Present value of defined benefit obligation		
- Wholly funded	2,432,234	1,602,001
Less : Fair value of plan assets	2,824,075	2,299,821
<b>Amount to be recognised as liability or (asset)</b>	<b>(391,841)</b>	<b>(697,820)</b>
B) Amounts reflected in the Balance Sheet		
Liabilities	(391,841)	(697,820)
Assets	-	-
<b>Net Liability / (asset)</b>	<b>(391,841)</b>	<b>(697,820)</b>

- c) The amounts recognised in the Statement of Profit and loss and amount capitalized during the year are as follows:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	₹	₹
1 Current service cost	681,872	344,155
2 Interest on Defined benefit obligation	(61,643)	(57,379)
	<b>620,229</b>	<b>286,776</b>

d) Remeasurement recognized in other comprehensive income

Particulars	Gratuity plan	
	As at March 31, 2020	As at March 31, 2019
	₹	₹
<b>Components of actuarial gain/losses on obligations:</b>		
Due to change in financial assumptions	40,098	19,941
Due to change in demographic assumption	(486)	-
Due to experience adjustments	(1,279)	4,976
Return on plan assets excluding amounts included in interest income	(63,647)	20,323
	<b>(25,314)</b>	<b>45,240</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
	Opening defined benefit obligation	1,602,001
Current service cost	681,872	344,155
Interest cost	-	95,033
<b>Actuarial losses/(gains):</b>		
Due to change in financial assumptions	40,098	19,941
Due to change in demographic assumption	(486)	-
Due to experience adjustments	(1,279)	4,976
Benefits paid	-	(228,127)
<b>Closing balance of the present value of defined benefit obligation</b>	<b>2,322,206</b>	<b>1,602,001</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
	Opening balance of fair value of plan assets	2,299,821
Interest Income	171,671	152,412
Return on plan assets excluding amounts included interest income	63,647	(20,323)
Contribution by employer	288,936	415,899
Benefits paid	-	(228,127)
<b>Closing balance of fair value of plan assets</b>	<b>2,824,075</b>	<b>2,299,821</b>

The actual return on the assets is ₹ 2,35,318

g) The major components of plan assets as a percentage of total plan assets are as follows:

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

h) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at March 31, 2020	As at March 31, 2019
	1) Discount rate	6.95%
2) Expected return on plan asset	6.95%	7.15%
3) Salary growth rate	6.00%	6.00%
4) Attrition rate	3% to 15% based on the age band	3% to 15% based on the age band

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Change	Obligation	Change	Obligation
	i) Discount rate	+0.5%	2,333,990	+0.5%
	-0.5%	2,537,405	-0.5%	1,671,475
ii) Salary growth rate	+0.5%	2,537,864	+0.5%	1,671,914
	-0.5%	2,332,680	-0.5%	1,536,090

**4 Disclosure pursuant to Ind AS 23 "Borrowing Costs"**

Borrowing cost capitalised during the year ₹ NIL (previous year : ₹ NIL) and amount charged to Statement of Profit and Loss is ₹ 1,11,77,28,961 (previous year ₹ 1,08,78,75,855).

## C) Other Notes forming part of financial statements

## 5 Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence, reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.

## 6 Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

## a) List of related parties

Ultimate Holding Company : Larsen & Toubro Limited	
Holding Companies :	L&T Infrastructure Development Projects Limited L&T Transportation Infrastructure Limited
Fellow Subsidiaries :	L&T Rajkot Vadinar Tollway Limited L&T Samakhiali Gandhidham Tollway Ltd. L&T Chennai-Tada Tollway Limited L&T Sambalpur Rourkela Tollways Ltd. Vadodara Bharuch Tollway Ltd.
Key Management Personnel:	Rajesh Vichare - Manager Sindhu Kizhuveetil - Manager Koshy Varghese - Independent Director Samyuktha Surendran - Independent Director

## b) Disclosure of related party transactions:

Particulars	2019-20	2018-19
	₹	₹
<b>1. Purchase of goods and services incl. taxes</b>		
<b>Ultimate Holding Company</b>		
Larsen & Toubro Limited	824,824,928	283,340,318
<b>Holding Company</b>		
L&T Infrastructure Development Projects Limited	33,477,622	31,656,660
<b>2. Purchase of Property, plant &amp; equipment</b>		
<b>Fellow Subsidiaries</b>		
L&T Rajkot - Vadinar Tollway Limited	27,265	-
L&T Sambalpur Rourkela Tollway Limited	451,247	-
<b>3. Sale of Property, plant &amp; equipments</b>		
<b>Holding Company</b>		
L&T Infrastructure Development Projects Limited	-	56,626
<b>Fellow Subsidiaries</b>		
L&T Samakhiali Gandhidham Tollway Ltd.	-	8,741
L&T Sambalpur Rourkela Tollways Ltd.	68,114	49,012
Vadodara Bharuch Tollway Ltd.	-	51,108
<b>4. Reimbursement of expenses charged from</b>		
<b>Ultimate Holding Company</b>		
Larsen & Toubro Limited	3,496,473	4,486,508

## C) Other Notes forming part of financial statements

Particulars	2019-20	2018-19
	₹	₹
<b>5. Issue of 0.01% Compulsorily Convertible Preference Share Capital Holding Company</b> L&T Infrastructure Development Projects Limited	540,000,000	-
<b>6. Payment of Salary / Perquisites/Sitting Fees Key Management Personnel</b> Manager - Rajesh Vichare	2,235,138	1,700,015

## c) Amounts due (to) and due from related parties (net):

Particulars	Amounts due (to)/from	
	As at March 31, 2020	As at March 31, 2019
<b>Ultimate Holding Company</b> Larsen & Toubro Limited	(17,092,609)	(82,962,041)
<b>Holding Company</b> L&T Infrastructure Development Projects Limited L&T Transportation infrastructure Limited	(5,238,569) (580,000,000)	(5,457,716) (580,000,000)
<b>Fellow Subsidiaries</b> L&T Samakhiali Gandhidam Tollway Ltd. L&T Chennai-Tada Tollway Limited	- (1,365,708)	8,741 (1,365,708)

## d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019 is INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- e) There is no provision for bad and doubtful debts to related parties with regard to outstanding payables and there is no expense recognized in respect of bad and doubtful debts due from related parties.
- f) **Compensation of Key Management personnel**

( Amount in ₹ )

Particulars	As at March 31, 2020	As at March 31, 2019
Director sitting Fees (Independent Directors)	460,200	413,000

## 7 Disclosure pursuant to Ind AS 12 "Income taxes"

The major components of income tax expense for years ended March 31, 2020 and March 31, 2019 are:

( Amount in ₹ )

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current tax :</b>		
Current income tax	-	-
Adjustments of current tax of previous year	682,634	-
<b>Income tax reported in the statement of profit and loss</b>	<b>682,634</b>	<b>-</b>

## 8 Disclosure pursuant to Ind AS 116 "Leases"

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified new Ind AS on leases, Indian Accounting Standard (Ind AS) 116 which is applicable from April 01, 2019. However, the application of IND-AS 116 did not have any significant impact on recognition and measurement of lease rental in the financial position and the operational results of the Company.

The Company has not acquired any assets under Finance lease. The Company has taken office premises and residential premises under short-term cancellable operating lease, but falls under exemption given in para 5 of IND-AS 116. These agreements are normally renewed on expiry. Lease rental expenses charged to statement of Profit & loss during the year is ₹ 2,01,048 (previous year ₹ 2,85,567)

**L&T Deccan Tollways Limited**

**C) Other Notes forming part of financial statements**

**9 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		As at March 31, 2020 Amount (₹)	As at March 31, 2019 Amount (₹)
<b>Basic EPS</b>			
Profit after tax as per accounts (₹)	A	(2,417,572,084)	(2,273,884,387)
Weighted average number of Equity shares outstanding	B	285,340,000	285,340,000
<b>Basic earnings per equity share (₹)</b>	A / B	<b>(8.47)</b>	<b>(7.97)</b>
Face value per equity share (₹)		10.00	10.00
<b>Diluted EPS</b>			
Profit after tax as per accounts (₹)	A	(2,417,572,084)	(2,273,884,387)
Weighted average number of Equity shares outstanding	B	285,340,000	285,340,000
Weighted average number of 0.01% CCPS outstanding	C	54,000,000	-
<b>Diluted earnings per equity share (₹)</b>		<b>(7.12)</b>	<b>(7.97)</b>
Face value per equity share (₹)		10.00	10.00

Potential equity shares that will arise on conversion of Compulsorily Convertible Cumulative Preference Shares are resulting in anti dilution of EPS in the current year. Hence, they have not been considered in the computation of diluted EPS in accordance with Ind AS 33 "Earnings Per Share."

**10 Disclosure pursuant to Ind AS 36 "Impairment of Assets"**

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

**11 Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "**

**a) Contingent Liabilities :**

Disclosure in respect of contingent liabilities is given as part of Note A to the Balance Sheet.

**b) Nature of provisions:**

**i) Major Maintenance Provision**

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement.

For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures and other equipments and maintenance of service roads.

As per industry practice, the periodic maintenance is expected to occur after 5-7 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

The Company expects to incur the expenditure during the financial year 2022-23.

**c) Movement in provisions**

**i) Major Maintenance Provision**

Particulars	As at March 31, 2020 Amount (₹)	As at March 31, 2019 Amount (₹)
<b>Provision for Periodic Major Maintenance:</b>		
Balance at the beginning of the year	211,240,841	62,840,560
Additional provision during the year	157,798,625	140,827,227
Unwinding of discount and changes in discount rate	25,457,097	7,573,054
Provision used/reversed during the year	-	-
<b>Balance at the closing of the year</b>	<b>394,496,563</b>	<b>211,240,841</b>

**12 Arbitration Proceedings**

The Company, L&T Deccan Tollways Limited (L&T DTL) entered into Concession Agreement with National Highway Authority of India (NHAI) on 02.02.2012 for four laning of Maharashtra/Karnataka Border to Sangareddy section of National Highway No 9 (NH-9) from km 348.800 to km 493.000 in the state of Karnataka and Andhra Pradesh to be executed on BOT (Toll) on DBFOT pattern under NHDP Phase IVB. Subsequently, NHAI and L&T DTL entered into a Supplementary Agreement on 14.03.2017 for amending the arbitration clause. Number of issues had arisen in respect of the Concession Agreement between L&T DTL and NHAI. Due to this, L&T DTL has suffered significant financial losses. As the issues could not be resolved amicably, L&T DTL notified the issues as "Dispute" in terms of Article 44.1.1 of the Concession Agreement and referred the "Disputes" to the Committee of Chairman of NHAI and Chairman of Board of Directors of L&T DTL for resolution in terms of Article 44.2 of the Concession Agreement.

As the referred disputes remain unresolved, the Company has referred the Disputes for Arbitration vide its letter dated 07.06.2019, in the manner provided in Article 44.3 of the Concession Agreement, as amended by way of the Supplementary Agreement to the Concession Agreement dated 14.03.2017 and nominated its nominee Arbitrator. However, NHAI has not appointed its nominee Arbitrator. In the meantime, NHAI requested for conciliation proceedings for settlement of the Claims. Conciliation process is in the advanced stage. Upon failure of the conciliation proceedings, Arbitration process will commence.

**L&T Deccan Tollways Limited**

**C) Other Notes forming part of financial statements**

**13 Disclosure as per Ind AS 1 - "Presentation of Financial Statements"**

For the purpose of the company's capital management, capital includes issued equity capital all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

Ind AS 1 requires the company to make quantitative and qualitative disclosures regarding objectives policies and processes for managing capital. Also, if comparative amounts are reclassified, nature amount and reason to be disclosed and not just the fact of reclassification

- 14** The Company operates in the infrastructure business sector which involves huge capital investments. The Company's net worth has been eroded. However, the management expect that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the Company. Further, there is a continuing support from the Holding Company and the Company will be able to discharge all its obligations in foreseeable future. Accordingly, the financial statements have been prepared on going concern basis.

**15 COVID-19 Disclosure:**

The Government of India had announced the nationwide lock down with effect from March 25, 2020 and accordingly the National Highway Authority of India ("NHAI") ordered for suspension of tolling in the country due to the Pandemic effect of COVID 19. However, the operations at Toll Plazas continued with respect to the regular maintenance and operations of the Plazas.

The duration and impact of the COVID-19 pandemic remains unclear at present as on book closure date. Hence, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. However, the Company is protected by the clauses of the Concession Agreement to claim such loss under force majeure event, either in the form of force majeure cost or revenue loss compensation by way of extension of the concession period or by both. The management of the Company will study the impact and the appropriate claim will be lodged after this lock down period. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2020 have not been adjusted to reflect their impact.

- 16** Previous year figures are regrouped/reclassified wherever necessary.

L&T Deccan Tollways Limited

C) Other Notes forming part of financial statements

17 Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	As at March 31, 2020			As at March 31, 2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets</b>							
Security Deposits	3	-	-	6,476,212	-	-	5,949,951
Investment in Liquid Mutual Fund	6	149,666,193	-	-	463,190,529	-	-
Cash and cash equivalents	7	-	-	10,801,973	-	-	25,540,883
Other Bank Balances	7(b)	-	-	324,610,291	-	-	306,502,852
<b>Total Financial Assets</b>		<b>149,666,193</b>	<b>-</b>	<b>341,888,476</b>	<b>463,190,529</b>	<b>-</b>	<b>337,993,686</b>
<b>Financial Liabilities</b>							
Term Loan from Banks	9 & 11	-	-	6,780,343,662	-	-	8,148,878,736
Term Loan from Others	10	-	-	3,416,482,597	-	-	2,073,157,661
Deferred payment liabilities (including Interest accrued)	9 & 11	-	-	11,290,809,996	-	-	10,042,115,535
Loan from Related Party	9	-	-	374,483,857	-	-	580,000,000
Other Current Financial Liabilities	12	-	-	395,454,926	-	-	1,274,280,505
Other Non-Current Financial	12	-	-	1,385,670	-	-	-
Trade Payables	10	-	-	31,412,432	-	-	39,219,202
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>22,290,373,140</b>	<b>-</b>	<b>-</b>	<b>22,157,651,639</b>

Default and breaches

There are no defaults with respect to payment of principal and interest and no breaches of the terms and conditions of the loan.

There are no breaches during the year which permitted lender to demand accelerated payment.

18 Fair value of Financial assets and liabilities at amortized cost

Particular	Note no.	As at March 31, 2020		As at March 31, 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>					
Security Deposits	3	6,476,212	6,476,212	5,949,951	5,949,951
Cash and cash equivalents	7	10,801,973	10,801,973	25,540,883	25,540,883
Other Bank Balances	7(b)	324,610,291	324,610,291	306,502,852	306,502,852
<b>Total Financial Assets</b>		<b>341,888,476</b>	<b>341,888,476</b>	<b>337,993,686</b>	<b>337,993,686</b>
<b>Financial liabilities</b>					
Term Loan from Banks	9 & 11	6,780,343,662	6,780,343,662	8,148,878,736	8,148,878,736
Term Loan from Others	10	3,416,482,597	3,416,482,597	2,073,157,661	2,073,157,661
Deferred payment liabilities (including Interest accrued)	9 & 11	11,290,809,996	11,290,809,996	10,042,115,535	10,042,115,535
Loan from Related Party	9	374,483,857	374,483,857	580,000,000	580,000,000
Other Current Financial Liabilities	12	395,454,926	395,454,926	1,274,280,505	1,274,280,505
Other Non Current Financial	12	1,385,670	1,385,670	-	-
Trade Payables	10	31,412,432	31,412,432	39,219,202	39,219,202
<b>Total Financial Liabilities</b>		<b>22,290,373,140</b>	<b>22,290,373,140</b>	<b>22,157,651,639</b>	<b>22,157,651,639</b>

The carrying amount of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

The carrying amount of Security Deposit measured at amortized cost is considered to be the same as its fair value due to its insignificant value.

The carrying value of Rupee Term Loans and Loan from Related Party approximate fair value as the instruments are at prevailing market rate.



## C) Other Notes forming part of financial statements

## 19 Fair Value Measurement

## Fair Value Measurement of Financial asset and Financial liabilities

## Fair value hierarchy as at March 31, 2020

Financial Assets & Liabilities Measured at FV - Recurring FVM	Note no.	Level 1	Level 2	Level 3	Total
<b>Financial Assets measured at FVTPL</b>					
Investment in Liquid Mutual Funds units	6	149,666,193	-	-	149,666,193
<b>Total of Financial Assets</b>		<b>149,666,193</b>	<b>-</b>	<b>-</b>	<b>149,666,193</b>
<b>Financial Liabilities measured at FVTPL</b>					
<b>Total of Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

--	--	--	--	--	--

Financial Assets & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note no.	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Security Deposits	3	-	6,476,212	-	6,476,212
Cash and cash equivalents	7	-	10,801,973	-	10,801,973
Other Bank Balances	7	-	324,610,291	-	324,610,291
<b>Total of Financial Assets</b>		<b>-</b>	<b>341,888,476</b>	<b>-</b>	<b>341,888,476</b>
<b>Financial Liabilities</b>					
Term Loan from Banks	9 & 11	-	6,780,343,662	-	6,780,343,662
Term Loan from Others	10	-	3,416,482,597	-	3,416,482,597
Deferred payment liabilities (including Interest accrued)	9 & 11	-	11,290,809,996	-	11,290,809,996
Loan from Related Party	9	-	374,483,857	-	374,483,857
Other Current Financial Liabilities	12	-	395,454,926	-	395,454,926
Other Non Current Financial Liabilities	12	-	1,385,670	-	1,385,670
Trade Payables	10	-	31,412,432	-	31,412,432
<b>Total Financial liabilities</b>		<b>-</b>	<b>22,290,373,140</b>	<b>-</b>	<b>22,290,373,140</b>

## Fair value hierarchy as at March 31, 2019

Financial Assets & Liabilities Measured at FV - Recurring FVM	Note no.	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at FVTPL</b>					
Investment in Liquid Mutual Fund Units	6	463,190,529	-	-	463,190,529
<b>Total of Financial Assets</b>		<b>463,190,529</b>	<b>-</b>	<b>-</b>	<b>463,190,529</b>
<b>Financial Liabilities measured at FVTPL</b>					
<b>Total of Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

--	--	--	--	--	--

Financial Assets & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note no.	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Security Deposits	3	-	5,949,951	-	5,949,951
Cash and cash equivalents	7	-	25,540,883	-	25,540,883
Other Bank Balances	7	-	306,502,852	-	306,502,852
<b>Total Financial Assets</b>		<b>-</b>	<b>337,993,686</b>	<b>-</b>	<b>337,993,686</b>
<b>Financial Liabilities</b>					
Term Loan from Banks	9 & 11	-	8,148,878,736	-	8,148,878,736
Term Loan from Others	10	-	2,073,157,661	-	2,073,157,661
Loan from Related Party	9	-	580,000,000	-	580,000,000
Other Current Financial Liabilities	12	-	1,274,280,505	-	1,274,280,505
Trade Payables	10	-	39,219,202	-	39,219,202
<b>Total Financial Liabilities</b>		<b>-</b>	<b>22,157,651,639</b>	<b>-</b>	<b>22,157,651,639</b>

There are no transfer between level 1 and level 2 during the year.

The Company policy is to recognise transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

## C) Other Notes forming part of financial statements

## Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
<b>Financial assets</b>		
Investment in Liquid Mutual Fund Units	Market Approach	NAV
Security deposits	Income	Cash flow
Other Bank Balances	Income	Cash flow
<b>Financial liabilities</b>		
Term Loan from Banks	Income	Current Bank Rate
Loans from Related parties	Income	Interest free
Negative grant payable to NHAI	Income	Cash flow
Trade Payables	Income	Cash flow

## 20 Assets pledged as security

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>Non Financial Assets</b>			
Property, Plant & Equipment	1	18,911,987	21,604,482
Security Deposits	3	6,476,212	5,949,951
<b>Financial Assets</b>			
Cash and Cash Equivalents	7	10,801,973	25,540,883
Investment in Liquid Mutual Fund Units	6	149,666,193	463,190,529
Security Deposits	3	6,476,212	5,949,951
Other Bank Balances	7(b)	324,610,291	306,502,852
<b>Total</b>		<b>516,942,868</b>	<b>828,738,648</b>

**C) Other Notes forming part of financial statements**

**21 Financial Risk Management**

The Company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

**A) Market risk**

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

**i Foreign Currency Risk**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company is not exposed to foreign currency risk as it has no borrowings in foreign currency.

**ii Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the Company mainly from Long term borrowings with variable rates. The Company measures risk through sensitivity analysis.

Currently, Lending by Commercial Banks & Financial Institutions are at variable rate, which is an inherent business risk.

**The Company's exposure to interest rate risk due to variable interest rate borrowings is as follows:**

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Senior Debt from Banks - Variable rate borrowings	9	10,196,826,259	10,222,036,397

**Sensitivity analysis based on average outstanding Senior Debt**

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	F.Y. 2019-20	F.Y. 2018-19
Increase or decrease in interest rate by 25 basis points	25,523,578	25,488,768

*Note: Profit will increase in case of decrease in interest rate and vice versa*

**iii Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Company is exposed to price risk due to investment in liquid mutual fund units and classified as fair value through profit and loss.

The Company measures risk through sensitivity analysis.

The Company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

**The Company's exposure to price risk due to investments in liquid mutual funds are as follows:**

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Investment in Liquid Mutual Fund units	6	149,666,193	463,190,529

**Sensitivity Analysis**

	Impact on profit/ loss after tax	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Increase or decrease in NAV by 1%	1,496,662	4,631,905

*Note - In case of decrease in NAV profit will reduce and vice versa.*

**L&T Deccan Tollways Limited****C) Other Notes forming part of financial statements****B) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The Company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The Company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

**The following are the contractual maturities of financial liabilities**

<b>As at March 31, 2020</b>	<b>Carrying Amount</b>	<b>upto 1 year</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>&gt; 5 years</b>
<b>Non Derivative Financial Liabilities</b>					
Senior Debt from Banks	10,196,826,259	70,413,000	248,082,000	1,377,759,000	8,500,572,259
Negative Grant	11,290,809,996	-	-	625,000,000	10,665,809,996
Loan from Related Party	374,483,857	280,000,000	-	-	94,483,857
Other Current Financial Liabilities	395,454,926	395,454,926	-	-	-
Trade Payables	31,412,432	31,412,432	-	-	-
<b>Derivative Financial Liability</b>	Nil	Nil	Nil	Nil	Nil

<b>As at March 31, 2019</b>	<b>Carrying Amount</b>	<b>upto 1 year</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>&gt; 5 years</b>
<b>Non Derivative Financial Liabilities</b>					
Senior Debt from Banks	10,222,036,397	23,453,004	23,453,004	773,603,004	9,401,527,385
Negative Grant	10,042,115,535	478,669,941	840,100,000	2,780,900,000	5,942,445,594
Loan from Related Party	580,000,000	580,000,000	-	-	-
Other Current Financial Liabilities	1,274,280,505	1,274,280,505	-	-	-
Trade Payables	39,219,202	39,219,202	-	-	-
<b>Derivative Financial Liability</b>	Nil	Nil	Nil	Nil	Nil

**C) Credit risk**

Credit risk 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.

The Company generally does not have trade receivables as collections of toll income coincide as and when the traffic passes through toll - plazas. Hence, the management believes that the Company is not exposed to any credit risk.

## **L&T Deccan Tollways Limited**

### **C) Other Notes forming part of financial statements**

#### **22 Disclosure pursuant to Appendix - D to Ind AS 115 - " Service Concession Arrangements"**

##### **19.1 Description and classification of the arrangement**

L&T Deccan Tollways Limited is a Special Purpose Vehicle (SPV) incorporated for the purpose of the four-laning of Maharashtra/Karnataka Border-Sangareddy section of NH-9 (from KM 348.800 to KM 493.000 of NH-9) in the states of Karnataka and Andhra Pradesh to be executed as Build Operate Transfer (Toll) project on Design Build Finance Operate and Transfer pattern under NHDP Phase IV B vide Concession Agreement dated February 02, 2012. The Concession period is for twenty five years commencing from April 01, 2014 being the Appointed Date in terms of clause 3.1 of the the agreement. At the end of the 25 years, the entire facility will be transferred to National Highways Authority of India. The Company had commenced commercial operations since October 14, 2017. During the previous year, the Company has received the completion certificate for 142.786km with respect to the provisional COD certificate issued by Independent Engineer dated October 14, 2017. The Company has completed the work for 0.900 km at Tadola village for which NHAI has given confirmation of completion vide letter dated March 24, 2020.

##### **19.2 Significant Terms of the arrangements**

###### **i) Revision of Fees:**

Fees shall be revised annually on April 1 subject to the provisions Schedule G of the Concession Agreement (CA) dated January 02, 2012.

###### **ii) Concession Fee, Other Fees and Excess Revenue Sharing:**

As per Article VII of the CA, the Company is required to pay ₹1 as concession fee per annum. In addition, the Company is also required to pay an amount of ₹ 80,00,00,000 p.a., as premium, payable on or before the 7th day of the next month calculated proportionately from the commercial operation date. The premium amount is increased at a rate of 5% annually. The Company has received the approval from the Authority (NHAI) vide its letter dated October 30, 2019 for deferment of premium payable as per Article 26, clause 26.2.1 of the Concession agreement. The effect of deferment is not considered in the current year as the documentation process is yet to be completed.

###### **iii) Rights of the Company for use of Project Highway**

- a To demand, collect and appropriate, Fee from vehicles and persons liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.
- b Right of Way, access and license to the site.

###### **iv) Obligations of the Company**

- a The Company shall not assign, transfer or sublet or create any lien or Encumbrance on the CA or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by CA or the Substitution Agreement.
- b The Company is under obligation to carry out the routine and periodic maintenance of Project Highway as per provision of the CA.

###### **v) Details of any Assets to be given or taken at the end of concession period**

At the end of the Concession period, the Company shall deliver the actual or constructive possession of the Project Highway, free and clear of all encumbrances.

###### **vi) Details of Termination**

CA can be terminated on account of default of the Company or NHAI in the circumstances as specified under Chapter VI and VII of the CA.

## L&T Deccan Tollways Limited

### D. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of preparation

##### (a) Compliance with IndAS

The Company's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### (b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations
Assets held for sale	fair value less costs to sell

##### (c) Use of estimates and judgements

The preparation of these financial statements in conformity with IndAS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, fair value measurement etc.

##### (d) Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 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, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### 2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in 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 Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees rounded off to two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.

#### 3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of duties and taxes and net of discounts, rebates and other similar allowances.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits would flow to the entity and specific criteria have been met for each of the activities described below. The Company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of the arrangement.

- Toll collection from users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is recognised in the period of collection of toll / user fee which coincides with the usage of the infrastructure facility net of revenue share payable to NHAI / state authorities. Income from sale of smart cards is recognised on cash basis
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.
- Fair value gains on current investments carried at fair value are included in Other income.
- Dividend income is recognised when the right to receive the same is established by the reporting date.
- Other items of income are recognised as and when the right to receive arises.

**D. Significant Accounting Policies**

**4 Cash and Cash Equivalents**

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

**5 Cash flow statement**

Cash flow statement 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/(loss) is adjusted for the effects of:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

**6 Property, plant and equipment (PPE)**

Freehold land is carried as historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and cumulative impairment. Historical cost includes expenditure that is directly attributable to acquisition of the items. Land acquired under long term lease is classified as "Property, Plant and equipment" and is depreciated over the period of lease.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Properties in the course for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes expenditure that is directly attributable and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and assets under construction) less their residual values over their useful lives using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions. For the assets that are transferred / sold within the group companies, depreciation is calculated up to the month preceding the month of transfer / sale within the group.

The estimated useful lives of the assets as per management evaluation are as follows:

Category of Property, plant and equipment	Estimated useful life (in years)
Buildings including ownership flats	50
<b>Plant and equipment:</b>	
Toll equipment	7
DG Sets	12
Air-conditioning and refrigeration equipment	12
Split AC and Window AC	4
Furniture and fixtures	10
<b>Vehicles:</b>	
Motor cars (other than those under the Company owned car scheme)	7
Motor cars (under the Company owned car scheme)	5
Motor cycles, scooters and other mopeds	10
Tractors and other vehicles	8
<b>Office equipment:</b>	
Multifunctional devices, printers, switches and projectors	4
Other office equipments	5
<b>Computers:</b>	
Servers and systems	6
Desktops, laptops, etc,	3
Electrical installations	10

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement or profit and loss.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

**D. Significant Accounting Policies**

**7 Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

**8 Intangible assets**

**Rights under Service Concession Arrangements**

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

**Toll Projects (Right to charge users)**

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer ("BOT") project undertaken by the Company. Toll collection rights are capitalized as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State authorities, if any. Till the completion of the project, the same is recognised under intangible assets under development. The revenue from toll collection/other income during the construction period is reduced from the carrying amount of intangible assets under development.

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is capitalized as intangible asset under development as and when incurred. Reimbursement in respect of such amounts from NHAI/State authorities are reduced from the carrying amount intangible assets to the extent of actual receipts.

Extension of concession period by the authority in compensation of claims made are capitalised as part of Toll Collection Rights at the time of admission of the claim or when there is a contractual right to extension at the estimated amount of claims admitted or computed based on average collections whichever is more evident.

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

Intangible assets that not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

**9 Amortisation of intangible assets**

Toll collection rights in respect of road projects are amortized over the period of concession from the date of commercial operations using the Straight line amortisation method.

**10 Foreign currency transactions and translations**

- a) Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- b) 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:
  - (i) adjusted in the cost of fixed assets specifically financed by the borrowings contracted, to which the exchange differences relate.

**11 Investments**

Investments, which are readily realizable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as long term investments.

**12 Employee benefits**

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

**(i) 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.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.



## L&T Deccan Tollways Limited

### D. Significant Accounting Policies

#### (ii) Post employment benefits

##### (a) Defined contribution plans:

The Company's superannuation scheme and State governed provident fund linked with employee pension scheme are defined contribution plans. The contribution paid/ payable under the scheme is recognised during the period in which the employee renders the related service.

##### (b) Defined benefit plans:

The employees' gratuity fund scheme and the provident fund scheme managed by the trust of the Holding Company are the Group'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, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

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

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate, is classified under employee benefit expenses 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.

##### (iii) Other long term employee benefits:

The obligation for other long term employee benefits such as long term compensated absences, liability on account of Retention Pay Scheme are recognised in the same manner as in the case of defined benefit plans as mentioned in (ii)(b) above.

### 13 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets.

### 14 Leases

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.

Right-of-use 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 cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

**D. Significant Accounting Policies**

**15 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**16 Income taxes**

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates, positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax is not accounted if it arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset/liability is realised or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and deferred tax liabilities are offset, when the entity has a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same authority.

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

**17 Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the higher of the fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

**18 Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed in notes 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 or a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed in the financial statements where an inflow of economic benefits are probable.

**D. Significant Accounting Policies**

**19 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**a) Financial Assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

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.

A financial asset is primarily derecognised when:

- i. the rights to receive cash flows from the asset have expired, or
- ii. the group 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 with a) the group has transferred substantially all the risks and rewards of the asset, or b) the group 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 at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL. For the purpose of measuring expected credit loss allowance for businesses other than financial services 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.

**b) Financial Liabilities**

Financial liabilities are classified at initial recognition, as financial liabilities as fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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.

Loans and borrowings are subsequently measured at amortised costs using Effective Interest Rate method.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.

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

**20 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**21 Operating Cycle**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**22 Claims**

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the Company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

**23 Commitments**

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

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for
- (ii) Uncalled liability on shares and other investments partly paid
- (iii) Funding related commitment to subsidiary, associate and joint venture companies and
- (iv) Other non-cancellable 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.

As per our report attached  
**For M.K.Dandekar & Co.**  
Chartered Accountants  
(Firm's Registration No.: 000679S)  
by the hand of

**For and on behalf of the Board**

**R.G. Ramachandran**  
Director (DIN: 02671982)

**Pramod Sushila Kapoor**  
Director (DIN: 02914307)

**S. Poosaidurai**  
Partner  
Membership No.: 223754

**K. Sindhu**  
Chief Financial Officer

**Karthikeyan T.V**  
Company Secretary  
Membership No. A9743

Place: Chennai  
Date: May 02, 2020

Place: Chennai  
Date: May 02, 2020