

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **L&T Infrastructure Development Projects Limited** ("the Company"), for the half year ended September 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to the following matters :
 - (a) As stated in Note 5 of the Statement, as at September 30, 2018, an amount of Rs.19,258 lakhs, net of estimated provision for diminution of Rs.50,554 lakhs (As at March 31, 2018 Rs.19,126 lakhs, net of estimated provision for diminution of Rs.49,200 lakhs), is reflected as net carrying value of investments/receivables relating to two subsidiaries of the Company, engaged in infrastructure projects, which have terminated the concession agreements entered into with National Highways Authority of India (NHAI). The nature of default and the termination amount claimed under the concession agreement has not been accepted by NHAI and arbitration proceedings have been initiated in respect of the disputes relating to the termination payments/claims.



The Company has carried out an assessment of its exposure in these projects duly considering the likely outcome of the arbitration proceedings, pending receipt/communication from NHAI for next steps for execution of Conciliation Committee of Independent Experts (CCIE) order, contractual stipulations/interpretation of the relevant clauses of the aforesaid concession agreements, the expected termination payments, the possible obligations to lenders, legal advice, etc. and believes that the amount of net investments and receivables carried in the books is good for recovery and no additional provision/adjustment to the carrying value of the said investments/ receivables is considered necessary as at September 30, 2018.

- (b) As explained in Note 6 of the Statement, the Company is carrying net investments aggregating to Rs. 151,349 lakhs (As at March 31, 2018 Rs. 131,307 lakhs) and has outstanding net loans and advances aggregating to Rs.2,055 lakhs (As at March 31, 2018 Rs. 859 lakhs) given to certain operating subsidiaries of the Company engaged in infrastructure projects whose net worth is fully eroded /undergoing restructuring due to continuous losses, as per the audited financial statements of those subsidiaries as at September 30, 2018.

Considering the gestation period required for break even for such infrastructure investments, restructuring/refinancing arrangements carried out/proposed, expected higher cash flows based on future business projections and the strategic nature of these investments, no additional provision/ adjustment to the carrying value of the said investments and loans & advances is considered necessary by the Management as at September 30, 2018.

Our report is not modified in respect of these matters.

5. We have not reviewed the Ind AS financial results and other financial information for the comparative figures for the half year ended September 30, 2017 which have been presented solely based on the financial information compiled by the Management.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



CHENNAI October 25, 2018
JT/MS/2018/95


Jaideep S. Trasi
(Partner)
(Membership No. 211095)

**L&T IDPL**

L&T Infrastructure Development Projects Limited
 Regd. Office: P.B.No.979, Mount-Poonamallee Road, Manapakkam, Chennai - 600 089
 CIN: U65993TN2001PLC046691

(Rs. Lakh)

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018		
Particulars	6 months ended September 30, 2018	6 months ended September 30, 2017
	Unaudited	Unaudited
1 Revenue from operations		
(i) Interest income	2,223	5,297
(ii) Dividend income	147	147
(iii) Rental income	4	2
(iv) Net gain on fair value changes	149	1,602
(v) Sale of services	2,517	1,880
(vi) Others - income from construction activity	1,103	20,602
(vii) Others - income from wind power generation	603	622
Total revenue from operations	6,746	30,152
2 Other income		
(i) Net gain on sale of current investments	2,781	878
(ii) Exchange gain / Profit on sale of fixed assets (net)	2	6
(iii) Interest income from others	255	-
(iv) Liabilities/ provision no longer required written back	177	461
(v) Miscellaneous income	1	4
Total other income	3,216	1,349
Total income	9,962	31,501
3 Expenses:		
(i) Finance costs	1,603	2,121
(ii) Employee benefits expense	1,743	1,463
(iii) Depreciation and amortisation expense	221	215
(iv) Construction and related operating expenses	1,423	15,486
(v) Administration and other expenses	7,876	1,596
Total expenses	12,866	20,881
4 Profit/(Loss) before exceptional items and tax	(2,904)	10,620
5 Exceptional items (Refer Note 8)	43,153	-
6 Profit before tax	40,249	10,620
7 Tax expense:		
(a) Current tax	455	2,362
(b) Deferred tax	22	(23)
Total tax expense (a+b)	477	2,339
8 Profit for the period	39,772	8,281
9 Other Comprehensive Income		
(i) Items that will not be reclassified to profit or loss	2,757	(7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(970)	-
Total	1,787	(7)
10 Total Comprehensive Income for the period	41,559	8,274
11 Paid up equity share capital	32,106	32,106
12 Reserves (excluding revaluation reserve)	2,52,518	2,59,860
13 Net worth	2,84,624	2,91,966
14 Paid up debt capital (including interest accrued thereon)	37,008	39,080
15 Outstanding redeemable preference shares	-	-
16 Debt equity ratio (Refer Note 15)	0.09	0.08

**L & T Infrastructure Development Projects Limited**

Registered Office: 1st Floor, TCTC Building, Mount Poonamallee Road, Manapakkam, P.B. No. 979, Chennai - 600 089, India.

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(Rs. Lakh)

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018		
Particulars	6 Months Ended September 30, 2018	6 Months Ended September 30, 2017
	Unaudited	Unaudited
17 Earnings per equity share		
Basic (Rs.) (*not annualised)	*12.94	*2.57
Diluted (Rs.) (*not annualised)	*5.67	*1.13
18 Capital redemption reserve	92,000	-
19 Debenture redemption reserve	882	1,132
20 Debt service coverage ratio (Refer Note 3(b))	Not applicable	Not applicable
21 Interest service coverage ratio (Refer Note 3(b))	Not applicable	Not applicable

Notes:

(Rs. Lakh)

1. STATEMENT OF UNAUDITED STANDALONE ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018	
Particulars	As at September 30, 2018
	Unaudited
A ASSETS	
1 Financial assets	
a) Cash and cash equivalents	11,035
b) Bank balance other than (a) above	32,223
c) Trade receivables	3,664
d) Loans	3,887
e) Investments	3,78,502
f) Other financial assets	14,782
Sub-total-financial assets	4,44,093
2 Non-financial assets	
a) Current tax assets (net)	5,011
b) Deferred tax assets (net)	340
c) Property, plant and equipment	3,760
d) Intangible assets	14
e) Other receivable	1,359
Sub-total-non-financial assets	10,484
TOTAL ASSETS	4,54,577
B LIABILITIES AND EQUITY	
LIABILITIES	
1 Financial liabilities	
a) Trade Payables	
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,612
(b) Debt securities	37,008
(c) Other financial liabilities	1,09,430
Sub-total-financial liabilities	1,49,050
2 Non-Financial Liabilities	
a) Provisions	1,017
b) Other non-financial liabilities	19,886
Sub-total-non-financial liabilities	20,903
3 EQUITY	
a) Equity share capital	32,106
b) Other equity	2,52,518
Sub-total-equity	2,84,624
TOTAL LIABILITIES AND EQUITY	4,54,577

2 The above unaudited standalone financial results prepared in accordance with Indian Accounting Standards ("Ind AS") have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 25, 2018. The statutory auditors of the Company have carried out limited review of the standalone unaudited Ind AS financial results for the half year ended September 30, 2018.



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- 3 (a) The Company had been issued a certificate of registration dated January 12, 2015 by the Reserve Bank of India (RBI), to commence/carry on the business of non-banking financial institution without accepting public deposits subject to certain conditions as mentioned by the RBI and is covered as a Systemically Important Non-Deposit taking Core Investment Company (CIC-ND-SI), with effect from April 01, 2015.
- (b) Being a Non Banking Financial Company registered with RBI, disclosure of debt service coverage ratio and interest coverage ratio is not applicable.

4 The Company has adopted Ind AS notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Accordingly, the results of the half year ended September 30, 2017 have been restated to comply with Ind AS. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") (Collectively referred to as "the Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR. 1022(E) dated October 11, 2018, issued by Ministry of Corporate Affairs, Government of India.

5 As at September 30, 2018, an amount of Rs. 19,258 lakh, net of estimated provision for diminution of Rs. 50,554 lakh (As at March 31, 2018 Rs. 19,126 lakh, net of estimated provision for diminution of Rs. 49,200 lakh), is reflected as net carrying value of investments/receivables relating to two subsidiaries of the Company, engaged in infrastructure projects, which have terminated the concession agreements entered into with National Highways Authority of India (NHAI).

As at September 30, 2018, an amount of Rs.5,865 lakhs (As at March 31, 2018 Rs.5,856 lakhs), is reflected as net carrying value of investments/receivables relating to one of the subsidiary where the nature of default and the termination amount claimed under the concession agreement has not been accepted by NHAI and arbitration proceedings have been initiated in respect of the disputes relating to the termination payments/claims.

As at September 30, 2018, an amount of Rs. 13,393 lakhs, net of estimated provision for diminution of Rs.50,554 lakhs (As at March 31, 2018 Rs.13,270 lakhs, net of estimated provision for diminution of Rs.49,200 lakhs), is reflected as net carrying value of investments/receivables relating to other subsidiary where the subsidiary had paused the arbitration proceedings based on the recommendation of NHAI and senior lenders to the project and conveyed their willingness for settlement of the dispute through the Conciliation Committee of Independent Experts (CCIE) set up by NHAI. Accordingly, the CCIE took up the case and a settlement order, favouring the Company, was received during July 2018. However, since NHAI took no steps to honour this settlement order and made no payments thereafter, the subsidiary has returned to the arbitration process after reasonable time and efforts were made for conciliation of the termination dispute and the matter is currently pending before Arbitration Tribunal.

The Company has carried out an assessment of its exposure in these projects duly considering the likely outcome of the arbitration proceedings, pending receipt/communication from NHAI for next steps for execution of CCIE order, contractual stipulations / interpretation of the relevant clauses of the aforesaid concession agreements, the expected termination payments, the possible obligations to lenders, legal advice, etc. and believes that the amount of net investments and receivables carried in the books is good for recovery and no additional provision/adjustment to the carrying value of the said investments / receivables is considered necessary as at September 30, 2018.

6 The Company is carrying net investments aggregating to Rs. 151,349 lakh (As at March 31, 2018 Rs. 131,307 lakh) and has outstanding net loans and advances aggregating to Rs. 2,055 lakh (As at March 31, 2018 Rs. 859 lakh) given to certain operating subsidiaries of the Company engaged in infrastructure projects whose net worth is fully eroded / undergoing restructuring due to continuous losses, as per unaudited financial information of those subsidiaries as at September 30, 2018. Considering the gestation period required for break-even for such infrastructure investments, restructuring / refinancing arrangements carried out/proposed, expected higher cash flows based on future business projections and the strategic nature of these investments, no additional provision/adjustment to the carrying value of the said investments/loans & advances is considered necessary by the Management as at September 30, 2018.

7 During the period, the Company has transferred its interest in five of its road subsidiaries to Indinfravit Trust. (Refer Note 8 below).

8 Exceptional items represent the following:

Particulars		(Rs. Lakh)	
		6 months ended September 30, 2018	6 months ended September 30, 2017
		Unaudited	Unaudited
(a)	Gain on disposal of investment in five subsidiaries to Indinfravit Trust (Refer Note 7)		
	- Profit on sale of investments (net)	34,507	-
	- Reversal of impairment provision made towards such investment	10,000	-
(b)	Provision for diminution in value of investments/receivables in subsidiaries where the concession agreements are terminated (net) (Refer Note 5)	(1,354)	-
Total		43,153	-



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- 9 During the period, the Company has bought back 920 fully paid up Compulsorily Convertible Preference Shares Series I (CCPS) of Rs. 100 lakh each of nominal value at a premium of Rs. 2,173,913 per CCPS for an aggregate value of Rs. 112,000 lakh.
- 10 (a) The previous due date for payment of interest and principal of secured redeemable non-convertible fixed rate debentures was April 27, 2018. The Company had discharged the interest and principal due on that date. The next due date for payment of interest and principal is April 29, 2019 and the amount is Rs. 1,012 lakh and Rs. 2,000 lakh respectively for secured redeemable non-convertible debentures. The redeemable non-convertible debentures are secured by a pledge of 1,700 nos of rated secured redeemable non-convertible debentures of Rs. 1,000,000 each issued by Panipat Elevated Corridor Limited (subsidiary of the Company), an ear-marked bank account of the Company and by an immovable property of the Company situated in Maharashtra.
- (b) The first due date for the payment of interest on unsecured redeemable non-convertible fixed rate debentures was December 26, 2017 and the amount was Rs. 2,150 lakh. The Company had discharged the interest due on that date. The next due date for payment of interest is December 26, 2018 and the amount is Rs. 2,150 lakh.
- 11 ICRA Limited, an independent professional investment information and credit rating agency in India, had reaffirmed rating of AA+(S) to unsecured non-convertible fixed rate debentures and reaffirmed the rating of AA to the non-fund based facilities and secured non-convertible fixed rate debentures. ICRA Limited has also reaffirmed rating of A1+ for the Commercial Papers.
- 12 As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

(Rs. Lakh)

Sr. No	Particulars	6 Months Ended
		September 30, 2017
		Unaudited
1	Net profit/(loss) after tax as published for the half year ended September 30, 2017	4,987
(a)	Fair valuation of investments	1,602
(b)	Interest on financial asset arising from amortised cost	1,231
(c)	Amortisation of processing fee and other adjustments	454
(d)	Actuarial adjustments reclassified to other comprehensive income	7
2	Net profit/(loss) after tax	8,281
3	Other comprehensive income	(7)
4	Total comprehensive income as per Ind AS	8,274

- 13 The Company has availed the exemption provided in SEBI circular CIR/IMD/DF1/69/2016 dated August 10, 2016 with regard to presentation of comparative Ind AS financial information as at March 31, 2018 and for the year then ended and reconciliation of equity for the said year.
- The restated Ind AS financial results pertaining to the half year ended September 30, 2017 have not been subjected to a limited review or audit and have been presented based on the information compiled by the management. The Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs in accordance with the Ind AS.
- 14 The Company has 10,000 Special Equity Shares of Rs.10/- each outstanding which do not have any right to receive dividend or other distributions of the Company or otherwise carry any economic rights. Consequently, such special equity shares are not considered in determination of earnings per share.
- 15 Debt equity ratio has been computed as long term borrowings including current portion divided by total of equity capital, reserves and surplus and compulsorily convertible preference shares.

Statutory disclaimer: Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company. Neither is there any provision in law to keep nor does the Company keep any part of the public funds with the Reserve Bank and by issuing the Certificate of Registration to the Company, the Reserve Bank neither accepts any responsibility nor guarantee for the payment of the public funds to any person/body corporate.



For and on behalf of the Board of Directors
L&T Infrastructure Development Projects Limited

Shailish K. Pathak

Shailish K. Pathak
 Chief Executive Officer and Whole-time Director
 (DIN: 01748959)

Place: Mumbai
 Date: October 25, 2018

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