

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, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. 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.
3. 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.
4. 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.
5. We draw attention to:
 - (a) Note 4 of the Statement, which describes the Management's assessment of carrying value of investments/receivables as at September 30, 2019 aggregating Rs. 5,344 lakhs relating to one subsidiary of the Company (As at March 31, 2019 Rs. 5,888 lakhs), net of estimated provision for diminution of Rs. 550 lakhs (As at March 31, 2019 Rs. Nil), engaged in infrastructure project, which has terminated the concession agreement 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.



Deloitte Haskins & Sells LLP

The Company has carried out an assessment of its exposure in this project duly considering the likely outcome of the arbitration proceedings, contractual stipulations/ interpretation of the relevant clauses of the aforesaid concession agreement, 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, 2019.

- (b) Note 5 of the Statement, which describes the Management's assessment of the carrying value of its investments (net) aggregating Rs. 1,05,862 lakhs (As at March 31, 2019 Rs. 1,08,928 lakhs) and loans and advances (net) aggregating Rs. 5,647 lakhs (As at March 31, 2019 Rs. Nil) relating to six operating subsidiaries of the Company engaged in infrastructure projects whose net worth is fully eroded/undergoing restructuring due to continuous losses, for a period more than 5 years, as per the unaudited financial information of those subsidiaries as at September 30, 2019.

As more fully explained in the note, the Management has, considering the gestation period required for break even for such infrastructure investments and restructuring/ refinancing arrangements carried out/proposed, expected improved cash flows in its future business projections thereby concluding that no additional provision/ adjustment to the carrying value of the said investments/loans & advances is necessary as at September 30, 2019.

Our report is not modified in respect of these matters.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)

Chennai, October 14, 2019
MM/MS/SG/2019/47
UDIN: 19213649AAAADI1297





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. lakhs)

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019			
Particulars	6 months ended September 30, 2019	6 Months Ended September 30, 2018	Year Ended March 31, 2019
	Unaudited	Unaudited	Audited
1 Revenue from operations			
(i) Interest income	5,806	2,223	6,547
(ii) Dividend income	-	147	147
(iii) Rental income	6	4	8
(iv) Net gain on fair value changes	968	149	1,564
(v) Sale of services	2,352	2,517	5,371
(vi) Others - income from construction activity	-	1,103	11,282
(vii) Others - income from wind power generation	621	603	812
Total revenue from operations	9,753	6,746	25,731
2 Other income			
(i) Net gain on sale of current investments	1,687	2,781	4,109
(ii) Exchange gain / Profit on sale of fixed assets (net)	1	2	3
(iii) Interest income from others	-	255	255
(iv) Liabilities/ provisions no longer required written back	-	177	615
(v) Miscellaneous income	-	1	1
Total other income	1,688	3,216	4,983
Total income	11,441	9,962	30,714
3 Expenses			
(i) Finance costs	1,499	1,603	3,184
(ii) Employee benefits expense	1,815	1,743	3,249
(iii) Depreciation and amortisation expense	231	221	450
(iv) Construction and related operating expenses	448	1,423	10,765
(v) Administration and other expenses (Refer Note 8(a))	2,138	3,299	4,776
Total expenses	6,131	8,289	22,424
4 Profit before exceptional items and tax	5,310	1,673	8,290
5 Exceptional items (Refer Note 7)	(6,288)	38,576	927
6 (Loss)/ Profit before tax	(978)	40,249	9,217
7 Tax expense			
(i) Current tax (including prior years)	1,048	455	37
(ii) Deferred tax	(24)	22	(84)
Total tax expense (i+ii)	1,024	477	(47)
8 (Loss)/ Profit for the period	(2,002)	39,772	9,264
9 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	375	2,757	3,514
(ii) Income tax relating to items that will not be reclassified to profit or loss	(109)	(970)	(1,028)
Total	266	1,787	2,486
10 Total Comprehensive Income for the period	(1,736)	41,559	11,750
11 Paid up equity share capital (Face value Rs. 10 per share)	32,106	32,106	32,106
12 Reserves (excluding revaluation reserve)	216,513	252,518	218,245
13 Net worth	248,619	284,624	250,351
14 Paid up debt capital (including interest accrued thereon)	34,926	37,008	36,438
15 Outstanding redeemable preference shares	-	-	-
16 Debt equity ratio (Refer Note 14)	0.10	0.09	0.10
17 Capital Adequacy Ratio	[Refer Note 3(b)]	[Refer Note 3(b)]	[Refer Note 3(b)]
18 Earnings per equity share (Refer Note 13)			
Basic (Rs.) *(not annualised)	*(0.62)	* 12.94	2.89
Diluted (Rs.) *(not annualised)	*(0.62)	* 5.67	1.47
19 NPA Ratios			
(a) Gross/ Net NPA	-	-	-
(b) % of Gross/ Net NPA	-	-	-
20 Capital redemption reserve	92,000	92,000	92,000
21 Debenture redemption reserve	882	882	882
22 Debt service coverage ratio	[Refer Note 3(b)]	[Refer Note 3(b)]	[Refer Note 3(b)]
23 Interest service coverage ratio	[Refer Note 3(b)]	[Refer Note 3(b)]	[Refer Note 3(b)]



L&T Infrastructure Development Projects Limited

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Notes:

(Rs. lakhs)

1. STATEMENT OF UNAUDITED STANDALONE ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

Particulars	As at	As at
	September 30, 2019	March 31, 2019
	Unaudited	Audited
A ASSETS		
1 Financial assets		
a) Cash and cash equivalents	54	799
b) Bank balance other than (a) above	41,575	47,167
c) Trade receivables	2,192	878
d) Loans	9,537	2,036
e) Investments (Refer Notes 4 and 5)	347,150	330,466
f) Other financial assets	4,513	26,274
Sub-total-financial assets	405,021	407,620
2 Non-Financial assets		
a) Current tax assets (net)	5,394	5,394
b) Deferred tax assets (net)	723	808
c) Property, plant and equipment	3,304	3,466
d) Intangible assets	12	12
e) Investment property	185	187
f) Other receivable	1,510	1,403
Sub-total-non-financial assets	11,128	11,270
TOTAL ASSETS	416,149	418,890
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	2,617	9,831
(b) Debt securities	34,926	36,438
(c) Subordinated liabilities (Refer Note 10)	108,000	108,000
(d) Other financial liabilities	6,452	8,125
Sub-total-financial liabilities	151,995	162,394
2 Non-Financial Liabilities		
a) Current tax liabilities (Net)	384	-
b) Provisions (Refer Note 8(b))	14,988	5,799
c) Other non-financial liabilities	163	346
Sub-total-non-financial liabilities	15,535	6,145
3 EQUITY		
a) Equity share capital	32,106	32,106
b) Other equity	216,513	218,245
Sub-total-equity	248,619	250,351
TOTAL LIABILITIES AND EQUITY	416,149	418,890

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 14, 2019. 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, 2019.

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. Hence these results are presented in the stipulated format as applicable to CIC-ND-SI.

(b) Being a Non Banking Financial Company registered with RBI, disclosure of Capital Adequacy Ratio, debt service coverage ratio and interest coverage ratio is not applicable.

4 As at September 30, 2019, amounts aggregating Rs. 5,344 lakhs (Rs. 5,888 lakhs as at March 31, 2019), net of estimated provision for diminution of Rs. 550 lakhs as at September 30, 2019 (Rs. Nil as at March 31, 2019), is reflected as net carrying value of investments/loans and advances relating to one subsidiary of the Company, engaged in an infrastructure project, which has terminated the concession agreement 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 the 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 this project duly considering the likely outcome of the arbitration proceedings, contractual stipulation / interpretation of the relevant clauses of the aforesaid concession agreement, the expected termination payment, 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 investment/ receivables is considered necessary as at September 30, 2019. (Refer Note 7(e))



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- 5 The Company is carrying net investments aggregating Rs. 1,05,862 lakhs (As at March 31, 2019 Rs. 1,08,928 lakhs) and has outstanding net loans and advances aggregating Rs. 5,647 lakhs (As at March 31, 2019 Rs. Nil) provided to certain operating subsidiaries of the Company engaged in infrastructure projects whose network is fully eroded/undergoing restructuring due to continuous losses, for a period of more than 5 years, as per the unaudited financial information of these entities as at September 30, 2019.

The Company assesses the recoverability of its investments on an annual basis, considering the probable beneficial results arising from various initiatives being undertaken with regard to refinancing of loans taken, submission of claims or pursuing with appropriate authorities on relevant pending claims, so that the financial viability of the project can be improved. The Company had revisited the projections made in the prior years by considering the results of such initiatives during the previous year ended March 31, 2019, as well as the status of discussions with relevant authorities to determine the expected cash flow for the remaining concession period of these projects.

This had resulted in the Company considering an additional diminution in the value of its investments in these projects during the previous year ended March 31, 2019. The same has been considered as an exceptional item in the standalone financial results of the Company. (Refer Note 7(f)).

Considering the gestation period required for break even for such infrastructure investments, restructuring/refinancing arrangements carried out/proposed and expected improved cash flows in its future business projections, no additional provision/ adjustment to the carrying value of the said investments/ loans and advances is considered necessary by the Management as at September 30, 2019.

- 6 During the previous year ended March 31, 2019, the Company had transferred its interest in five of its road subsidiaries to Indinfravit Trust. (Refer Note 7(a)).

- 7 Exceptional items represent the following:

(Rs. lakhs)

Particulars	6 months ended	6 Months Ended	Year Ended
	September 30, 2019	September 30, 2018	March 31, 2019
	Unaudited	Unaudited	Audited
(a) Gain on disposal of investment in five subsidiaries to Indinfravit Trust (Refer Note 6)			
- Profit on sale of investments (net)	-	34,507	34,508
- Reversal of impairment provision made towards such investment	-	10,000	10,000
- Indemnities provided pertaining to the five subsidiaries (Refer Note 8(b))	(5,738)	(4,577)	(12,949)
(b) Profit on sale of investment in associate	-	-	688
(c) (i) Write-back of provision made for impairment in loss making subsidiary	-	-	10,000
(ii) Write off on account of capital reduction in subsidiary where network is eroded	-	-	(10,000)
(d) Write-back of provision made earlier for terminated subsidiary (net)	-	-	8,180
(e) Provision for diminution in value of investments/ loans and advances in subsidiaries where the concession agreements are terminated. (Refer Note 4)	(550)	(1,354)	-
(f) Provision for diminution in value of investments/ loans and advances in subsidiaries having network erosion/ undergoing restructuring due to continuous losses for a period of more than 5 years (Refer Note 5)	-	-	(39,500)
Total	(6,288)	38,576	927

- 8 (a) Indemnities provided with regard to the subsidiaries sold aggregating Rs. 4,577 lakhs, considered under Administration and other expenses during the six months ended September 30, 2018 was reclassified under Exceptional item to consider the net impact/ benefit arising from the sale of such investments. Accordingly, in the results for the six months ended September 30, 2018, the administrative and other expenses should be read as Rs.3,299 lakhs, total expenses should be read as Rs. 8,289 lakhs, profit before exceptional items and tax should be read as Rs.1,673 lakhs and the total exceptional items should be read as Rs.38,576 lakhs. There is no impact to the Profit before tax for the six months ended September 30, 2018 due to the above mentioned reclassification.

(b) The Company assesses the estimated provision for the indemnities provided with regard to subsidiaries transferred to Indinfravit Trust on a periodical basis based on the expected cash outflows duly considering the possible future incidence based on corrective actions for rectification works to be carried by the Company. The Company has reassessed the estimated provision and provided an additional amount of Rs. 5,738 lakhs (for the year ended March 31, 2019 Rs.12,949 lakhs) during the period ended September 30, 2019. The same has been considered as an exceptional item in the standalone financial results of the Company. (Refer Note 7(a))

- 9 During the six months period ended September 30, 2019, the National Company Law Tribunal (NCLT) has allowed the insolvency application filed by a Financial Creditor for initiation of Corporate Insolvency Resolution Process under section 7 of the Insolvency and Bankruptcy Code, 2016 against one of the subsidiaries (the "entity") of the Company. Consequently, the Board of the aforesaid entity has been suspended and Insolvency Professional has been Subsequent to September 30, 2019, the Company filed, (i) writ petition to stay the proceedings of above insolvency order and (ii) appeal to set aside the above insolvency order, before the Honourable Supreme Court of India. As the Management expects a favourable outcome of the writ and appeal which is currently pending before the Honourable Supreme Court of India, the Company continues to consider the aforesaid entity as subsidiary as at September 30, 2019.

- 10 As at September 30, 2019, the Compulsorily Convertible Preference Shares (CCPS) has been presented as subordinated liabilities under Financial liabilities, as the valuation process for the purpose of conversion of CCPS is yet to be finalised.



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- 11 (a) The previous due date for payment of interest and principal of secured redeemable non-convertible fixed rate debentures was April 27, 2019. The Company had discharged the interest and principal due on that date. The next due date for payment of interest and principal is April 27, 2020 and the amount is Rs.800 lakhs and Rs. 2,500 lakhs respectively for secured redeemable non-convertible debentures. The redeemable non-convertible debentures are secured by a pledge of 1,500 no.s of rated secured redeemable non-convertible debentures of Rs.1,000,000 each issued by Panipat Elevated Corridor Limited (subsidiary of the Company), an earmarked bank account of the Company and by an immovable property of the Company situated in Maharashtra.
- (b) The previous due date for the payment of interest on unsecured redeemable non-convertible fixed rate debentures was December 26, 2018 and the amount was Rs.2,150 lakhs. The Company had discharged the interest due on that date. The next due date for payment of interest is December 26, 2019 and the amount is Rs.2,150 lakhs.
- 12 ICRA Limited, an independent professional investment information and credit rating agency in India, had reaffirmed rating of AA+(S) to the 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 issued by the Company. ICRA Limited has also reaffirmed rating of A1+ for the Commercial Papers.
- 13 The Company has 10,000 Special Equity Shares of face value 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.
- 14 Debt equity ratio has been computed as long term borrowings including current portion divided by the aggregate 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.

Place: Mumbai
Date: October 14, 2019

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

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

