



L&T TRANSPORTATION INFRASTRUCTURE LIMITED

25th ANNUAL REPORT

Board of Directors:

Mr. P.G.Suresh Kumar

Mr. R.G.Ramachandran

Mr. N. Raghavan

Dr. Koshy Varghese

Mr. Suresh Sankaranarayanan - Manager

Mr. U.Poovarasam - Chief Financial Officer

Mr. K.Premanatha - Company Secretary

Statutory Auditors:

M/s. M.K.Dandekar & Co,

Chartered Accountants

Registered Office:

Post Box No.979

Mount Poonamallee Road

Manapakkam

Chennai - 600 089

Notice to Members

Notice is hereby given for the 25th ANNUAL GENERAL MEETING of the Members of L&T TRANSPORTATION INFRASTRUCTURE LIMITED to be held on Friday, September 30, 2022 at 03:30 p.m. at the registered office of the Company at P.O. Box. 979, Mount Poonamallee Road, Manapakkam, Chennai - 600089 to discuss the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements of the Company for the year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R.G.Ramachandran (DIN: 02671982), who retires by rotation and being eligible offers himself for reappointment.
3. To approve re-appointment of Statutory Auditor and for that purpose to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the company be and is hereby accorded to re-appoint M/s. M.K.Dandeker & Co, Chartered Accountants, (Firm Registration No. 000679S) to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth successive Annual General Meeting (i.e. 30th Annual General Meeting) of the Company on such remuneration as decided by the Board of Directors for the FY 2022-23.

RESOLVED FURTHER THAT the members hereby authorize the Board of Directors or the Audit Committee thereof to decide the remuneration payable to M/s. M.K.Dandeker & Co during their term as statutory auditor .”

**By Order of the Board
For L&T Transportation Infrastructure Limited**

**Date : 11/08/2022
Place: Chennai**

**P.G.Suresh Kumar
Director
DIN: 07124883**

Notes:

1. ***A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of himself and proxy need not be a member. Proxy forms should be submitted to the company 48 hours before the commencement of the meeting.***
2. *Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.*
3. *All documents referred to in the accompanying notice shall be open for inspection at the registered office of the company during business hours except on holidays, up to and including the date of the annual general meeting of the company.*
4. *Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the company are provided in "Annexure A" of this notice.*

Annexure A

Details of the Director seeking re-appointment in the forthcoming Annual General Meeting.

| | |
|---|---|
| Name | Mr. R.G.Ramachandran |
| Date of Birth | May 24, 1964 |
| Date of Appointment on the Board | July 21, 2015 |
| Qualification | CA, CS, CWA |
| Experience | More than 31 years |
| Directorships in other companies | L&T Interstate Road Corridor Limited L&T Deccan Tollways Limited International Seaports (Haldia) Private Limited L&T Sambalpur - Rourkela Tollway Limited Watrak Infrastructure Private Limited |
| Number of Board Meetings attended during the financial year 2021 – 22 | 5 |
| Memberships / Chairmanship of committees across all companies | L&T Transportation Infrastructure Limited (AC/NRC/CSRC)* L& T Interstate Road Corridor Limited (AC) L&T Deccan Tollways Limited (NRC) L&T Sambalpur - Rourkela Tollway Limited (NRC) |
| Shareholding in the Company | 1 share held jointly with Larsen & Toubro Limited |
| Relationship with other Directors / KMPs | Nil |

*AC : Audit Committee

NRC : Nomination & Remuneration Committee

CSR : Corporate Social Responsibility Committee

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. L & T Transportation Infrastructure Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **L & T Transportation Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone 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.

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 Board's Report including Annexures to Board's 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 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 Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are 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 in 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 Ind AS 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, 2020 ("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 account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its Directors during the year so the provisions of section 197 of the Act are not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - 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.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The Company has not declared or paid any dividend during the year.

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

Date: April 13, 2022
Place: Chennai
UDIN: 22223754AHIAUD7713

**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. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.
- b. The Property, Plant and Equipment have been physically verified by the Management at regular intervals and no material discrepancies were noticed on such verification.
- c. The title deeds of immovable property are held in the name of the Company.
- d. The Company has not revalued its Property, Plant and Equipment (including Right of Use of Assets) or intangible assets or both during the year.
- e. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. a. The Company is engaged in the business of infrastructure development and maintenance and hence clause 3 (ii) of the Companies (Auditor's Report) Order 2016 relating to inventory is not applicable.

b. The Company has not availed working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time of the year and hence clause 3 (ii)(b) of the Companies (Auditor's Report) Order 2020 is not applicable.
3. During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, clause 3 (iii) of the Companies (Auditor's Report) Order 2020 is not applicable.
4. According to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 are complied with in respect of loans, investments, guarantees and securities given by the Company.
5. The Company has not accepted deposits or amounts which are deemed to be 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 thereunder 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, 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, 2022 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Period to which amount relates | Forum where the dispute is pending | Amount (In Lakhs) |
|----------------------|----------------|--------------------------------|------------------------------------|-------------------|
| Income Tax Act, 1961 | Income Tax | A.Y. 2011-12 | Jurisdictional A.O. | 1.37 |
| | | A.Y. 2013-14 | Jurisdictional A.O. | 1.42 |
| | | A.Y. 2016-17 | Jurisdictional A.O. | 2.76 |
| | | A.Y. 2017-18 | CIT (Appeals) | 97.55 |
| | | A.Y. 2018-19 | CIT (Appeals) | 792.42 |
| | | A.Y. 2020-21 | CIT (Appeals) | 100.93 |

8. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. (a) The Company has no loans or borrowings from any bank or financial institution and hence clause 3 (ix)(a) of the Companies (Auditor's Report) Order 2020 is not applicable.
- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender.
- (c) The Company has no term loans from any bank or financial institution and hence clause 3 (ix)(c) of the Companies (Auditor's Report) Order 2020 is not applicable.
- (d) During the year, the Company has not raised any funds on short term basis and hence clause 3 (ix)(d) of the Companies (Auditor's Report) Order 2020 is not applicable.
- (e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence clause 3 (ix)(e) of the Companies (Auditor's Report) Order 2020 is not applicable.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence clause 3 (ix)(f) of the Companies (Auditor's Report) Order 2020 is not applicable.
10. a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including Debt instruments) during the year and hence clause 3 (x)(a) of the Companies (Auditor's Report) Order 2020 is not applicable.

- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year and hence clause 3 (x)(b) of the Companies (Auditor's Report) Order 2020 is not applicable.
11. (a) Based on the information and explanations given to us, no material fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) Based on the information and explanations given to us, there are no whistle-blower complaints received during the year by the Company.
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 Companies Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
14. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditor for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
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. Hence, clause 3(xv) of the Companies (Auditor's Report) Order 2020 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence clause 3 (xvi) of the Companies (Auditor's Report) Order 2020 is not applicable.
17. The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year and hence clause 3 (xviii) of the Companies (Auditor's Report) Order 2020 is not applicable.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. (a) The Company has not transferred the CSR amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our audit report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our audit report.
- (b) The Company has not transferred the CSR amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our audit report. However, the time period for such transfer i.e. thirty days from the end of the financial year as permitted under second proviso to sub-section (6) of section 135 of the Act, has not elapsed till the date of our audit report.
21. As the Company is an intermediate holding Company, the preparation of consolidated financial statements has not been done for the financial year by the Company. Hence, clause 3 (xxi) of the Companies (Auditor's Report) Order 2020 is not applicable.

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

Date: April 13, 2022
Place: Chennai
UDIN: 22223754AHIAUD7713

**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 Transportation Infrastructure Limited** ("the Company") as of March 31, 2022 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, 2022, 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: April 13, 2022
Place: Chennai
UDIN: 22223754AHIAUD7713

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

L&T Transportation Infrastructure Limited
CIN:U45203TN1997PLC039102
Balance Sheet as at March 31, 2022

| Particulars | Note No. | As at March 31, 2022 ₹ Lakh | As at March 31, 2021 ₹ Lakh |
|---|--------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| a) Property, plant and equipment | 1 | 88 | 102 |
| b) Intangible assets | 2 (a) | 5,006 | 5,114 |
| c) Intangible assets under development | 2 (b) | - | 303 |
| d) Financial Assets | | | |
| i) Loans | 3 | 1,165 | 1,049 |
| ii) Non current investments | 7 | 7,786 | 7,786 |
| iii) Other financial assets | 4 | 5,523 | 5,523 |
| e) Other non-current assets | 5 | 11 | 3 |
| A | | 19,579 | 19,880 |
| Current assets | | | |
| a) Financial Assets | | | |
| i) Investments | 7 | 1,035 | 1,578 |
| ii) Cash and cash equivalents | 8 (a) | 160 | 35 |
| iii) Other bank balances | 8 (b) | 14,803 | 9,246 |
| iv) Loans | 3 | 12,493 | 12,493 |
| v) Other financial assets | 4 | 22 | 22 |
| b) Current tax assets (net) | 6 | 26 | 76 |
| c) Other current assets | 5 | 68 | 68 |
| B | | 28,607 | 23,518 |
| TOTAL | A+B | 48,186 | 43,398 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| a) Equity share capital | 9 | 4,140 | 4,140 |
| b) Other equity | 10 | 38,347 | 35,457 |
| C | | 42,487 | 39,597 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| a) Financial liabilities | | | |
| i) Other financial liabilities | 11 | 3,945 | 35 |
| b) Provisions | 12 | - | 4 |
| c) Deferred tax liabilities (net) | 13 | 889 | 968 |
| D | | 4,834 | 1,007 |
| Current liabilities | | | |
| a) Financial liabilities | | | |
| i) Trade payables | | | |
| A) Total outstanding dues to micro and small enterprises | 14 | 92 | 19 |
| B) Total outstanding dues of creditors other than micro and small enterprises | | 248 | 48 |
| ii) Other financial liabilities | 11 | 288 | 36 |
| b) Other current liabilities | 15 | 237 | 585 |
| c) Provisions | 12 | - | 2,106 |
| E | | 865 | 2,794 |
| Total Equity and Liabilities | C+D+E | 48,186 | 43,398 |
| Contingent liabilities | F | | |
| Commitments | G | | |
| Other notes forming part of accounts | H | | |
| Significant accounting policies | I | | |

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

P.G. Suresh Kumar
Director
DIN: 07124883

S. Poosaidurai
Partner
Membership No. 223754

U. Poovarasam
Chief Financial Officer

Place: Chennai
Date: April 13, 2022

Place: Chennai
Date: April 13, 2022

L&T Transportation Infrastructure Limited
CIN:U45203TN1997PLC039102
Statement of Profit and loss for the year ended March 31, 2022

| Particulars | Note No. | Year Ended March 31, 2022 | | Year Ended March 31, 2021 | |
|---|-----------|------------------------------|--------------|------------------------------|--------------|
| | | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| INCOME | | | | | |
| Revenue from operations | 16 | | 4,655 | | 4,464 |
| Other income | 17 | | 1,205 | | 653 |
| Total Income | | | 5,860 | | 5,117 |
| EXPENSES | | | | | |
| Operating expenses | 18 | | 655 | | 722 |
| Employee benefit expenses | 19 | | 140 | | 122 |
| Finance cost | 20 | | 385 | | 338 |
| Depreciation and amortisation | 1 & 2 (a) | | 440 | | 403 |
| Administration and other expenses | 21 | | 512 | | 243 |
| Total Expenses | | | 2,132 | | 1,828 |
| Profit/(loss) before exceptional items and tax | | | 3,728 | | 3,289 |
| Exceptional items | 22 | | (249) | | - |
| Profit/(loss) before tax | | | 3,977 | | 3,289 |
| Less: Tax expenses | | | | | |
| - Current Tax | | | 1,166 | | 923 |
| - Deferred Tax | | | (78) | | (260) |
| | | | 1,088 | | 663 |
| Profit/(Loss) after tax | | | 2,889 | | 2,626 |
| Other comprehensive income | | | | | |
| i) Items that will not be reclassified to profit or loss (net of tax) | | | | | |
| - Remeasurements of the defined benefit plans | 23 | | 1 | | 1 |
| Total Comprehensive income for the year | | | 2,890 | | 2,627 |
| Earnings per equity share (Basic and Diluted ₹) | H (8) | | 6.98 | | 6.34 |
| Face value per equity share (₹) | | | 10.00 | | 10.00 |
| Other notes forming part of accounts | H | | | | |
| Significant accounting policies | I | | | | |

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

P.G. Suresh Kumar
Director
DIN: 07124883

S. Poosaidurai
Partner
Membership No. 223754

U. Poovarasana
Chief Financial Officer

Place: Chennai
Date: April 13, 2022

Place: Chennai
Date: April 13, 2022

L&T Transportation Infrastructure Limited
CIN:U45203TN1997PLC039102
Statement of Cash Flows for the year ended March 31, 2022

| S.No. | Particulars | Year Ended March 31, 2022 ₹ Lakh | Year Ended March 31, 2021 ₹ Lakh |
|----------|--|--|--|
| A | Cash flow from Operating Activities | | |
| | Net profit / (loss) before tax | 3,977 | 3,289 |
| | Adjustment for: | | |
| | Other Comprehensive Income | 1 | 1 |
| | Depreciation and amortisation | 440 | 403 |
| | Interest expense | 385 | 338 |
| | Interest income | (408) | (393) |
| | Net Gain/(Loss) on financial instruments designated at FVTPL | 5 | (8) |
| | Profit on sale of Liquid Mutual Funds | (37) | (10) |
| | (Profit)/loss on sale of Property, Plant & Equipment | (7) | - |
| | Compounding of discount and implicit interest income on fair value of investme | (116) | (104) |
| | Operating profit before working capital changes | 4,240 | 3,516 |
| | Adjustments for: | | |
| | Increase / (Decrease) in provisions | (2,290) | 100 |
| | Increase / (Decrease) in trade payables | 273 | 29 |
| | Increase / (Decrease) in other current liabilities | (348) | 131 |
| | Increase / (Decrease) in other financial liabilities | 4,162 | 32 |
| | (Increase) / Decrease in other current financial assets | (1) | (22) |
| | (Increase) / Decrease in other non-current financial assets | - | (67) |
| | (Increase) / Decrease in other non-current assets | (8) | (1) |
| | (Increase) / Decrease in other current assets | - | (51) |
| | Net cash generated from/(used in) operating activities | 6,028 | 3,667 |
| | Net Income Tax (paid)/ refunds | (1,116) | (1,371) |
| | Net Cash(used in)/generated from Operating Activities | 4,912 | 2,296 |
| B | Cash flow from investing activities | | |
| | Purchase of Property, Plant & Equipment | (15) | (55) |
| | Sale of Property, Plant & Equipment | 7 | - |
| | (Purchase)/Sale of current investments (net) | 575 | (156) |
| | Changes in other bank balances | (5,557) | (2,330) |
| | Interest received | 408 | 393 |
| | Net cash (used in)/generated from investing activities | (4,582) | (2,148) |
| C | Cash flow from financing activities | | |
| | Other borrowing cost | (205) | (178) |
| | Net cash (used in)/generated from financing activities | (205) | (178) |
| | Net increase / (decrease) in cash and cash equivalents (A+B+C) | 125 | (30) |
| | Cash and cash equivalents as at the beginning of the year | 35 | 65 |
| | Cash and cash equivalents as at the end of the year | 160 | 35 |

Components of Cash & Cash Equivalents:

| Particulars | ₹ Lakh | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Cash in hand | 2 | 6 |
| Balances with Banks: | | |
| - In Current Accounts | 48 | 29 |
| - In Term deposits with original maturity of less than 3 months (including interest accrued thereon) | 110 | - |
| | 160 | 35 |

Notes:

- Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows
- Cash and cash equivalents represents cash and bank balances.
- Previous year's figures have been regrouped/reclassified wherever applicable.

Other notes forming part of accounts H
Significant accounting policies I

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

P.G. Suresh Kumar
Director
DIN: 07124883

S. Poosaidurai
Partner
Membership No.: 223754

U. Poovarasani
Chief Financial Officer

Place: Chennai
Date: April 13, 2022

Place: Chennai
Date: April 13, 2022

L&T Transportation Infrastructure Limited

CIN:U45203TN1997PLC039102

Statement of Changes in Equity for the year ended March 31, 2022

| A) Equity share capital Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| | ₹ Lakh | ₹ Lakh |
| Balance at the beginning of the year | 4,140 | 4,140 |
| Change in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the reporting year | 4,140 | 4,140 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the year | 4,140 | 4,140 |

**B) Other Equity
As at March 31, 2022**

| Particulars | General Reserve ₹ Lakh | Retained earnings ₹ Lakh | Total ₹ Lakh |
|---------------------------------------|---------------------------|-----------------------------|-----------------|
| Balance at the beginning of the year | 20 | 35,437 | 35,457 |
| - Profit for the year | - | 2,889 | 2,889 |
| - Other comprehensive income | - | 1 | 1 |
| Balance at the end of the year | 20 | 38,327 | 38,347 |

As at March 31, 2021

| Particulars | General Reserve ₹ Lakh | Retained earnings ₹ Lakh | Total ₹ Lakh |
|---------------------------------------|---------------------------|-----------------------------|-----------------|
| Balance at the beginning of the year | 20 | 32,810 | 32,830 |
| - Profit for the year | - | 2,626 | 2,626 |
| - Other comprehensive income | - | 1 | 1 |
| Balance at the end of the year | 20 | 35,437 | 35,457 |

Other notes forming part of accounts
Significant accounting policiesH
IAs 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 Director DIN: 02671982 | P.G. Suresh Kumar Director DIN: 07124883 |
|---|---|

S. Poosaidurai
Partner
Membership No. 223754**U. Poovarasam**
Chief Financial OfficerPlace: Chennai
Date: April 13, 2022Place: Chennai
Date: April 13, 2022

L&T Transportation Infrastructure Limited
Notes forming part of financial statements for the year ended March 31, 2022

1 Property, Plant and Equipment

(₹ Lakh)

| Particulars | Cost | | | | Depreciation | | | | Book Value | |
|------------------------------------|----------------------|-----------|------------|----------------------|----------------------|--------------|------------|----------------------|----------------------|----------------------|
| | As at April 01, 2021 | Additions | Deductions | As at March 31, 2022 | As at April 01, 2021 | For the year | Deductions | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 |
| Owned | | | | | | | | | | |
| Freehold Land | 6 | - | - | 6 | - | - | - | - | 6 | 6 |
| Building | 9 | - | - | 9 | 2 | - | - | 2 | 7 | 7 |
| Plant and Equipment | 116 | - | 17 | 99 | 55 | 14 | 17 | 52 | 47 | 61 |
| Furnitures and fixtures | 5 | 2 | 1 | 6 | 2 | - | 1 | 1 | 5 | 3 |
| Vehicles | 1 | - | - | 1 | 1 | - | - | 1 | - | - |
| Office equipments | 23 | 12 | - | 35 | 17 | 5 | - | 22 | 13 | 6 |
| Electrical installations | - | - | - | - | - | - | - | - | - | - |
| Air conditioning and Refrigeration | 3 | - | - | 3 | 1 | - | - | 1 | 2 | 2 |
| Computers, laptops and printers | 48 | 1 | 2 | 47 | 31 | 10 | 2 | 39 | 8 | 17 |
| Total | 211 | 15 | 20 | 206 | 109 | 29 | 20 | 118 | 88 | 102 |
| <i>Previous year</i> | <i>208</i> | <i>3</i> | <i>-</i> | <i>211</i> | <i>79</i> | <i>30</i> | <i>-</i> | <i>109</i> | <i>102</i> | |

2 (a) Intangible Assets

(₹ Lakh)

| Particulars | Cost | | | | Amortisation | | | | Book Value | |
|------------------------|----------------------|------------|------------|----------------------|----------------------|--------------|------------|----------------------|----------------------|----------------------|
| | As at April 01, 2021 | Additions | Deductions | As at March 31, 2022 | As at April 01, 2021 | For the year | Deductions | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 |
| Toll collection rights | 9,308 | 303 | - | 9,611 | 4,194 | 411 | - | 4,605 | 5,006 | 5,114 |
| Total | 9,308 | 303 | - | 9,611 | 4,194 | 411 | - | 4,605 | 5,006 | 5,114 |
| <i>Previous year</i> | <i>9,308</i> | <i>-</i> | <i>-</i> | <i>9,308</i> | <i>3,821</i> | <i>373</i> | <i>-</i> | <i>4,194</i> | <i>5,114</i> | |

2 (b) Intangible assets under development

(₹ Lakh)

| Particulars | Cost | | | | |
|--------------------------------------|----------------------|-----------|-----------------------------|----------------------|----------------------|
| | As at April 01, 2021 | Additions | Capitalised during the year | As at March 31, 2022 | As at March 31, 2021 |
| Construction Cost (Refer note below) | 303 | - | 303 | - | 303 |
| Total | 303 | - | 303 | - | 303 |
| <i>Previous year</i> | <i>251</i> | <i>52</i> | <i>-</i> | <i>303</i> | |

Note: During the year, the Company has capitalised the construction cost of Additional Lanes on one end towards RHS at 4 Toll Plazas.

L&T Transportation Infrastructure Limited
Notes forming part of financial statements for the year ended March 31, 2022

3 Loans

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|----------------------|-----------------------|-----------------|----------------------|-----------------------|-----------------|
| | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh |
| a) Loans to related parties | | | | | | |
| - Unsecured, considered good (Refer Note Below) | 12,493 | 1,165 | 13,658 | 12,493 | 1,049 | 13,542 |
| | 12,493 | 1,165 | 13,658 | 12,493 | 1,049 | 13,542 |

Notes:

(a) The above balance of ₹ 12,493 Lakh consists of ₹ 2,800 Lakh given to L&T Deccan Tollways Limited, ₹ 4,500 Lakh given to Panipat Elevated Corridor Limited and ₹ 5,193 Lakh given to L&T Samakhiali Gandhidham Tollway Limited. All the loans are interest free and are repayable on demand.

(b) During the FY 2019-20, L&T Deccan Tollways Limited had obtained an In-Principle approval from its existing senior lenders for novation of loan amounting to ₹ 3,000 Lakh borrowed from the Company. Accordingly, on April 07, 2022, L&T Deccan Tollways Limited has executed the novation and supplementary agreements with its lenders. The repayment of ₹ 3,000 Lakh to the Company shall be subservient to the existing senior debt and shall commence after full repayment of existing senior debt obligations in L&T Deccan Tollways Limited. The Non Current portion of the same is disclosed above and the Equity Component of the Loan is disclosed under Investments.

4 Other Financial assets

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|----------------------|-----------------------|-----------------|----------------------|-----------------------|-----------------|
| | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh |
| a) Security deposits | | | | | | |
| - Unsecured, considered good | - | 6 | 6 | - | 6 | 6 |
| b) Receivable from MoRTH (Refer Note H10(d) & H14) | - | 5,517 | 5,517 | - | 5,517 | 5,517 |
| c) Receivable from Others | 22 | - | 22 | 22 | - | 22 |
| | 22 | 5,523 | 5,545 | 22 | 5,523 | 5,545 |

5 Other non-current and current assets

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|----------------------|-----------------------|-----------------|----------------------|-----------------------|-----------------|
| | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh |
| a) Advances recoverable other than in cash | | | | | | |
| - Receivable from related party | 2 | - | 2 | 2 | - | 2 |
| - Prepaid Insurance | 16 | - | 16 | 16 | - | 16 |
| - Prepaid expenses | 34 | - | 34 | 46 | - | 46 |
| - GST Input Credit (net of liability) | 14 | - | 14 | 2 | - | 2 |
| - Leave encashment plan asset (net of provisions) | - | 6 | 6 | - | - | - |
| - Gratuity plan asset (net of provisions) | 2 | 5 | 7 | 2 | 3 | 5 |
| | 68 | 11 | 79 | 68 | 3 | 71 |

6 Current Tax Assets (Net)

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|-------------------------------|----------------------|-----------------------|-----------------|----------------------|-----------------------|-----------------|
| | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh |
| Advance tax net of provisions | 26 | - | 26 | 76 | - | 76 |
| | 26 | - | 26 | 76 | - | 76 |

7 Investments

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | ₹ Lakh Current | ₹ Lakh Non-Current | ₹ Lakh Current | ₹ Lakh Non-Current |
| Investments carried at fair value through Profit and loss | | | | |
| - Investment in liquid mutual fund units (Refer note (b) below) | 1,035 | - | 1,578 | - |
| Investment in Equity Instruments | | | | |
| - In Associates (Refer note (a) & (c)below) | - | 7,786 | - | 7,786 |
| | 1,035 | 7,786 | 1,578 | 7,786 |
| Aggregate book value of quoted investments | 1,032 | - | 1,570 | - |
| Aggregate market value of quoted investments | 1,035 | - | 1,578 | - |

Notes:

a) During the F.Y. 2019-20, L&T Deccan Tollways Limited had obtained an In-Principle approval from its existing senior lenders for novation of loan amounting to ₹ 3,000 Lakh borrowed from the Company. Accordingly, on April 07, 2022, L&T Deccan Tollways Limited has executed the novation and supplementary agreements with its lenders. The repayment of ₹ 3,000 Lakh to the Company shall be subservient to the existing senior debt and shall commence after full repayment of existing senior debt obligations in L&T Deccan Tollways Limited. The Non Current portion of the same is disclosed under Loans and the Equity Component of the Loan is disclosed above under Investments.

b) Details of Liquid Mutual Fund Holdings as on March 31, 2022 & March 31, 2021 as below:

| Particulars | As at 31-03-2022 | | | As at 31-03-2021 |
|---------------------|--------------------|-----------------|---------------------------|---------------------------|
| | No. of Units | NAV (₹) | Market Value ₹ in Lakh | Market Value ₹ in Lakh |
| UTI Overnight Fund | 13,066.33 | 2,883.47 | 377 | 1,578 |
| Axis Overnight Fund | 5,76,707.01 | 114.22 | 658 | - |
| Total | 5,89,773.34 | 2,997.69 | 1,035 | 1,578 |

c) Details of Investments in Equity Instruments

| Particulars | % of Holding | As at 31-03-2022 | | As at 31-03-2021 |
|--|--------------|------------------|-------------------|-------------------|
| | | No. of Shares | Cost ₹ in Lakh | Cost ₹ in Lakh |
| International Seaports (Haldia) Private Limited | 22.31% | 98,30,000 | 1,524 | 1,524 |
| L&T Deccan Tollways Limited | 14.72% | 4,20,00,000 | 4,200 | 4,200 |
| L&T Deccan Tollways Limited - Equity Component of Unsecured Loan | - | - | 2,062 | 2,062 |
| Total | | | 7,786 | 7,786 |

8 Cash and bank balances

| Particulars | As at March 31, 2022 ₹ in Lakh | As at March 31, 2021 ₹ in Lakh |
|--|-----------------------------------|-----------------------------------|
| 8 (a) Cash and Cash Equivalents | | |
| i) Balances with banks | | |
| - In current accounts | 48 | 29 |
| ii) Cash on hand | 2 | 6 |
| iii) In Term deposits with original maturity of less than 3 months (including interest accrued thereon) | 110 | - |
| | 160 | 35 |
| 8 (b) Other bank balances | | |
| i) Term deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) | 4,758 | 3,179 |
| ii) Term deposits with banks (including interest accrued thereon) - Lien marked (Refer note below) | 10,045 | 6,067 |
| | 14,803 | 9,246 |

Note: Term deposits amounting to ₹ 9,934 Lakh (P.Y ₹ 5,958 Lakh) are kept as margin money for issuance of bank guarantee in favour of MoRTH in compliance with NITI AAYOG circular for availing 75% of arbitration award won during December 2017 and in favour of The Registrar, High Court of Delhi towards balance 25% of the arbitration award received during the year. Term deposits amounting to ₹ 111 Lakh (P.Y. ₹ 110 Lakh) are kept as a margin money for issuance of bank guarantee in favor of MoRTH in compliance with Clause 18.3 of the Concession agreement.

9 Share Capital

(i) Authorised, issued, subscribed and paid up

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of shares | ₹ Lakh | No. of shares | ₹ Lakh |
| Authorised | | | | |
| Equity shares of ₹ 10 each | 5,00,00,000 | 5,000 | 5,00,00,000 | 5,000 |
| Issued, subscribed and fully paid up | | | | |
| Equity shares of ₹ 10 each | 4,14,00,000 | 4,140 | 4,14,00,000 | 4,140 |
| | 4,14,00,000 | 4,140 | 4,14,00,000 | 4,140 |

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

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--------------------------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares | ₹ Lakh | No. of shares | ₹ Lakh |
| At the beginning of the year | 4,14,00,000 | 4,140 | 4,14,00,000 | 4,140 |
| Issued during the year as fully paid | - | - | - | - |
| At the end of the year | 4,14,00,000 | 4,140 | 4,14,00,000 | 4,140 |

(iii) Terms / rights attached to equity shares:

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

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

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

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

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

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of shares | ₹ Lakh | No. of shares | ₹ Lakh |
| L&T Infrastructure Development Projects Limited (Holding Company) | 3,05,40,000 | 3,054 | 3,05,40,000 | 3,054 |
| Larsen and Toubro Limited (Ultimate Holding Company) | 1,08,60,000 | 1,086 | 1,08,60,000 | 1,086 |
| | 4,14,00,000 | 4,140 | 4,14,00,000 | 4,140 |

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

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|--------|----------------------|--------|
| | No. of shares | % | No. of shares | % |
| L&T Infrastructure Development Projects Limited | 3,05,40,000 | 73.76% | 3,05,40,000 | 73.76% |
| Larsen and Toubro Limited (including nominee holding) | 1,08,60,000 | 26.24% | 1,08,60,000 | 26.24% |

(vi) a) Details of Shareholding of Promoters in the Company as at March 31, 2022:

| Particulars | No of Shares | % of Total Shares | % Change during the year |
|---|--------------|-------------------|--------------------------|
| Equity share capital | | | |
| L&T Infrastructure Development Projects Limited | 3,05,36,000 | 73.76% | No change |
| Larsen & Toubro Limited | 1,08,64,000 | 26.24% | No change |

(vi) b) Details of Shareholding of Promoters in the Company as at March 31, 2021:

| Particulars | No of Shares | % of Total Shares | % Change during the year |
|---|--------------|-------------------|--------------------------|
| Equity share capital | | | |
| L&T Infrastructure Development Projects Limited | 3,05,36,000 | 73.76% | No change |
| Larsen & Toubro Limited | 1,08,64,000 | 26.24% | No change |

(vii) 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

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

L&T Transportation Infrastructure Limited
Notes forming part of financial statements for the year ended March 31, 2022

10 Other Equity

A) As at March 31, 2022

| Particulars | Reserves & Surplus (₹ Lakh) | | Total |
|---|-----------------------------|-------------------|---------------|
| | General Reserve | Retained earnings | ₹ Lakh |
| Balance at the beginning of the reporting year | 20 | 35,437 | 35,457 |
| - Profit after tax | - | 2,889 | 2,889 |
| - Other comprehensive income | - | 1 | 1 |
| Balance at the end of the reporting year | 20 | 38,327 | 38,347 |

B) As at March 31, 2021

| Particulars | Reserves & Surplus (₹ Lakh) | | Total |
|---|-----------------------------|-------------------|---------------|
| | General Reserve | Retained earnings | ₹ Lakh |
| Balance at the beginning of the reporting year | 20 | 32,810 | 32,830 |
| - Profit after tax | - | 2,626 | 2,626 |
| - Other comprehensive income | - | 1 | 1 |
| Balance at the end of the reporting year | 20 | 35,437 | 35,457 |

L&T Transportation Infrastructure Limited
Notes forming part of financial statements for the year ended March 31, 2022

11 Other financial liabilities

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|----------------------|-----------------------|-----------------|----------------------|-----------------------|-----------------|
| | Current ₹ Lakh | Non current ₹ Lakh | Total ₹ Lakh | Current ₹ Lakh | Non current ₹ Lakh | Total ₹ Lakh |
| a) Deposits received | - | 35 | 35 | - | 35 | 35 |
| b) Payable towards additional fee (Non-Fastag) | 89 | - | 89 | 35 | - | 35 |
| c) Payable to High Court of Delhi (Refer Note H(10)(d)) | - | 3,909 | 3,909 | - | - | - |
| d) Other payables | - | 1 | 1 | 1 | - | 1 |
| e) Liability for unspent Corporate Social Responsibility Refer Note no 21(b) | 199 | - | 199 | - | - | - |
| | 288 | 3,945 | 4,233 | 36 | 35 | 71 |

12 Provisions

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|----------------------|-----------------------|-----------------|----------------------|-----------------------|-----------------|
| | Current ₹ Lakh | Non current ₹ Lakh | Total ₹ Lakh | Current ₹ Lakh | Non current ₹ Lakh | Total ₹ Lakh |
| a) Provision for Leave Encashment | - | - | - | 8 | 4 | 12 |
| b) Provision for Major Maintenance Reserve (Refer Note H(10)(a)) | - | - | - | 2,098 | - | 2,098 |
| | - | - | - | 2,106 | 4 | 2,110 |

13 Deferred Tax Liabilities (net)

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|--|----------------------|-----------------------|-----------------|----------------------|-----------------------|-----------------|
| | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh | Current ₹ Lakh | Non-current ₹ Lakh | Total ₹ Lakh |
| - Deferred Tax Liability arising out of reversal of temporary differences (Refer Note H (7)) | - | 889 | 889 | - | 967 | 967 |
| | - | 889 | 889 | - | 967 | 967 |

14 Trade payables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| | ₹ Lakh | ₹ Lakh |
| i) Dues to related parties (Refer note H (20)(i) & (ii) for ageing) | 12 | 11 |
| ii) Dues to others (Refer note H (20)(i) & (ii) for ageing) | | |
| a) Total Outstanding dues to micro and small | 92 | 19 |
| b) Total Outstanding dues of Creditors other than micro and small enterprises | 236 | 37 |
| | 340 | 67 |

15 Other current liabilities

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|----------------------------|----------------------|-----------------------|-----------------|----------------------|-----------------------|-----------------|
| | Current ₹ Lakh | Non current ₹ Lakh | Total ₹ Lakh | Current ₹ Lakh | Non current ₹ Lakh | Total ₹ Lakh |
| i) Statutory Liabilities | 5 | - | 5 | 3 | - | 3 |
| ii) Liability for expenses | 226 | - | 226 | 576 | - | 576 |
| iii) Other liabilities | 6 | - | 6 | 6 | - | 6 |
| | 237 | - | 237 | 585 | - | 585 |

F Contingent Liabilities

- a) The Company has not provided for an amount of ₹ 3,922 Lakh (P.Y. ₹ 2,492 Lakh) which is in contingent nature, being Interest upto March 31, 2022 on the amount of Arbitration award received (Refer Note H10(d)).
- b) The Company has not provided for an amount of ₹ 307 Lakh which is contingent in nature, being interest on the NHAI supervision charges for the period 2010 to 2021.
- c) Contingent liability with respect to Income tax demands as at March 31, 2022 is ₹ 204 Lakh (P.Y. ₹ 130 Lakh). The details are given below:

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|-------------------|----------------------|------------|----------------------|------------|
| | A.Y. | ₹ Lakh | A.Y. | ₹ Lakh |
| Income tax demand | 2011-12 | 1 | 2011-12 | 1 |
| | 2013-14 | 1 | 2013-14 | 1 |
| | 2016-17 | 3 | 2016-17 | 3 |
| | 2017-18 | 98 | 2017-18 | 24 |
| | 2020-21 | 101 | 2020-21 | 101 |
| Total | | 204 | | 130 |

G Commitments

- (i) Capital Commitments as at March 31, 2022 is ₹ Nil (previous year: ₹ 1 Lakh). The details are given below:

| Category | As at March 31, 2022 (₹ Lakh) | As at March 31, 2021 (₹ Lakh) |
|---------------------------------|-------------------------------|-------------------------------|
| Computers, Laptops and Printers | - | 1 |
| Total | - | 1 |

- (ii) Other Commitments as at March 31, 2022 is ₹ Nil (Previous Year ₹ Nil).

L&T Transportation Infrastructure Limited

Notes forming part of financial statements for the year ended March 31, 2022

16 Revenue from operations

| Particulars | 2021-22 | | 2020-21 | |
|---------------------------|---------|--------------|---------|--------------|
| | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| Operating revenue: | | | | |
| - Toll Collections | | 4,655 | | 4,464 |
| | | 4,655 | | 4,464 |

17 Other income

| Particulars | 2021-22 | | 2020-21 | |
|---|---------|--------------|---------|------------|
| | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| Interest income from: | | | | |
| - Bank deposits | 408 | | 393 | |
| | | 408 | | 393 |
| COS income (net): | | | | |
| COS sub-contracting charges | 328 | | - | |
| Less: COS Income received from MoRTH | (372) | 44 | - | - |
| License fee from wayside amenities & others | | 105 | | 88 |
| Profit on sale of Liquid Mutual Funds | | 37 | | 10 |
| Net Gain/(Loss) on financial instruments designated at FVTPL | | (5) | | 8 |
| Compounding of discount and implicit interest income on fair value of investments | | 116 | | 104 |
| Profit/(loss) on disposal of Property, Plant & Equipment | | 7 | | - |
| Dividend Income | | 492 | | 49 |
| Miscellaneous income | | 1 | | 1 |
| | | 1,205 | | 653 |

18 Operating expenses

| Particulars | 2021-22 | | 2020-21 | |
|--|---------|------------|---------|------------|
| | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| Toll Management fees | | 387 | | 390 |
| Security services | | 122 | | 123 |
| Insurance | | 27 | | 30 |
| Repairs and maintenance: | | | | |
| - Toll road & bridges | 44 | | 55 | |
| - Plant and machinery | 20 | | 18 | |
| - Periodic major maintenance | - | | 91 | |
| - Others | 32 | | 28 | |
| | | 96 | | 192 |
| Power and fuel | | 23 | | 18 |
| Force Majeure Claim for reimbursement of expenses (Refer note H(14)) | | - | | (31) |
| | | 655 | | 722 |

L&T Transportation Infrastructure Limited

Notes forming part of financial statements for the year ended March 31, 2022

19 Employee benefit expenses

| Particulars | 2021-22 | | 2020-21 | |
|--|---------|------------|---------|------------|
| | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| Salaries, wages and bonus | | 99 | | 88 |
| Contribution to and provision for: | | | | |
| - Provident fund | 5 | | 5 | |
| - Gratuity | 2 | | 1 | |
| - Compensated absences | (1) | | 12 | |
| | | 6 | | 18 |
| Director sitting fees | | 7 | | 4 |
| Staff welfare expenses | | 28 | | 20 |
| Force Majeure Claim for reimbursement of expenses (Refer note H(14)) | | - | | (8) |
| | | 140 | | 122 |

20 Finance cost

| Particulars | 2021-22 | | 2020-21 | |
|--|---------|------------|---------|------------|
| | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| Other borrowing cost | | 205 | | 193 |
| Unwinding of discount and implicit interest expense on fair value | | 180 | | 159 |
| Force Majeure Claim for reimbursement of expenses (Refer note H(14)) | | - | | (14) |
| | | 385 | | 338 |

21 Administration and other expenses

| Particulars | 2021-22 | | 2020-21 | |
|--|---------|------------|---------|------------|
| | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| Rates and taxes | | 1 | | 1 |
| Professional fees | | 159 | | 143 |
| Payments to auditor (Refer note (a) below) | | 7 | | 6 |
| Postage and communication | | 13 | | 14 |
| Printing and stationery | | 2 | | 2 |
| Travelling and conveyance | | 6 | | 6 |
| Corporate social responsibility expenses (Refer note (b) below) | | 313 | | 72 |
| Repairs and Maintenance - Others | | 2 | | 4 |
| Miscellaneous expenses | | 9 | | 10 |
| Force Majeure Claim for reimbursement of expenses (Refer note H(14)) | | - | | (15) |
| | | 512 | | 243 |

(a) Details of Payments to Auditor (Including Taxes):

| Particulars | 2021-22 | 2020-21 |
|----------------------------------|----------|----------|
| | ₹ Lakh | ₹ Lakh |
| a) As auditor | 4 | 4 |
| b) For Taxation matters | 2 | 1 |
| c) For other services | - | 1 |
| d) For Reimbursement of expenses | 1 | - |
| Total | 7 | 6 |

L&T Transportation Infrastructure Limited

Notes forming part of financial statements for the year ended March 31, 2022

(b) Details of Corporate social responsibility expenses:

(i) The gross amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 182 Lakh (previous year ₹ 169 Lakh)

(ii) Amount approved by the board to be spent towards CSR activities during the year ₹ 200 Lakh

(iii) Contributions to a trust/society/section 8 Company controlled by the Company in relation to CSR activities during the year ₹Nil (previous year ₹Nil)

(iv) The details of amount spent during the year on CSR related activities is given below:

| Particulars | ₹ Lakh | ₹ Lakh | ₹ Lakh |
|--|--------------|------------------|------------|
| | Paid in cash | Not paid in cash | Total |
| Amount spent during the year 2021-22 | | | |
| i) Construction/acquisition of any asset | 21 | - | 21 |
| ii) On purposes other than (i) above | 93 | - | 93 |
| | 114 | - | 114 |
| Amount spent during the year 2020-21 | | | |
| i) Construction/acquisition of any asset | 10 | - | 10 |
| ii) On purposes other than (i) above | 62 | - | 62 |
| | 72 | - | 72 |

(v) Details of Unspent CSR expenditure as at March 31, 2022:

| Particulars | ₹ Lakh |
|---|--------|
| Amount unspent as on April 01, 2021 | 132 |
| Gross amount required to be spent during the year | 182 |
| Amount spent during the year 2021-22 | 114 |
| Amount unspent as on March 31, 2022 | 200 |

(vi) The Company has identified the CSR activity for the balance amount to be spent and the same was approved in the CSR committee meeting and board meeting held on March 23, 2022. However, the Company has made a provision of ₹ 199 Lakh towards unspent CSR for the year ended March 31, 2022

(vii) Total of previous years shortfall as on March 31, 2022 ₹ 17 Lakh

(viii) Reason for shortfall

Projects are identified but due to prevailing Covid conditions, work has not happened within the timelines

(ix) Nature of CSR activities during the year

Education, Sanitation and Healthcare

22 Exceptional items

| Particulars | 2021-22 | | 2020-21 | |
|--|---------|--------------|---------|----------|
| | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| Reversal of periodic maintenance provision (Refer note H (10)(b)) | (249) | | - | |
| | | (249) | | - |
| Total | | (249) | | - |

23 Other comprehensive income/(expense)

| Particulars | 2021-22 | | 2020-21 | |
|---|---------|----------|---------|----------|
| | ₹ Lakh | ₹ Lakh | ₹ Lakh | ₹ Lakh |
| Items that will not be reclassified to profit or loss | | | | |
| i) Remeasurments of the defined benefit plan | 1 | | 1 | |
| | | 1 | | 1 |
| | | 1 | | 1 |

L&T Transportation Infrastructure Limited**H Notes forming part of financial statements for the year ended March 31, 2022****1 Corporate Information**

L&T Transportation Infrastructure Limited is a Special Purpose Vehicle (SPV) incorporated for the purpose of the construction of a bypass and a bridge over the River Noyyal (known as Athupalam bridge) in Coimbatore District in the state of Tamil Nadu, under Build, Operate and Transfer (BOT) basis based on the Concession Agreement dated October 03, 1997 with Ministry of Surface Transport, Government of India and Department of Highways (MoRTH), Government of Tamilnadu. The Company had completed construction of the Athupalam bridge on December 11, 1998 and the bypass on January 18, 2000. The concession period is 21 years for Athupalam bridge and 32 years for the bypass including the construction period. The concession period of Athupalam bridge had got over and was handed over to MoRTH on December 02, 2018.

2 The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: ₹ Nil)

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

An amount of ₹5 Lakh (previous year : ₹5 Lakh) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 20) in the Statement of Profit and loss.

(ii) Defined benefit plans: Gratuity Plan (funded)

a) Characteristics of its defined benefit plans and risks associated with them are as follows:

| | | |
|-----|---------------------|--|
| 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 Lakh 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 March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| | ₹ Lakh | ₹ Lakh |
| A) Present value of defined benefit obligation | | |
| - Wholly funded | 30 | 29 |
| Less : Fair value of plan assets | 37 | 34 |
| Amount to be recognised as liability or (asset) | (7) | (5) |
| B) Amounts reflected in the Balance Sheet | | |
| Liabilities | - | - |
| Assets | 7 | 5 |
| Net Liability / (Asset) | (7) | (5) |

c) The amounts recognised in the Statement of Profit and loss are as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| 1 Current service cost | 2 | 2 |
| 2 Interest on Defined benefit obligation | - | - |
| | 2 | 2 |

d) Remeasurement recognized in other comprehensive income

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Components of actuarial gain/losses on obligations: | | |
| Due to change in financial assumptions | (1) | 1 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | - | (2) |
| Return on plan assets excluding amounts included in interest income | - | - |
| | (1) | (1) |

L&T Transportation Infrastructure Limited

H Notes forming part of financial statements for the year ended March 31, 2022

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, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| | ₹ Lakh | ₹ Lakh |
| Opening defined benefit obligation | 30 | 27 |
| Current service cost | 2 | 2 |
| Interest cost | 2 | 2 |
| Actuarial losses/(gains): | | |
| - Due to change in financial assumptions | (1) | 1 |
| - Due to change in demographic assumption | - | - |
| - Due to experience adjustments | - | (2) |
| Benefits paid | (2) | - |
| Closing balance of the present value of defined benefit obligation | 31 | 30 |

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, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| | ₹ Lakh | ₹ Lakh |
| Opening balance of fair value of plan assets | 34 | 31 |
| Interest Income | 2 | 2 |
| Return on plan assets excluding amounts included interest income | - | - |
| Contribution by employer | 3 | 1 |
| Contribution by plan participants | - | - |
| Benefits paid | (2) | - |
| Closing balance of fair value of plan assets | 37 | 34 |

g) Principal actuarial assumptions at the Balance Sheet date:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------|-----------------------------------|-----------------------------------|
| 1) Discount rate | 6.90% | 6.50% |
| 2) Salary growth rate | 6.00% | 6.00% |
| 3) Attrition rate | 3% to 15% based on age band | 3% to 15% based on age band |

h) A quantitative sensitivity analysis for significant assumption as at March 31, 2022

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|------------------------------------|----------------------|------------|----------------------|------------|
| | Change | Obligation | Change | Obligation |
| i) Discount rate | +0.5% | 29 | +0.5% | 29 |
| | -0.5% | 31 | -0.5% | 30 |
| ii) Salary growth rate | +0.5% | 31 | +0.5% | 30 |
| | -0.5% | 29 | -0.5% | 28 |
| iii) Withdrawal rate varied by 10% | WR x 110% | 30 | WR x 110% | 29 |
| | WR x 90% | 30 | WR x 90% | 29 |

i) The major categories of plan assets of the fair value of the total plan assets are as follows :

| Particulars | As at March 31, 2022 (₹ Lakh) | As at March 31, 2021 (₹ Lakh) |
|------------------------|----------------------------------|----------------------------------|
| Managed by the insurer | 37 | 34 |
| Total | 37 | 34 |

4 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year ₹ Nil. (previous year :₹ Nil).

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

The Company is engaged in the business of construction, operation and of Toll road projects on Build, Operate and Transfer (BOT) basis, which is the Company's only reporting segment. Further, the entire operations of the Company are only in India. Hence, disclosure of secondary / geographical segment information does not arise.

L&T Transportation Infrastructure Limited

H Notes forming part of financial statements for the year ended March 31, 2022

6 Disclosure of related parties / related party transactions pursuant to Accounting Standard (IND AS) 24 "Related Party Disclosures"

a) List of related parties

| | |
|--------------------------|---|
| Holding Company | : L&T Infrastructure Development Projects Limited |
| Ultimate Holding Company | : Larsen & Toubro Limited |
| Fellow Subsidiaries | |
| | L&T Samakhiali Gandhidham Tollway Limited |
| | Panipat Elevated Corridor Limited |
| | L&T Deccan Tollways Limited |
| Associates | International Seaports (Haldia) Pvt. Limited |
| Key Management personnel | |
| | <u>Independent Directors</u> |
| | Mr. Raghavan Narasimhan |
| | Mr. Koshy Varghese |
| | <u>Directors</u> |
| | Mr. P G Suresh Kumar |
| | Mr. R G Ramachandran |
| | <u>Chief Financial officer</u> |
| | Mr. U.Poovarasana |
| | <u>Manager</u> |
| | Mr. Suresh Sankar Narayanan |

b) Disclosure of related party transactions:

| Particulars | 2021-22 | 2020-21 |
|--|---------|---------|
| | ₹ Lakh | ₹ Lakh |
| Holding Company | | |
| L&T Infrastructure Development Projects Limited | | |
| ♦ Purchase of goods and services | 110 | 105 |
| ♦ Reimbursement of expenses charged from | 192 | 193 |
| Ultimate Holding Company | | |
| Larsen & Toubro Limited | | |
| ♦ Purchase of goods and services | 14 | 18 |
| International Seaports (Haldia) Pvt. Limited | | |
| ♦ Dividend received | 492 | 49 |

c) Amount due (to) and due from related parties (net):

| Particulars | Amounts due (to)/from | |
|---|--------------------------------|--------------------------------|
| | As at March 31, 2022 ₹ Lakh | As at March 31, 2021 ₹ Lakh |
| Holding Company | | |
| L&T Infrastructure Development Projects Limited | (12) | (11) |
| Ultimate Holding Company | | |
| Larsen & Toubro Limited | 1 | 2 |
| Fellow Subsidiaries | | |
| L&T Samakhiali Gandhidham Tollway Limited | 5,193 | 5,193 |
| Panipat Elevated Corridor Limited | 4,500 | 4,500 |
| L&T Deccan Tollways Limited | 5,800 | 5,800 |

L&T Transportation Infrastructure Limited**H Notes forming part of financial statements for the year ended March 31, 2022****d) Terms and conditions of transactions with related parties:**

The services 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. 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) No amounts pertaining to related parties have been written off or written back during the year. (previous year: ₹ Nil)

f) Compensation of Key Management personnel of the Company:

(₹ Lakh)

| Particulars | 2021-22 | 2020-21 |
|---|---------|---------|
| Director Sitting Fees (Independent Directors) | 7 | 4 |
| Salary and Perquisites | 10 | 9 |

g) i) Loans or Advances in the nature of Loans to specified persons that are repayable on Demand:

| Type of Borrower | Amount of loans or advances in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
|---|---|---|
| Relates parties | As on March 31, 2022 (₹ Lakh) | |
| Fellow Subsidiaries | | |
| Panipat Elevated Corridor Limited | 4,500 | 32.95% |
| L&T Samakhiali Gandhidham Tollway Limited | 5,193 | 38.02% |
| L&T Deccan Tollways Limited | 2,800 | 20.50% |

ii) Loans or Advances in the nature of Loans to specified persons that are repayable on Demand:

| Type of Borrower | Amount of loans or advances in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
|---|---|---|
| Relates parties | As on March 31, 2021 (₹ Lakh) | |
| Fellow Subsidiaries | | |
| Panipat Elevated Corridor Limited | 4,500 | 33.23% |
| L&T Samakhiali Gandhidham Tollway Limited | 5,193 | 38.35% |
| L&T Deccan Tollways Limited | 2,800 | 20.68% |

L&T Transportation Infrastructure Limited

H Notes forming part of financial statements for the year ended March 31, 2022

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

The major components of income tax expense for years ended March 31, 2022 and March 31, 2021 are:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| | ₹ Lakh | ₹ Lakh |
| Current income Tax: | | |
| Current income tax charge (Refer note below) | 1,166 | 923 |
| Deferred Tax: | | |
| Relating to origination and reversal of temporary differences | (78) | (412) |
| Relating to rate change or imposition of new taxes | - | 152 |
| Income tax reported in the statement of profit and loss | 1,088 | 663 |

Note: The Government of India has reduced the Corporate tax rates from 30% to 22% through the Taxation laws (Amendment) Act, 2019 which is effective from April 01, 2019. Accordingly, the Company has opted for new corporate tax rate from the previous financial year 2020-21.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| | ₹ Lakh | ₹ Lakh |
| Accounting profit before tax from continuing operations | 3,977 | 3,289 |
| At India's Statutory income tax rate of 25.17% (PY 25.17%) | 1,001 | 828 |
| Adjustments towards temporary differences | (78) | (260) |
| Other non deductible expenses | 165 | 95 |
| Tax as per Statement of Profit and Loss | 1,088 | 663 |

Major components of Deferred tax liabilities and assets:

| Particulars | As at As at March 31, 2022 | As at As at March 31, 2021 |
|--|-------------------------------|-------------------------------|
| | ₹ Lakh | ₹ Lakh |
| Property, plant and equipment | (890) | (922) |
| Provisions - Major maintenance | - | (45) |
| Investments at fair value through profit or loss | (1) | (2) |
| Provisions - employee benefits | 2 | 2 |
| Net Deferred Tax Assets/ (Liabilities) | (889) | (967) |

8 Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

| Particulars | | 2021-22 | 2020-21 |
|--|-------|-------------|-------------|
| | | ₹ Lakh | ₹ Lakh |
| Basic and Diluted | | | |
| Profit after tax | A | 2,889 | 2,626 |
| Weighted average number of shares outstanding (nos. in lakh) | B | 414 | 414 |
| Basic and Diluted EPS (₹) | A / B | 6.98 | 6.34 |
| Face value per equity share (₹) | | 10.00 | 10.00 |

9 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.

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

a) Nature of provisions:

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 (MoRTH) 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 equipment and maintenance of service roads

The concession agreement, requires the Company to maintain the project highway at certain quality standards specified in the agreement during the concession period. Accordingly, the Company has considered the provision for major maintenance expenditure based on latest technical estimates. However, it is impracticable to ascertain amount of impact of change in estimate on future period.

During the year, the Company has spent ₹ 2,029 Lakh towards periodic maintenance of the entire stretch.

b) Movement in provisions:

| Particulars | Amount in (₹ Lakh) | |
|---|--------------------|--------------|
| | 2021-22 | 2020-21 |
| Opening balance | 2,098 | 1,848 |
| Add: Additions during the year | - | 91 |
| Add: Unwinding of discount and changes in discount rate | 180 | 159 |
| Less: Utilisation during the year | (2,029) | - |
| Less: Reversal of excess Provision as Income | (249) | - |
| Closing balance | - | 2,098 |

c) Contingent liabilities:

Refer Note F to the Financial Statements for disclosures related to Contingent Liabilities.

d) Arbitration with Ministry of Road Transport and Highways, Government of India (MoRTH)

During the year 2009-10, the Company had received a termination notice from the Ministry of Road Transport and Highways, Government of India, (MORTH). The Company moved to the Honorable High Court, New Delhi, against the notice served and the court vide its order dated January 21, 2010, directed that status-quo be maintained till the Steering Group constituted under the Concession Agreement decides on the dispute.

Subsequent to the Steering Group's meeting, the Company invoked arbitration with Arbitral Tribunal. Arbitral Tribunal has pronounced the Award on December 12, 2014 in favour of the Company stating that the termination of Concession by MORTH is illegal, unwarranted and violative of stipulations in the Concession Agreement. The Tribunal also awarded, inter alia, compensation to be paid to the Company for loss of revenue at Athupalam Bridge and suitable extension of the concession period.

MORTH has challenged the award on March 12, 2015 seeking stay of the aforesaid Tribunal award. The matter was last listed on February 02, 2019 and the same has been adjourned to April 12, 2019 for final arguments on section 34 application.

Pursuant to the decisions taken by the Cabinet Committee on Economic Affairs (CCEA) for the revival of construction sector, the NITI Aayog had issued OM No 14070/14/2016 PPPAU dated. September 05, 2016 titled "Measures to revive the Construction Sector". Accordingly a sum of ₹ 11,728 Lakh has been received from GOI towards 75% of the arbitral award against a bank guarantee provided by the Company during December 2016.

The Honourable High Court of New Delhi had dismissed the application filed by MORTH and upheld the arbitration award in favour of the Company as per the order dated October 11, 2019. Accordingly, the arbitration claims have been considered in the FY 2019-20 financials of the Company.

However, MoRTH had challenged the Award before the Division Bench of the High Court of Delhi. First hearing in the matter was held on March 03, 2020 and MoRTH was directed by the High Court of Delhi to deposit the balance 25% of the award amount before the Registry of the Delhi High Court within 4 weeks and has also directed to complete the pleadings with respect to condonation of delay and issuance of stay order. The Company had filed its replies on the two applications and MoRTH has deposited the balance 25% of the award amounting to ₹ 3,909 Lakh before the High Court of Delhi.

In the meanwhile, the Company filed an application to release the amount deposited by MoRTH i.e. ₹ 3,909 Lakh. The Honorable High Court of Delhi vide its order dated April 15, 2021 directed that the amount deposited by MoRTH shall be released to the Company against furnishing of an unconditional bank guarantee from a nationalised bank for the entire amount. The Company has submitted the bank guarantee and received the amount of ₹ 3,909 Lakh from the Honorable High Court of Delhi on August 13, 2021. The Company has filed the convenience bundle on September 03, 2021 and the matter listed on September 07, 2021 was not taken up for hearing on that day. Next date of the listing of the matter has not been given. Upon listing of the matter before the Registrar of the Delhi High Court, the matter would be taken up before the regular bench for further proceedings.

11 Notice dated December 21, 2021 of MoRTH's Intention to Terminate the Concession Agreement

The Company has received a notice from MORTH on December 21, 2021 conveying its intention to terminate the Concession Agreement on grounds of persistent breach of repair and maintenance obligations. The Company has submitted its response to MoRTH vide its letter dated December 24, 2021 stating that the contention of MoRTH is not tenable for the reasons which are elaborated in the said response

Further, the Company has held various meetings with MoRTH, wherein MoRTH conveyed that it desired to augment the Project stretch by way of Four laning. The Company responded that it is willing to undertake the augmentation works in accordance with clause 6.5 and 6.9 of the Concession Agreement. Accordingly, the Company submitted its four laning proposals to MoRTH vide its letter dated February 19, 2022.

As MoRTH did not withdraw the notice of its intention to terminate the Concession Agreement, the Company has filed a Section-9 Application under the Arbitration and Conciliation Act before the High Court of Delhi in order to protect its interest in the Project. The Honorable High Court of Delhi vide its order dated March 23, 2022, after hearing the arguments of the Company, directed the parties to maintain status quo till the next date of hearing i.e. May 19, 2022

L&T Transportation Infrastructure Limited

H Notes forming part of financial statements for the year ended March 31, 2022

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

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and 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.

13 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 01/04/2019. 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.

14 COVID 19 Disclosure

The Government of India had announced the nationwide lock down with effect from March 25, 2020 and accordingly the Ministry of Road Transport & Highways ("MoRTH") has ordered for suspension of tolling in the country from March 26, 2020 to April 19, 2020 due to the Pandemic effect of COVID 19. However, the operations at Toll Plazas continued with respect to the regular operations and maintenance of the corridor. The Company has started collecting the toll fee from the road user from April 20, 2020 onwards. The Company has declared the above event as a Event of force majeure and notified to MoRTH as per the provisions of the Concession agreement. On resumption of Toll collections the Company has filed their claim of reimbursement of expense as per clause no. 16 of the Concession agreement as force majeure claim for the toll suspended period i.e. March 26, 2020 to April 19, 2020. Accordingly, in the previous financial year 2020-21 an amount of ₹ 68 Lakh is accounted as receivable from MoRTH as COVID-19 force majeure claim.

15 Financial Instruments

a) Disclosure of Financial Instruments by Category

| Financial instruments by categories | Note No. | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|----------|----------------------|----------|----------------|----------------------|----------|----------------|
| | | ₹ Lakh | | | ₹ Lakh | | |
| | | FVTPL | FVTOCI | Amortized cost | FVTPL | FVTOCI | Amortized cost |
| Financial Assets | | | | | | | |
| Security Deposits | 4 | - | - | 6 | - | - | 6 |
| Investment in liquid mutual fund units | 7 | 1,035 | - | - | 1,578 | - | - |
| Investments in associates | 7 | - | - | 7,786 | - | - | 7,786 |
| Cash and cash equivalents | 8 (a) | - | - | 160 | - | - | 35 |
| Other bank balances | 8 (b) | - | - | 14,803 | - | - | 9,246 |
| Receivable from others | 4 | - | - | 22 | - | - | 22 |
| Receivable from MoRTH | 4 | - | - | 5,517 | - | - | 5,517 |
| Unsecured loans to related parties | 3 | - | - | 13,658 | - | - | 13,542 |
| Total Financial Assets | | 1,035 | - | 41,952 | 1,578 | - | 36,154 |
| Financial liabilities | | | | | | | |
| Other Current Financial Liabilities | 11 | - | - | 288 | - | - | 36 |
| Other Non Current Financial Liabilities | 11 | - | - | 3,945 | - | - | 35 |
| Trade Payables | 14 | - | - | 340 | - | - | 67 |
| Total Financial Liabilities | | - | - | 4,573 | - | - | 138 |

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.

16 Fair value of Financial assets and liabilities at amortized cost

| Particulars | Note no. | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------|----------------------|---------------|----------------------|---------------|
| | | ₹ Lakh | | ₹ Lakh | |
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial Assets | | | | | |
| Security Deposits | 4 | 6 | 6 | 6 | 6 |
| Cash and cash equivalents | 8 (a) | 160 | 160 | 35 | 35 |
| Other bank balances | 8 (b) | 14,803 | 14,803 | 9,246 | 9,246 |
| Receivable from others | 4 | 22 | 22 | 22 | 22 |
| Receivable from MoRTH | 4 | 5,517 | 5,517 | 5,517 | 5,517 |
| Unsecured loans to related parties | 3 | 13,658 | 13,658 | 13,542 | 13,542 |
| Investments in associates | 7 | 7,786 | 7,786 | 7,786 | 7,786 |
| Total Financial Assets | | 41,952 | 41,952 | 36,154 | 36,154 |
| Financial liabilities | | | | | |
| Other Current Financial Liabilities | 11 | 288 | 288 | 36 | 36 |
| Other Non Current Financial Liabilities | 11 | 3,945 | 3,945 | 35 | 35 |
| Trade Payables | 14 | 340 | 340 | 67 | 67 |
| Total Financial Liabilities | | 4,573 | 4,573 | 138 | 138 |

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

L&T Transportation Infrastructure Limited

H Notes forming part of financial statements for the year ended March 31, 2022

17 Fair Value Measurement

17.1 Fair Value Hierarchy

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

17.2 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- ♦ Use of quoted market prices for Listed instruments

17.3 The table below represents Fair Value Hierarchy of Financial assets and Financial liabilities as at March 31, 2022

| ₹ Lakh | | | | | |
|--|----------|--------------|----------|----------|--------------|
| Financial Assets & Liabilities Measured at FV - Recurring FVM | Note No. | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at FVTPL | | | | | |
| Investment in Liquid Mutual Fund Units | 7 | 1,035 | - | - | 1,035 |
| Total of Financial Assets | | 1,035 | - | - | 1,035 |
| Financial Liabilities measured at FVTPL | | | | | |
| Total of Financial Liabilities | | - | - | - | - |

| ₹ Lakh | | | | | |
|--|----------|----------|---------------|-----------|---------------|
| Financial Assets & Liabilities Measured at Amortized cost for which fair values are to be disclosed | Note No. | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | |
| Security Deposits | 4 | - | 6 | - | 6 |
| Receivable from Others | 4 | - | 22 | - | 22 |
| Receivable from MoRTH | 4 | - | 5,449 | 68 | 5,517 |
| Investments in associates | 7 | - | 7,786 | - | 7,786 |
| Unsecured loans to related parties | 3 | - | 13,658 | - | 13,658 |
| Total of Financial Assets | | - | 26,921 | 68 | 26,989 |
| Financial Liabilities | | | | | |
| Other Current Financial Liabilities | 11 | - | 288 | - | 288 |
| Other Non Current Financial Liabilities | 11 | - | 3,945 | - | 3,945 |
| Trade Payables | 14 | - | 340 | - | 340 |
| Total Financial liabilities | | - | 4,573 | - | 4,573 |

17.4 The table below represents Fair Value Hierarchy of Financial assets and Financial liabilities as at March 31, 2021

| ₹ Lakh | | | | | |
|--|----------|--------------|----------|----------|--------------|
| Financial Assets & Liabilities Measured at FV - Recurring FVM | Note No. | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at FVTPL | | | | | |
| Investment in Liquid Mutual Fund Units | 7 | 1,578 | - | - | 1,578 |
| Total of Financial Assets | | 1,578 | - | - | 1,578 |
| Financial Liabilities measured at FVTPL | | | | | |
| Total of Financial Liabilities | | - | - | - | - |

L&T Transportation Infrastructure Limited

H Notes forming part of financial statements for the year ended March 31, 2022

₹ Lakh

| Financial Assets & Liabilities Measured at Amortized cost for which fair values are to be disclosed | | Level 1 | Level 2 | Level 3 | Total |
|--|----|----------------|----------------|----------------|---------------|
| Financial Assets | | | | | |
| Security Deposits | 4 | - | 6 | - | 6 |
| Receivable from Others | 4 | - | 22 | - | 22 |
| Receivable from MoRTH | 4 | - | 5,449 | 68 | 5,517 |
| Investments in associates | 7 | - | 7,786 | - | 7,786 |
| Unsecured loan to related parties | 4 | - | 13,542 | - | 13,542 |
| Total Financial Assets | | - | 26,805 | 68 | 26,873 |
| Financial Liabilities | | | | | |
| Other Current Financial Liabilities | 11 | - | 36 | - | 36 |
| Other Non Current Financial Liabilities | 11 | - | 35 | - | 35 |
| Trade Payables | 14 | - | 67 | - | 67 |
| Total Financial Liabilities | | - | 138 | - | 138 |

Note:

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.

17.5 Valuation technique and inputs used to determine fair value

| Financial assets and liabilities | Valuation method | Inputs |
|---|-------------------------|-----------------------------|
| Financial assets | | |
| Investment in Liquid Mutual Fund Units | Market Approach | NAV |
| Investments in associates | At cost | Networth of the investee |
| Security deposits | Income | Cash flow |
| Financial liabilities | | |
| Other Current Financial Liabilities | Income | Effective rate of borrowing |
| Other Non Current Financial Liabilities | Income | Effective rate of borrowing |

18 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 or no material payables 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.

Currently, the Company has no Borrowings and hence the Company is not exposed to interest rate risk.

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 Investment in liquid mutual fund units are as follows:

| Particulars | Note No. | March 31, 2022 ₹ Lakh | March 31, 2021 ₹ Lakh |
|--|----------|--------------------------|--------------------------|
| Investment in Liquid Mutual Fund Units | 7 | 1,035 | 1,578 |

Sensitivity Analysis

| | Impact on profit/ loss after tax | |
|-----------------------------------|----------------------------------|--------------------------|
| | March 31, 2022 ₹ Lakh | March 31, 2021 ₹ Lakh |
| Increase or decrease in NAV by 2% | 21 | 32 |

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

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 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

| As at March 31, 2022 ₹ Lakh | Carrying Amount | upto 1 year | 1 - 2 years | 2 - 5 years | > 5 years |
|---|-----------------|-------------|-------------|-------------|-----------|
| Non Derivative Financial Liabilities | | | | | |
| Trade Payables | 340 | 340 | - | - | - |
| Derivative Financial Liabilities | | | | | |
| | - | - | - | - | - |
| As at March 31, 2021 ₹ Lakh | Carrying Amount | upto 1 year | 1 - 2 years | 2 - 5 years | > 5 years |
| Non Derivative Financial Liabilities | | | | | |
| Trade Payables | 67 | 67 | - | - | - |
| Derivative Financial Liabilities | | | | | |
| | - | - | - | - | - |

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 collection 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 Transportation Infrastructure Limited

H Notes forming part of financial statements for the year ended March 31, 2022

19 Disclosure pursuant to Appendix - D to Ind AS 115 - " Service Concession Arrangements"

19.1 Description and classification of the arrangement

L&T Transportation Infrastructure Limited is a Special Purpose Vehicle (SPV) incorporated for the purpose of the construction of a bypass and a bridge over the River Noyyal (known as Athupalam bridge) in Coimbatore District in the state of Tamil Nadu, under Build, Operate and Transfer (BOT) basis based on the Concession Agreement dated October 03, 1997 with Ministry of Surface Transport, Government of India and Department of Highways, Government of Tamilnadu. The Company had completed construction of the Athupalam bridge on December 11, 1998 and the bypass on January 18, 2000. The concession period is 21 years for Athupalam bridge and 32 years for the bypass including the construction period. As per the CA, the Company is entitled to charge users for the usage of the road asset, hence the service arrangement has been classified as Intangible Asset.

During the month of December 2018, the concession period of Athupalam bridge had got over and was handed over to MoRTH on December 02, 2018.

19.2 Significant Terms of the arrangement

i) Revision of Fees:

Fees shall be revised annually on April 01 subject to the provisions Clause 1.2.1 of Section II of the Concession Agreement (CA) dated October 03, 1997

ii) Rights of the Company for use 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.

iii) Obligation 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 Clause 7.5.5 of Section I of the CA.

iv) 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.

v) Details of Termination

CA can be terminated on account of default of the Company or MoRTH in the circumstances as specified under Clause 16 of Section I of the CA.

L&T Transportation Infrastructure Limited

H) Notes forming part of financial statements for the year ended March 31, 2022

20 (i) Ageing of Trade Payables - As at March 31, 2022

₹ Lakh

| Sr No | Particulars | Unbilled Dues | Not Yet Due | Outstanding for following period from due date of payment* | | | | Total |
|-------|---------------------------------|---------------|-------------|--|-------------|-------------|-------------------|------------|
| | | | | Less than 1 year | 1 – 2 Years | 2 – 3 Years | More than 3 Years | |
| (i) | MSME | - | 92 | - | - | - | - | 92 |
| (ii) | Others | - | 132 | 103 | 1 | - | - | 236 |
| (iii) | Related parties | - | 12 | - | - | - | - | 12 |
| (iv) | Disputed Dues - MSME | - | - | - | - | - | - | - |
| (v) | Disputed Dues - Others | - | - | - | - | - | - | - |
| (vi) | Disputed Dues - Related parties | - | - | - | - | - | - | - |
| | Total | - | 236 | 103 | 1 | - | - | 340 |

*Date of transaction is considered as due date in cases where no due date of payment is specified

20 (ii) Ageing of Trade Payables - As at March 31, 2021

₹ Lakh

| Sr No | Particulars | Unbilled Dues | Not Yet Due | Outstanding for following period from due date of payment* | | | | Total |
|-------|---------------------------------|---------------|-------------|--|-------------|-------------|-------------------|-----------|
| | | | | Less than 1 year | 1 – 2 Years | 2 – 3 Years | More than 3 Years | |
| (i) | MSME | - | 19 | - | - | - | - | 19 |
| (ii) | Others | - | 31 | 6 | - | - | 1 | 38 |
| (iii) | Related parties | - | 10 | - | - | - | - | 10 |
| (iv) | Disputed Dues - MSME | - | - | - | - | - | - | - |
| (v) | Disputed Dues - Others | - | - | - | - | - | - | - |
| (vi) | Disputed Dues - Related parties | - | - | - | - | - | - | - |
| | Total | - | 60 | 6 | - | - | 1 | 67 |

*Date of transaction is considered as due date in cases where no due date of payment is specified

L&T Transportation Infrastructure Limited**H Notes forming part of financial statements for the year ended March 31, 2022****21 Disclosure pursuant to Micro, Small and Medium Enterprises**

₹ Lakh

| S.No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------|---|-------------------------|-------------------------|
| (i) | Principal amount remaining unpaid to any supplier at the end of interest accrued and due thereon to suppliers under MSMED Act on | 92 | 19 |
| (ii) | the above amount remaining unpaid to any supplier at the end of year | - | - |
| (iii) | Payment amount made to the supplier (other than interest) beyond the appointed day during the year | - | - |
| (iv) | Interest amount paid by the buyer in terms of section 16 of the MSMED Act, 2006 | - | - |
| (v) | Interest amount paid by the buyer under MSMED Act, 2006 (other than Section 16) | - | - |
| (vi) | Interest amount due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - |
| (vii) | Interest amount accrued and remaining unpaid at the end of the year | - | - |
| (viii) | Further interest amount remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - |

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

22 Previous year's figures have been regrouped / reclassified where ever applicable.

L&T Transportation Infrastructure Limited

H) Notes forming part of financial statements for the year ended March 31, 2022

23) Ratio analysis

| Sr No | Ratios | Formula | Explanations | 2021-22 | 2020-2021 | % Change in ratio | Explanation provided for any change in ratio by more than 25% in current year as compared to previous year |
|-------|----------------------------------|--|--|----------------|----------------|-------------------|--|
| i) | Current Ratio | Current Asstes / Current Liabilities | | 43.41 : 1 | 8.42 : 1 | 292.90% | Due to huge reduction in current liabilities |
| ii) | Debt – Equity Ratio | Total Debt / Shareholder's Equity | | Not applicable | Not applicable | Not applicable | No debt outstanding as on Mar 31, 2022 |
| iii) | Debt Service Coverage Ratio | EBITDA / (Interest + Principal) | | Not applicable | Not applicable | Not applicable | No debt outstanding as on Mar 31, 2022 |
| iv) | Return on Equity Ratio | Profit After Tax / Average Shareholder's Equity | Average Shareholder's Equity = (Opening Shareholder's Equity + Closing Shareholder's Equity) / 2 | 7.04% | 6.86% | 2.62% | Increase in current year PAT due to increase in toll collection and other income |
| v) | Inventory Turnover Ratio | Cost of Goods Sold or Sales / Average Inventory | Average Inventory = (Opening Inventory + Closing inventory) / 2 | Not applicable | Not applicable | Not applicable | No inventory outstanding as on Mar 31, 2022 |
| vi) | Trade Receivables Turnover Ratio | Revenue from Operations/ Average Accounts Receivable | Average Accounts Receivable = (Opening Receivable + Closing Receivable) / 2 | Not applicable | Not applicable | Not applicable | No Trade receivables as on Mar 31, 2022 |
| vii) | Trade Payables Turnover Ratio | Total Purchases / Average Accounts Payable | Average Accounts Payable = (Opening Payable + Closing Payable) / 2 | 5.75 | 13.44 | -57.24% | Increase in Trade payables in current year due to MMR |
| viii) | Net Capital Turnover Ratio | Revenue from Operations / Working Capital | Working Capital = Current Assets - Current Liabilities | 0.19 | 0.19 | -0.63% | |
| ix) | Net Profit Ratio | Profit After Tax / Revenue from Operations | | 62.06% | 58.83% | 5.50% | Increase in current year PAT due to increase in toll collection and other income |
| x) | Return on Capital Employed | EBIT / Capital Employed | Capital Employed = Shareholder's Equity + Total Debts+ Deferred Tax Liability | 9.80% | 9.21% | 6.40% | |
| xi) | Return on Investment | Yield / Average Investments | | 8.99% | 2.29% | 292.38% | Dividend received is higher compared to previous year |

L&T Transportation Infrastructure Limited

H) Notes forming part of financial statements for the year ended March 31, 2022

24) Additional Regulatory Information:

- i) **Title Deeds of Immovable Property not held in the name of the Company**
There are no Title Deeds of Immovable Property not held in the name of the Company.
- ii) **Fair Valuation of Investment Property**
The Company has no Investment Property.
- iii) **Revaluation of Property, Plant and Equipment and Right-of-Use Assets**
During the year, no revaluation of Property, Plant and Equipment and Right-of-Use Assets has been done by the Company.
- iv) **Revaluation of Intangible Assets**
During the year, no revaluation of Intangible Assets has been done by the Company.
- v) **Details of Benami Properties held**
No proceedings have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
- vi) **Borrowings secured against Current Assets**
The Company has no Borrowings from Banks or Financial Institutions on the basis of security of Current Assets.
- vii) **Wilful Defaulter**
The Company does not have any borrowings from the banks or financial instituion. Hence, this is not applicable
- viii) **Relationship with Struck off Companies**
The Company had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- ix) **Registration of charges or satisfaction with Registrar of Companies (ROC)**
The Company has no charges or satisfaction yet to be registered with ROC beyond the statutory period during the year.
- x) **Compliance with number of layers of Companies**
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017 during the year.
- xi) **Compliance with approved Schemes of Arrangements**
During the year, the Company has no Scheme of Arrangements approved by the Competent Authority to be implemented in the books of accounts.
- xii) **Utilisation of Borrowed funds and Share Premium**
 - a. During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. During the year, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xiii) **Disclosure in relation to Undisclosed Income**
The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961.
- xiv) **Details of Crypto Currency or Virtual Currency**
The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

L&T Transportation Infrastructure Limited
Notes forming part of financial statements for the year ended March 31, 2022

I. 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.

The financial statements upto to the year ended March 31, 2015 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 as amended 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 Lakh 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.

- a) 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
- b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest Income on non-performing assets is recognised upon realization, as per guidelines issued by the Reserve Bank of India.
- c) License fees for way-side amenities are accounted on accrual basis.
- d) Fair value gains on current investments carried at fair value are included in Other income.
- e) Dividend income is recognised when the right to receive the same is established by the reporting date.
- f) Other items of income are recognised as and when the right to receive arises.

L&T Transportation Infrastructure Limited
Notes forming part of financial statements for the year ended March 31, 2022

I. Significant Accounting Policies

4 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term highly liquid investments being not free from more than insignificant risk of change are not 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 |
| Plant and equipment: | |
| Toll equipment | 7 |
| DG Sets | 12 |
| Air-conditioning and refrigeration equipment | 12 |
| Split AC and Window AC | 4 |
| Furniture and fixtures | 10 |
| Vehicles: | |
| 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 |
| Office equipment: | |
| Multifunctional devices, printers, switches and projectors | 4 |
| Other office equipments | 5 |
| Computers: | |
| 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.

For transition to IndAS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

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.

L&T Transportation Infrastructure Limited

Notes forming part of financial statements for the year ended March 31, 2022

I 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

a) 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.

b) 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.

Unconditional right to receive cash obtained in consideration for rendering construction services, represent the right to receive specified annuity amounts from the MoRTH during the concession period in respect of Build-Operate-Transfer ("BOT") projects undertaken by the Group. Such unconditional right to receive cash is capitalised as financial assets upon initial recognition at the cumulative construction costs plus obligation towards negative grants and additional concession fee payable to MoRTH/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 MoRTH 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 using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based method, amortisation is provided based on proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect the changes in earlier estimate vis-a-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible asset is amortised over the concession period.

For transition into IndAS, the Company has availed the option to continue with the Revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013 for toll collection rights recognised under service concession arrangements recognised for the period ending immediately before the beginning of the first IndAS reporting period as per the previous GAAP.

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) Financial statements of overseas non-integral operations are translated as under :
 - i) Assets and liabilities at rate prevailing at the end of the year. Depreciation and amortisation is accounted at the same rate at which assets are converted.
 - ii) Revenues and expenses at yearly average rates prevailing during the year.
- c) 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:
 - (a) adjusted in the cost of fixed assets specifically financed by the borrowings contracted, to which the exchange differences relate.

11 Investments

Trade investments comprise investments in entities in which the Group has strategic business interest.

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 non current investments.

Investment in associate companies is recognised using FVTPL

I Significant Accounting Policies

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.

(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 finance cost. The balance charge is recognised as 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 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are as per Indian Accounting Standard 108 "Operating Segments" (IND AS 108) read with SEBI's circular dated 05 July 2016. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The identification of operating segments and reporting of amounts is consistent with performance assessment and resource allocation by the management.

L&T Transportation Infrastructure Limited

Notes forming part of financial statements for the year ended March 31, 2022

I. Significant Accounting Policies

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

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

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

16 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.

17 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 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.

L&T Transportation Infrastructure Limited

Notes forming part of financial statements for the year ended March 31, 2022

I. Significant Accounting Policies

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.

18 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.

19 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.

20 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.

L&T Transportation Infrastructure Limited

Notes forming part of financial statements for the year ended March 31, 2022

I. Significant Accounting Policies

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.

21 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.

22 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.

23 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.

24 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)

P.G. Suresh Kumar
Director (DIN: 07124883)

S. Poosaidurai
Partner
Membership No. 223754

U. Poovarasam
Chief Financial Officer

Place: Chennai
Date: April 13, 2022

Place: Chennai
Date: April 13, 2022

ATTENDANCE SLIP
L&T TRANSPORTATION INFRASTRUCTURE LIMITED
CIN: U45203TN1997PLC039102
Regd. Office: P.O. Box. 979, Mount Poonamallee Road, Manapakkam,
Chennai - 600089.

25th Annual General Meeting, held on Friday, September 30, 2022 at 03:30 p.m.

Reg. Folio No. _____

No. of Shares _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 25th Annual General Meeting, held on Thursday, Friday, September 30, 2022 at 03:30 p.m. at the registered office of the Company at P.O. Box. 979, Mount Poonamallee Road, Manapakkam, Chennai - 600089.

Name of the member

Signature of Member

Name of the Proxy (In block letters)

Signature of Proxy

Note: Please fill the Attendance slip and hand it over at the Entrance of the Meeting Hall.

PROXY FORM
Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN **U45203TN1997PLC039102**
Name of the Company **L&T Transportation Infrastructure Limited**
Regd. Office **P.O. Box. 979, Mount Poonamallee Road,
Manapakkam, Chennai - 600089.**

| | | |
|------------------------|---|--|
| Name of the member (s) | : | |
| Registered address | : | |
| E-mail Id | : | |
| Folio No/ Client Id | : | |
| DP ID | : | |

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint:

1. Name :
Address :
E-mail Id :
Signature : failing him
2. Name :
Address :
E-mail Id :
Signature : failing him
3. Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting, to be held on Friday, September 30, 2022 at 03:30 p.m. at the registered office of the Company at P.O. Box. 979, Mount Poonamallee Road, Manapakkam, Chennai - 600089 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Item No. | Resolutions | For | Against |
|--------------------------|---|-----|---------|
| Ordinary Business | | | |
| 1 | To consider and adopt the audited Financial Statements of the Company for the year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon. | | |
| 2 | To appoint a Director in place of Mr. R.G.Ramachandran (DIN: 02671982), who retires by rotation and being eligible offers himself for reappointment. | | |
| 3 | To approve re-appointment of Statutory Auditor | | |

Signed this _____ day of _____ 2022

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix one
Rupee
Revenue
Stamp

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route map to the 25th AGM venue of L&T Transportation Infrastructure Limited

