BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their 17th Report and Audited Accounts for the year ended 31st March, 2018.

1. FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS:

		₹ in crore
Particulars	**2017-18**	***2016-17***
Profit / (Loss) before depreciation, exceptional items & tax	**133.11**	*4.68*
Less: Depreciation & amortization	**4.40**	*3.94*
Profit / (Loss) before exceptional items and tax	**128.71**	*0.74*
Less: Exceptional Items	**(241.73)**	*(285.57)*
Profit / (Loss) before tax	**(113.02)**	*(284.83)*
Less: Provision for tax	**40.36**	*(62.61)*
Profit for the year carried to the Balance Sheet	**(153.38)**	***(222.22)***
Add: Balance brought forward from previous year	**366.28**	*588.50*
Net addition/ deduction on amalgamation	**(4.61)**	–
Balance to be carried forward	**208.29**	***366.28***

2. CAPITAL & FINANCE:

During the year, the Company had redeemed 150 units of Non-convertible Debentures of ₹ 10 lakh each aggregating to ₹ 15 crore.

The Company has not issued or allotted share capital during the year.

Events after March 31, 2018

On April 28, 2018 the shareholders of the Company had approved a proposal for buy back of 920 Compulsorily Convertible Preference Shares (CCPS) @ ₹ 1 crore each at a premium of ₹ 21,73,913/- per CCPS aggregating to ₹ 1120 crore. The shares were bought back on April 30, 2018.

During the year the Company, as a Sponsor, set up an Infrastructure Investment Trust ("InvIT"), namely Indinfravit Trust under the provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014. Following the regulators filing, the Company transferred its investments in five of its Road subsidiaries to Indinfravit Trust for a sale consideration of ₹ 909,07,59,200/- against which 9,09,07,592 units @ ₹ 100/- each were allotted to the Company. Out of the total 9,09,07,592 units, 555,00,000 units were retained by the Company with a lock-in-period of 3 years i.e. upto May 9, 2021 and the balance 354,07,592 units were sold under an "Offer For Sale" to investors of the Indinfravit Trust.

Three subsidiaries, have repaid in full the loans aggregating to ₹ 390.55 crore (including interest accrued thereat) provided by the Company.

3. CAPITAL EXPENDITURE:

As at March 31, 2018 the gross fixed and intangible assets including leased assets, stood at ₹ 68.17 crore and the net fixed and intangible assets, including leased assets, at ₹ 39.07 crore. Capital Expenditure during the year amounted to ₹ 2.40 crore.

4. REGISTRATION AS CORE INVESTMENT COMPANY

The Company received a certificate of registration dated January 12, 2015 from Reserve Bank of India (RBI) to commence/carry on the business of Non-Banking Financial Institution without accepting public deposits subject to certain conditions as mentioned by RBI and is covered as a Systematically Important Non-Deposit Taking Core Investment Company (CIC-ND-SI) with effect from April 1, 2015.

Statutory Disclaimer

RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the company and for discharge of liability by the company.

Neither is there any provision in law to keep nor does the Company keep any part of the deposits with the RBI and by issuing the Certificate of Registration (COR) to the Company, the Reserve Bank neither accepts any responsibility nor guarantee for the payment of the deposit amount to any depositor.

5. DEPOSITS:

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

6. DEPOSITORY SYSTEM:

As on March 31, 2018 the shares of the Company are held in the following manner:

Equity shares:

More than 99.99% of the Company's equity paid up capital representing 32,10,49,196 equity shares @ ₹ 10/- each are held in dematerialized form. 10,000 special equity shares and 6 equity shares @ ₹ 10/- each are held in physical form.

Preference Shares:

100% of the preference share capital representing 2000 Compulsorily Convertible Preference Shares @ ₹ 1 crore each are in dematerialized form.

Non-convertible Debentures (NCD):

100% of Debentures representing 1200 NCDs @ ₹ 10 lakh each are held in dematerialized form and are listed with National Stock Exchange of India Limited.

7. SUBSIDIARY COMPANIES:

During the year under the Company acquired / was allotted the following shares of its subsidiary companies:

A) Shares acquired/allotted during the year:

Name of the Company	Type of Shares (@ ₹ 10/- each)	No. of shares
Devihalli Hassan Tollway Limited	Equity	100
Krishnagiri Thopur Toll Road Limited	Equity	2
Krishnagiri Walajahpet Tollway Limited	Equity	2,600
Western Andhra Tollways Limited	Equity	2
L&T BPP Tollway Limited	Equity	2
L&T Deccan Tollways Limited	Equity	7,93,40,000
L&T Halol Shamlaji Tollway Limited	Preference	9,90,200
L&T Rajkot-Vadinar Tollway Limited	Preference	4,63,02,352
L&T Samakhiali Gandhidham Tollway Limited	Preference	17,18,223
Ahmedabad Maliya Tollway Limited	Preference	4,73,09,164

B) Shares sold/transferred or disposed off during the year:

Name of the Company	Type of Shares	Number of shares @ ₹ 10/- each	Particulars
L&T Halol-Shamlaji Tollway Ltd	Equity	9,90,200	Conversion to Preference Shares
L&T Port Kachchigarh Ltd	Equity	41,60,000	Shares extinguished pursuant to merger

L&T IDPL Trustee Manager Pte. Ltd (Trustee Manager)

The Trustee Manager was incorporated to render investment advisory, fund management and other services for the investment activity to be carried out in Singapore. On closure of activities in Singapore, it was decided to voluntarily wind up and close the subsidiary. In the process of winding up, the issued and paid up capital of Trustee Manager was reduced from SGD 13,15,000 to SGD 1 by repatriating the residual interest of L&T IDPL and by cancelling remaining paid up capital.

C) Indinfravit Trust

The Company has sponsored and settled a Trust, namely 'Indinfravit Trust' under the provisions of SEBI (Infrastructure Investment Trusts) Regulations 2014 with a corpus of ₹ 10,000/- which was registered on March 7, 2018. SEBI registered 'Indinfravit Trust' and issued a certificate of registration vide No.IN/InvIT/17-18/0007 dated March 15, 2018.

D) Amalgamation of Company:

The Board of Directors proposed to amalgamate two subsidiaries of the Company i.e. L&T Port Kachchigarh Limited and L&T Western India Tollbridge Limited. L&T Western India Tollbridge Limited was identified to be the Investment Manager of the Infrastructure Investment Trust, namely Indinfravit Trust. L&T Western India Tollbridge Limited was renamed as LTIDPL IndvIT Services Limited and certificate from ROC pursuant to the name change was obtained on September 15, 2017. L&T Port Kachchigarh Limited amalgamated with the Company under the provisions of the Act with effect from December 12, 2017.

E) Performance and financial position of each subsidiary/associate and joint venture companies:

A statement containing the salient features of the financial statement of subsidiaries / associate / joint venture companies and their contribution to the overall performance of the Company is provided in the Annual Report. (Format as per AOC-1 as Annexure 1)

8. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

Since the Company is engaged in the business of developing infrastructure facilities through its subsidiaries (SPVs), the provisions of Section 186 except sub-section (1) of the Act are not applicable to the Company. The details of loans given, investments made and guarantees/ securities provided by the Company to its subsidiaries are given in the Notes G and H (I) to the standalone financial statement.

Particulars of Contracts or Arrangements with related parties:

All related party transactions during the year have been approved in terms of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Company has adopted Related Party Transaction Policy at the Board Meeting held on May 11, 2016 with suitable guidelines thereunder. Details of material Related Party Transactions as required under sub-section (1) of section 188 of the Act are provided in Annexure 2 (AOC-2).

There are no materially significant related party transactions that may have conflict with the interest of the Company.

Results of Operations and the State of Company's Affairs

The total income for the financial year under review was ₹ 482.47 crore as against ₹ 572.11 crore for the previous financial year registering a decrease of ₹ 89.64 crore. The decrease is primarily on account of the construction contract for M/s L&T Sambalpur Rourkela Tollway Limited reaching final stage during the year under review and higher revenues from this contract in the previous year.

Amount to be carried to reserve:

The Company had transferred to statutory reserve as required under section 45-IC of Reserve Bank of India Act, 1934 an amount of ₹ 79.81 crore during the year ended March 31, 2016 in relation to the period upto March 31, 2015.

Since the Company has incurred loss before tax for the year ended March 31, 2018 no amount is required to be transferred to the statutory reserve.

9. DIVIDEND:

The Directors do not recommend payment of dividend for the financial year.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

During the year, there are no material changes affecting the financial position of the Company adversely. However, between the end of the financial year and the date of the report the Company has completed the buy-back of preference shares and sold its investment in 5 (five) SPVs through InvIT.

Details of significant and material orders

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

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy and Technology absorption

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

Foreign exchange earnings and outgo

Activity in foreign currency during the financial year on a standalone basis is as under:

Particulars	Amount ₹ in crore
Subscription fee	0.07
Professional fee	0.65
Repairs and Maintenance	1.70
Travelling expenses	0.15

12. RISK MANAGEMENT POLICY:

M/s. Kreston Dandeker Advisory Services LLP (KDAS) was appointed to conduct a detail study on Enterprise Risk Management of the Company and its subsidiaries. In the process KDAS had examined and studied inherent risks of functions and process of the organisation. Over 930 risks were examined across the Company and its subsidiaries. Standard operating procedures were examined and interviews conducted at various levels, probable design deficiencies in operating procedures were identified and recorded.

The various risk mitigation measures adopted by the Company would be reviewed by the internal auditors periodically to check compliance with identified mitigation processes.

13. CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility ("CSR") Committee of Directors was re-constituted on June 28, 2018. The Members of the Committee are

Mr. R.Shankar Raman (Chairman)

Mr. Sudhakar Rao and

Mr. Shailesh K. Pathak

The CSR Policy as approved by the Board of Directors is available on its website www.lntidpl.com.

The company had incurred loss during the immediately preceding three financial years. Consequently there is no requirement during the year under review to spend towards CSR activity under Section 135 of the Act and rules made thereunder.

14. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE YEAR:

Changes in Directors and KMP

Composition of Board of Directors of the Company as on March 31, 2018 stood as below:

Name	Designation
Mr. R Shankar Raman	Chairman (Non-Executive Director)
Mr. Vikram Swinder Gandhi	Non-Executive Investor Director
Mr. Sudhakar Rao	Independent Director
Mr. Sushobhan Sarker	Non-Executive Director
Ms. Shubhalakshmi Aamod Panse	Independent Woman Director
Mr. Vinayak Laxman Patankar	Additional Director
Mr. K.Venkatesh	Chief Executive and Managing Director

The Key Managerial Personnel (KMP) of the Company as on March 31, 2018 are:

Name	Designation
Mr. K. Venkatesh	Chief Executive and Managing Director
Mr. Karthikeyan T. V	Chief Financial Officer
Mr. K.C.Raman	Company Secretary

Mr. K.Venkatesh and Mr. Vikram Swinder Gandhi, Directors retired by rotation at the Annual General Meeting held on December 27, 2017, and were reappointed as Directors.

Mr. K.Venkatesh, Chief Executive and Managing Director superannuated from the services of the Company with effect from April 7, 2018. He also resigned as a Managing Director of the Company w.e.f. April 7, 2018. Mr. Sushobhan Sarker, Director resigned from the Board w.e.f. May 2, 2018.

Mr. Vinayak Laxman Patankar was appointed as an Additional Director w.e.f. January 22, 2018. A proposal to appoint him as an Independent Director for a term of 5 years will be placed before the shareholders for approval at the ensuing Annual General Meeting of the Company.

Mr. Shailesh K. Pathak was appointed as an Additional Director at the Board Meeting held on April 28, 2018 and was appointed as a Chief Executive Officer and Whole-time Director of the Company at the Extra-ordinary General Meeting held on April 28, 2018.

Mr. T.S.Venkatesan was appointed as an Additional Director at the Board Meeting held on April 28, 2018 and was appointed as a Whole-time Director of the Company at the Extraordinary General Meeting held on April 28, 2018.

Mr. R. Shankar Raman, Chairman of the Board and Mr. Shailesh K. Pathak are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Number of Meetings of the Board of Directors

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

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

Date	Board Strength	No. of Directors Present
May 10, 2017	6	6
July 21, 2017	6	5
October 27, 2017	6	5
January 22, 2018	7	5
March 16, 2018	7	3

Some of the Directors who were unable to attend the meetings in person, had participated through video/audio conference.

Information to the Board

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

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Financing plans of the Company
- Minutes of the meeting of the Board of Directors, Audit Committee (AC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR)
- Report on fatal or serious accidents
- Any materially relevant default, if any, in financial obligations to and by the Company
- Any issue which involves possible public or product liability claims of substantial nature, including any Judgement or Order, if any, which may have strictures on the conduct of the Company
- Development in respect of human resources
- Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investor service
- An Action Taken Report which is presented to the Board

Presentations are made regularly to the Board/NRC/AC (minutes of Board, AC and NRC are circulated to the Board), where Directors get an opportunity to interact with senior managers. Presentations, interalia cover business strategies, management structure, HR policy, management development and planning, quarterly, half-yearly and annual results, budgets, treasury, review of Internal Audit, risk management, operations of subsidiaries and associates, etc.

Independent Directors have the freedom to interact with the Company's management. Interactions happen during the Board / Committee Meetings, when senior Company personnel make presentations about performance of the Company.

Audit Committee

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 comprising of Mr. Sudhakar Rao (Chairman), Ms. Shubhalakshmi Aamod Panse and Mr. R. Shankar Raman.

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

Date	Strength of the Committee	No. of members present
May 10, 2017	3	3
July 21, 2017	3	3
October 27, 2017	3	3
January 22, 2018	3	3

As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

The Company has a whistle blower policy in place to report concerns about unethical activities, if any, actual/suspected frauds and violation of Company's Code of Conduct. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the Chairman of the Audit Committee. The Chief Internal Auditor of the Company is the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

Members can view the details of the whistle blower policy under the said framework of the Company on its website www.LntidpL.com.

Company Policy on Director Appointment and Remuneration

The Company had constituted the Nomination and Remuneration Committee in accordance with the requirements of the Act read with the Rules made thereunder comprising of Mr. Sudhakar Rao (Chairman), Ms. Shubhalakshmi Aamod Panse, Mr. R. Shankar Raman and Mr. Vikram Swinder Gandhi.

During the year, three Meetings of the Nomination and Remuneration Committee were held. The details of the meetings conducted during the year under review are given below:

Date	Strength of the Committee	No. of members present
May 10, 2017	4	4
July 21, 2017	4	3
January 22, 2018	4	3

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

Declaration of independence

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

Adequacy of Internal Financial Controls:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2018, the Board is of the opinion that the Company has IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

Extract of the Annual Return

The extract of the annual return in Form No. MGT – 9 is enclosed as 'Annexure 3' to this Report.

15. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The Directors have prepared the Annual Accounts on a going concern basis.

e) The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statements and the said system is operating effectively.

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

16. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS:

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, committees and individual directors has to be made.

It includes circulation of questionnaires digitally to all Directors for evaluation of the Board and its Committees, Board composition and its structure, its culture, Board effectiveness, Board functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all directors in their individual capacity will be evaluated.

Further, the Independent Directors at the meeting held on December 28, 2017, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

17. DISCLOSURE OF REMUNERATION:

The information required under Section 197(12) of the Act and the Rules made thereunder, is provided below.

During the year under review, the Directors of the Company were not paid any remuneration except sitting fees to certain directors. Hence, the remuneration of the Directors to that of the employees of the Company is not comparable.

Remuneration of KMP

₹ in crore (rounded off to two decimals)

<table>
<tr><th rowspan="2">Name of the KMP</th><th rowspan="2">Designation</th><th rowspan="2">Remuneration in FY 2017-18</th><th rowspan="2">Remuneration in FY 2016-17</th><th rowspan="2">% increase in remuneration of FY 2017-18 as compared to previous FY</th><th colspan="2">Performance of the Company for FY 2017-2018</th></tr>
<tr><th>% of Revenue Decrease in revenue of FY 2017-18 as compared to FY 2016-17</th><th>% of Profit after Tax decrease in loss of FY 2017-18 as compared to FY 2016-17</th></tr>
<tr><td>Mr. Karthikeyan T. V.</td><td>Chief Financial Officer</td><td>1.01</td><td>0.96</td><td>5.21%</td><td colspan="2" rowspan="2">16%
31%</td></tr>
<tr><td>Mr. K.C.Raman</td><td>Company Secretary</td><td>0.39</td><td>0.35</td><td>11.42%</td></tr>
</table>

~ Remuneration refers to Cost to the Company (CTC) as per HR Policy of the Company

* Mr. Shailesh K. Pathak and Mr. T.S.Venkatesan were appointed as KMPs at the meeting held on April 28, 2018 and hence, their remuneration does not form part of this Board Report.

No managerial remuneration has been paid to Mr. K.Venkatesh, Chief Executive & Managing Director in the FY 2017-18 and 2016-2017.

The Median Remuneration of Employees (“MRE”) was ₹ 0.11 crore and ₹ 0.10 crore in the financial year 2017-18 and 2016-17 respectively. The percentage increase in MRE in the financial year 2017-18 as compared to previous financial year is 11%.

The number of permanent employees on the rolls of the Company as of March 31, 2018 and March 31, 2017 was 147 and 143 respectively.

The remuneration paid to the employees is as per the HR/remuneration policy of the Company.

The information in respect of employees of the Company required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is provided in Annexure 4 forming part of this report. In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company.

In terms of Section 136(1) of the Act and the Rules made thereunder, the Report and Accounts are being sent to the shareholders. None of the employees listed in the said Annexure 4 are related to any Director of the Company.

18. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

19. PROTECTION OF WOMEN AT WORKPLACE

The Company has adopted a policy on Protection of Women‘s Rights at workplace in line with the policy formulated by the parent company, Larsen & Toubro Ltd. This has been widely disseminated. There were no complaints of sexual harassment received by the Company during the year.

20. CONSOLIDATED FINANCIAL STATEMENT

Your Directors have pleasure in attaching the Consolidated Financial Statement pursuant to Section 129(3) of the Act and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard and has been audited by the Company’s Statutory Auditors.

21. AUDITORS REPORT:

The Auditors’ Reports on the standalone and consolidated financial statements for the financial year 2017-18 are unqualified. The Emphasis on Matters made by the Auditors are adequately covered in the Notes to the said financial statements. The Notes to the accounts referred to in the Auditors’ Reports are self-explanatory and do not call for any further clarifications under Section 134(3)(f) of the Act.

22. AUDITOR:

The Company at the Fourteenth Annual General Meeting (AGM) held on September 28, 2015 had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (LLP Identification no.AAB-8737), Mumbai as Statutory Auditors of the Company to hold office from the conclusion of that AGM until the conclusion of the sixth successive AGM of the Company.

Companies Amendment Act, 2017 has withdrawn ratification of appointment of Statutory Auditors at every AGM of the Company with effect from May 7, 2018. The members of the Company shall approve the remuneration payable to the Statutory Auditors for the year 2018-19.

Certificate from the said audit firm has been received to the effect that they are eligible to act as Auditors of the Company under Section 141 of the Act.

23. SECRETARIAL AUDITOR:

M/s. B.Chitra & Co, Company Secretary in practice (CP No.2928), was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Act and Rules thereunder. The secretarial audit report dated July 16, 2018 to the Shareholders for the financial year 2017-18 is attached as ‘Annexure 5’ to this Report and is unqualified and has no adverse remark.

24. COST AUDITOR:

Mr. K. Suryanarayanan, Cost Accountant (Membership No.24946), was appointed as Cost Auditor of the Company for audit of cost accounting records for the financial year 2017-2018, pursuant to the provisions of Section 148 of the Act and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014. The Report of the Cost Auditors for the financial year 2017-2018 would be filed with the Ministry of Corporate Affairs once the same is finalised.

The remuneration of the Cost Auditor was ratified at the Annual General Meeting held on December 27, 2017. The Cost Audit Report for the year 2016-2017 was filed with MCA on October 17, 2017.

25. DEBENTURE TRUSTEE

As at March 31, 2018, the total outstanding debentures allotted by the Company were ₹ 370 crore. M/s. IDBI Trusteeship Services Limited, having their office at Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai - 400001 are appointed as the Debenture Trustees for the same.

26. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company’s operations in future.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

T. S. VENKATESAN	**SHAILESH K. PATHAK**
Whole-time Director	*Chief Executive Officer &*
DIN: 01443165	*Whole-time Director*
	DIN: 01748959

Place : Bengaluru

Date : July 29, 2018

ANNEXURE 1

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

A) SUBSIDIARIES

₹ in crore

S. No	Name of the subsidiary*	Exchange Rate	Share capital	Reserves & surplus	Total assets	Total liabilities #	Invest-ments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Equity shares (Nos) held by L&T IDPL	Total (Nos) - Equity shares	% of Equity Share-holding
												@ ₹ 10/- each		
1	AMTL	–	149.00	(44.98)	1,345.39	1,241.37	2.73	174.28	(47.34)	–	(47.34)	148999900	149000000	99.99%
2	DHTL	–	90.00	(37.45)	364.62	312.07	1.81	46.82	(11.47)	–	(11.47)	89999900	90000000	100.00%
3	KTTRL	–	78.75	(141.40)	411.88	474.53	74.59	144.41	33.30	3.30	30.00	78749998	78750000	100.00%
4	KTL	–	192.60	113.39	1,941.47	1,635.48	254.70	191.24	48.16	12.80	35.36	192599998	192600000	99.99%
5	PECL	–	84.30	(352.69)	229.11	497.50	–	70.45	(29.17)	–	(29.17)	84299998	84300000	99.99%
6	PNGTL	–	169.10	(521.80)	1,148.96	1,501.66	–	–	(66.14)	–	(66.14)	102711340	169100000	60.74%
7	VBTL	–	43.50	(249.45)	868.75	1,074.70	320.08	330.35	72.10	16.04	56.06	43499998	43500000	99.99%
8	WATL	–	56.50	(73.50)	247.33	264.33	79.02	75.69	15.43	4.34	11.09	56499998	56500000	100.00%
9	L&T BPPTL	–	247.20	(549.25)	4,658.50	4,960.55	3.19	360.71	(302.71)	–	(302.71)	247199998	247200000	100.00%
10	L&T CTTL	–	42.00	(5.36)	408.08	371.44	–	–	(0.30)	–	(0.30)	41999900	42000000	99.99%
11	L&T DTL	–	285.34	(115.93)	2,228.47	2,059.06	42.10	290.50	(113.42)	–	(113.42)	285339992	2853400000	99.99%
12	L&T HSTL	–	795.35	(360.94)	1,158.05	723.64	–	83.88	(44.66)	–	(44.66)	3905098000	7963363250	48.97%
13	L&T IRCL	–	57.16	42.95	395.71	295.60	150.83	26.90	(4.37)	0.27	(4.65)	57159998	57160000	99.99%
14	KWTL	–	90.00	35.63	1,118.39	992.76	25.48	152.40	27.89	5.42	22.48	89997400	90000000	100.00%
15	L&T PKL	–	Merged with IDPL and no accounts drawn for year ended 31 March 2018											
16	L&T RVTL	–	110.00	(122.75)	942.22	954.97	–	104.88	(46.50)	–	(46.50)	109999900	110000000	99.99%
17	L&T SGTL	–	80.54	(95.69)	1,660.85	1,676.00	3.58	139.24	(104.80)	–	(104.80)	80527000	80540000	99.98%
18	L&T SRTL	–	290.03	(8.80)	1,300.20	1,018.97	1.73	233.04	(5.83)	–	(5.83)	290029998	290030000	99.99%
19	L&T TIL	–	41.40	156.04	373.76	176.32	80.97	30.39	14.17	1.42	12.75	30536000	41400000	73.75%
20	LTIDPL INDVIT SERVICES LTD	–	13.95	19.87	105.33	71.51	102.58	–	0.20	0.04	0.16	13950007	13950007	100.00%
21	L&T IDPL Trustee Manager Pte. Ltd	1SG= 46.41 INR	0.00	–	0.00	–	–	–	(0.06)	–	(0.06)	1315000	1315000	100%

* Abbreviations are given in Annexure 6

ASSOCIATES

₹ in crore

S.No	Associates	No. of Shares held	Amount of investment	Extent of holding %	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss)		Description of how there is significant influence	Reason why the associate is not consolidated
						Considered in consolidation	Not considered in consolidation		
1	ISP Haldia Private Limited	98,30,000	9.83	22.31%	13.78	2.4	Not applicable	Due to stake held and Board representation	Not applicable

B) NAMES OF SUBSIDIARIES WHICH HAVE BEEN LIQUIDATED OR SOLD DURING THE YEAR :

L&T Port Kachchigarh Limited merged with L&T Infrastructure Development Projects Limited with effect from December 12, 2017.

C) NAMES OF ASSOCIATES AND JOINT VENTURES WHICH HAVE BEEN LIQUIDATED OR SOLD DURING THE YEAR :NIL

D) NAMES OF SUBSIDIARIES WHICH ARE YET TO COMMENCE COMMERCIAL OPERATION: NIL

E) NAMES OF ASSOCIATES / JOINT VENTURE WHICH ARE YET TO COMMENCE OPERATION: NIL

For and on behalf of the Board

T. S. VENKATESAN
Whole-time Director
DIN: 01443165

SHAILESH K. PATHAK
Chief Executive Officer &
Whole-time Director
DIN: 01748959

Place : Bengaluru

Date : July 29, 2018

ANNEXURE 2

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto **(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

   All related party transactions of the Company are in the ordinary course of business and are at arm's length.

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

Name of Related Party	**Nature of Relationship**	**Nature of the transaction**	**Duration**	**Salient terms**	**Date(s) of approval by the Board**	**Amount paid as advance**
L&T Sambalpur Rourkela Tollway Limited	Subsidiary company	Engineering Procurement and Construction works for the related party	For a continuous period till the completion of work	Construction contract for carrying out the four laning of Sambalpur Rourkela road. This contract includes design, construction of railway over bridges, special structures etc.	1.3.2014	No advances paid during the year
Larsen and Toubro Limited	Holding Company	Engineering Procurement and Construction works by the related party	For a continuous period till the completion of work	Construction contract for carrying out the four laning of Sambalpur Rourkela road. This contract includes design, construction of railway over brides, special structures etc.	1.3.2014	No advances paid during the year

For and on behalf of the Board

T. S. VENKATESAN
Whole-time Director
DIN: 01443165

SHAILESH K. PATHAK
Chief Executive Officer &
Whole-time Director
DIN: 01748959

Place : Bengaluru

Date : July 29, 2018

ANNEXURE 3

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U65993TN2001PLC046691
Registration Date	26/02/2001
Name of the Company	L&T Infrastructure Development Projects Limited
Category / Sub-Category of the Company	Company Limited By Shares/Indian Non-Government Company
Address of the Registered office and contact details	Mount Poonamallee Road, Post Box – 979, Manapakkam, Chennai-600089 Ph:044-22526060
Whether listed company Yes / No	Yes. Non-convertible Debentures listed on National Stock Exchange of India Limited
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.Ph: 022 4914 2591

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Infrastructure development	84130	29.13
2	Construction related activities	42101	70.87

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N0	Name and Address of the Company	Registered Office	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section of the Act
1	Larsen & Toubro Limited	L & T House, Ballard Estate, Mumbai - 400001	L99999MH1946PLC004768	Holding	97.45%	2(46)
2	L&T TIL	P.O.BOX.979, Mount Poonamallee Road, Manapakkam, Chennai-600089	U45203TN1997PLC039102	Subsidiary	73.76%	2(87)(ii)
3	KTTRL		U45203TN2005PLC057930	Subsidiary	100.00%	2(87)(ii)
4	VBTL		U45203TN2005PLC058417	Subsidiary	99.99%	2(87)(ii)
5	WATL		U45203TN2005PLC057931	Subsidiary	100.00%	2(87)(ii)
6	L&T IRCL		U45203TN2006PLC058735	Subsidiary	99.99%	2(87)(ii)
7	PECL		U45203TN2005PLC056999	Subsidiary	99.99%	2(87)(ii)
8	AMTL		U45203TN2008PLC069211	Subsidiary	99.99%	2(87)(ii)
9	L&T HSTL		U45203TN2008PLC069210	Subsidiary	48.97% ^	2(87)(i)
10	L&T RVTL		U45203TN2008PLC069184	Subsidiary	99.99%	2(87)(ii)
11	L&T CTTL		U45309TN2008PLC066938	Subsidiary	99.99%	2(87)(ii)
12	L&T SGTL		U45203TN2010PLC074501	Subsidiary	99.98%	2(87)(ii)
13	KWTL		U45203TN2010PLC075446	Subsidiary	100.00%	2(87)(ii)
14	DHTL		U45203TN2010PLC075491	Subsidiary	100.00%	2(87)(ii)
15	L&T BPPTL		U45203TN2011PLC080786	Subsidiary	100.00%	2(87)(ii)
16	L&T DTL		U45203TN2011PLC083661	Subsidiary	99.99%	2(87)(ii)
17	LT IDPL IndvIT Services Limited		U45203TN1999PLC042518	Subsidiary	100.00%	2(87)(ii)
18	L&T SRTL		U45206TN2013PLC093395	Subsidiary	99.99%	2(87)(ii)
19	PNGTL		U45203TN2009PLC070741	Subsidiary	61.00%*	2(87)(ii)
20	KTL		U40106TN2012GOI111122	Subsidiary	99.99%	2(87)(ii)

S. N0	Name and Address of the Company	Registered Office	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section of the Act
22	L&T IDPL Trustee Manager Pte. Ltd	8 Cross Street, #10-00, PWC Building, Singapore (048424)	201326418G	Subsidiary	100%	2(87)(ii)
24	ISP (Haldia) Private Limited	Flat No.27, 5th Floor, Kohinoor Building, 105, Park street, Kolkata-700016	U45205WB1999PTC090733	Associate	22.31%	2(6)

^ Decrease in percentage is due to SDR scheme by lenders in which part of debt was converted to equity to the extent of 51.03%

* 13% of the shares held by L&T have been acquired by the Company but the transfer is yet to be completed since approval of lenders is awaited.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% #
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	312859090	6**	312859096	97.45%	312859090	6**	312859096	97.45%	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A) (1)	**312859090**	**6****	**312859096**	**97.45%**	**312859090**	**6****	**312859096**	**97.45%**	**–**
2. Foreign	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) NRI Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A) (2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (A) (1+2)	**312859090**	**6****	**312859096**	**97.45%**	**312859090**	**6****	**312859096**	**97.45%**	**–**
B. Public									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks /FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt (s)	–	–	–	–	–	–	–	–	–
e) VC Funds	–	–	–	–	–	–	–	–	–
f) Insurance Co.	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) FVC Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Non Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	100	8190000	8190100	2.55%	100	8190000	8190100	2.55%	–
b) Individuals	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% #
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individuals!	–	–	–	–	–	–	–	–	–
ii) Individuals*	–	–	–	–	–	–	–	–	–
c) Others	–	–	–	–	–	–	–	–	–
Sub-Total (B) (2)	**100**	**8190000**	**8190100**	**2.55%**	**100**	**8190000**	**8190100**	**2.55%**	**–**
Total (B) (1+2)	**100**	**8190000**	**8190100**	**2.55%**	**100**	**8190000**	**8190100**	**2.55%**	**–**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
GRAND TOTAL (A+B+C)	**312859190**	**8190006**	**321049196**	**100%**	**312859190**	**8190006**	**321049196**	**100%**	**–**

! holding nominal share capital upto ₹ 1.00 lakh: * holding nominal share capital in excess of ₹ 1.00 lakh

**Shares held by individuals jointly with Larsen & Toubro Limited # Changes during the year

Category-wise Share Holding (Special Equity Shares)

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% #
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	10000	10000	100%	–	10000	10000	100%	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A) (1)	**–**	**10000**	**10000**	**100%**	**–**	**10000**	**10000**	**100%**	**–**
2. Foreign	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) NRI Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A) (2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (A) (1+2)	**–**	**10000**	**10000**	**100%**	**–**	**10000**	**10000**	**100%**	**–**
B. Public									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks /FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt (s)	–	–	–	–	–	–	–	–	–
e) VC Funds	–	–	–	–	–	–	–	–	–
f) Insurance Co.	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) FVC Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Non Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% #
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individuals!	–	–	–	–	–	–	–	–	–
ii) Individuals*	–	–	–	–	–	–	–	–	–
c) Others	–	–	–	–	–	–	–	–	–
Sub-Total (B) (2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (B) (1+2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
GRAND TOTAL (A+B+C)	**–**	**10000**	**10000**	**100%**	**–**	**10000**	**10000**	**100%**	**–**

! holding nominal share capital upto ₹ 1.00 lakh: * holding nominal share capital in excess of ₹ 1.00 lakh

**Shares held by individuals jointly with Larsen & Toubro Limited # Changes during the year

Category-wise Share Holding (Preference Shares)

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% #
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	–	–	–	–	–	–	–	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A) (1)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Foreign	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) NRI Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A) (2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total (A) (1+2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
B. Public									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks /FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt (s)	–	–	–	–	–	–	–	–	–
e) VC Funds	–	–	–	–	–	–	–	–	–
f) Insurance Co.	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) FVC Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Non Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	2000	–	2000	100%	2000	–	2000	100%	–

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% #
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individuals!	–	–	–	–	–	–	–	–	–
ii) Individuals*	–	–	–	–	–	–	–	–	–
c) Others	–	–	–	–	–	–	–	–	–
Sub-Total (B) (2)	**2000**	**–**	**2000**	**100%**	**2000**	**–**	**2000**	**100%**	**–**
Total (B) (1+2)	**2000**	**–**	**2000**	**100%**	**2000**	**–**	**2000**	**100%**	**–**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**2000**	**–**	**2000**	**100%**	**2000**	**–**	**2000**	**100%**	**–**

! holding nominal share capital upto ₹ 1.00 lakh: * holding nominal share capital in excess of ₹ 1.00 lakh

**Shares held by individuals jointly with Larsen & Toubro Limited # Changes during the year

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding as on April 1, 2017			Shareholding as on March 31, 2018			% #
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Larsen &Toubro Limited (Equity shares)	312859096	97.45%	–	312859096	97.45%	–	–
	Total	**312859096**	**97.45%**	**–**	**312859096**	**97.45%**	**–**	**–**
2	Larsen &Toubro Limited (Special Equity Shares)	10000	100%	–	10000	100%	–	–
	Total	**10000**	**100%**	**–**	**10000**	**100%**	**–**	**–**

Changes during the year

(iii) Change in Promoters' Shareholding (please specify, if there is no change) –
No change in Promoter's shareholding during the financial year 2017-2018

(iv) Shareholding Pattern of top ten Equity/Preference Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding as on April 1, 2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
Equity Shareholders					
1	Old Lane Mauritius III Ltd	8190000	2.55%	8190000	2.55%
2	CPP Investment Board Singaporean Holdings 1 Pte. Ltd.	100	0.00%	100	0.00%
3	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/decrease	–	–	–	–
Preference Shareholder					
1	CPP Investment Board Singaporean Holdings 1 Pte. Ltd.	2000	100%	2000	100%

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding as on April 1, 2017		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the Co.	No. of shares	% of changes during the year
At the beginning of the year/at the end of the year				
Mr. R. Shankar Raman jointly with L&T	1	0.00%	1	0.00%
Mr. K.Venkatesh jointly with L&T	1	0.00%	1	0.00%
Mr. Karthikeyan T.V jointly with L&T	1	0.00%	1	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2018.

₹ in crore

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on April 1, 2017				
i) Principal Amount	135.00	450.00	–	585.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	12.61	5.65	–	18.26
Total (I + ii + iii)	**147.61**	**455.65**	**–**	**603.26**
Change in Indebtedness during the financial year				
• Addition	12.18	21.50	–	33.68
• Reduction	(28.57)	(221.50)	–	(250.07)
Net Change	**(16.39)**	**(200.00)**	**–**	**(216.39)**
Indebtedness as on March 31, 2018				
i) Principal Amount	120.00	250.00	–	370.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	11.22	5.65	–	16.87
Total (I + ii + iii)	**131.22**	**255.65**	**–**	**386.87**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Chief Executive and Managing Director of the Company was deputed by the Holding Company and no remuneration has been paid by the Company to him during the year..

B. Remuneration to other directors:

				(₹)
Particulars of Remuneration	**Name of the Directors**			**Total Amount**
Independent Directors	**Ms. Shubhalakshmi Aamod Panse**	**Mr. Sudhakar Rao**		
Fee for attending board meetings	2,50,000	2,50,000		**5,00,000**
Fee for attending committee meetings	2,00,000	2,00,000		**4,00,000**
Commission	–	–		**–**
Others	–	–		**–**
Sub Total (1)	**4,50,000**	**4,50,000**		**9,00,000**
Other Non-Executive Directors	**Mr. Sushobhan Sarker**	**Mr. Vikram Gandhi**	**Mr. Vinayak Laxman Patankar**	
Fee for attending board meetings	2,00,000	2,00,000	**–**	**4,00,000**
Fee for attending committee meetings	–	50,000		**50,000**
Commission				**–**
Others	–	–	–	–
Sub Total (2)	**2,00,000**	**2,50,000**	**–**	**4,50,000**
Total (1 + 2)	**6,50,000**	**7,00,000**		**13,50,000**
Total Managerial Remuneration	**-NA-**			
Ceiling as per the Act (fees for attending meetings)	Not more than ₹ 1,00,000/- per Director per meeting of Board or Committee.			
No fees for attending the meetings (remuneration) was paid by the Company during the financial year 2017-18 to Mr. R.Shankar Raman, Chairman (Non-Executive, Non Independent Director) and to Mr. K.Venkatesh, Chief Executive and Managing Director.				

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

(₹ in crore)

Particulars of Remuneration	CS	CFO	Total
	Mr. K.C.Raman	Mr. Karthikeyan T.V	
Gross salary	0.39	1.01	1.40
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
Stock Option exercised (of Holding Company)	–	–	–
Sweat Equity	–	–	–
Commission			
- as % of profit			
- others, specify…	–	–	–
Others, please Specify (Provident Fund)			
Total	**0.39**	**1.01**	**1.40**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

T. S. VENKATESAN
Whole-time Director
DIN: 01443165

SHAILESH K. PATHAK
Chief Executive Officer &
Whole-time Director
DIN: 01748959

Place : Bengaluru

Date : July 29, 2018

ANNEXURE 5

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
L & T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED,
Mount Poonamalle Road, Post Box – 979,
Manapakkam, Chennai 600089

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by L & T Infrastructure Development Projects Limited (hereinafter called the "Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) *The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) *The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment which has been generally complied with and *External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 which has been generally complied with;

  (f) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other laws applicable specifically to the company:

1) Reserve Bank of India Act, 1934

2) The Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014

We have also examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition laws, environment laws etc.,

In respect of financial laws like Tax laws, Reserve Bank of India Act, 1934 etc we have relied on the audit reports made available during our audit for us to have the satisfaction that the Company has complied with the provisions of such laws.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to debt securities which has been generally complied with.

Note:
**** Denotes "NOT APPLICABLE".***

We further report that
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. There was an appointment of Additional Director – Independent Director to the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are reasonably adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has the following major transactions:

1. During the year the Company, acting as a sponsor, has set up Indinfravit Trust and obtained approval from Securities and Exchange Board of India on 15th March 2018 under The Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations 2014. The Board of Directors of the Company has approved entering into various agreements required for the aforesaid purpose on 16th March 2018. As per the SEBI Regulations separate entities like a Trustee, Investment Manager, Project implementation manager, Registrar and Transfer Agent etc have to be appointed for giving effect to the functioning of the Trust. The Company has identified five of its subsidiaries to be considered as the initial portfolio assets which would be transferred to the Trust for appropriate consideration.

2. The Company has obtained approval from the office of Regional Director, Ministry of Corporate Affairs for the Scheme of Merger of L&T Port Kachchigarh Limited, a subsidiary of the Company with the Company on 12th December 2017.

This report has to be read along with our statement furnished in Annexure A

For B. CHITRA & CO

Place : Chennai
Date : July 16, 2018

B. CHITRA
FCS No.:4509
C P No.:2928

Annexure 'A'

To,
The Members,
L & T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED,
Mount Poonamalle Road, Manapakkam, Chennai 600089

Dear Sir(s),

Sub.: Secretarial Audit Report for the Financial Year ended 31.03.2018

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For B. CHITRA & CO

Place : Chennai
Date : July 16, 2018

B. CHITRA
FCS No.:4509
C P No.:2928

ANNEXURE 6

The expanded name of the Companies

S. No	Name of the Subsidiary	Abbreviation
1	L&T Transportation Infrastructure Limited	L&T TIL
2	Panipat Elevated Corridor Limited	PECL
3	Krishnagiri Thopur Toll Road Limited	KTTRL
4	Western Andhra Tollways Limited	WATL
5	L&T Interstate Road Corridor Limited	L&T IRCL
6	Vadodara Bharuch Tollway Limited	VBTL
7	L&T Rajkot Vadinar Tollway Limited	L&T RVTL
8	L&T Halol Shamlaji Tollway Limited	L&T HSTL
9	Ahmedabad Maliya Tollway Limited	AMTL
10	PNG Tollway Limited	PNGTL
11	Devihalli Hassan Tollway Limited	DHTL
12	Krishnagiri Walajahpet Tollway Limited	KWTL
13	L&T Samakhali Gandhidham Tollway Limited	L&T SGTL
14	L&T BPP Tollway Limited	L&T BPPTL
15	L&T Chennai Tada Tollway Limited	L&T CTTL
16	L&T Sambalpur-Rourkela Tollway Limited	L&T SRTL
17	L&T Deccan Tollways Limited	L&T DTL
18	Kudgi Transmission Limited	KTL
19	L&T Port Kachchigarh Limited	L&T PKL
20	L&T IDPL Trustee Manager Pte. Limited	L&T IDPL Trustee

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of L&T Infrastructure Development Projects Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

(a) As stated in Note Q(14)of the standalone financial statements, as at 31 March 2018, an amount of ₹ 191.26 crores, net of estimated provision for diminution of ₹ 492 crores (As at 31 March 2017 ₹ 186.19 crores, net of estimated provision for diminution of ₹ 492 crores), is reflected as net carrying value of investments/receivables relating to two subsidiaries of the Company, engaged in infrastructure projects, which have terminated the concession agreements entered into with National Highways Authorities of India (NHAI). The nature of default and the termination amount claimed under the concession agreement has not been accepted by NHAI and arbitration/conciliation proceedings have been initiated in respect of the disputes relating to the termination payments/claims.

    The Company has carried out an assessment of its exposure in these projects duly considering the likely outcome of the arbitration/conciliation proceedings, contractual stipulations/ interpretation of the relevant clauses of the aforesaid concession agreements, the expected termination payments, the possible obligations to lenders, legal advice, etc. and believes that the amount of net investments and receivables carried in the books is good for recovery and no additional provision/adjustment to the carrying value of the said investments/ receivables is considered necessary by the Management as at 31 March 2018.

(b) As explained in Note F(IX) of the standalone financial statements, the Company is carrying net investments aggregating to ₹ 1,149.80 crores (As at 31 March 2017 ₹ 1,331.76 crores) and has outstanding net loans & advances aggregating to ₹ 125.09 crores (As at 31 March 2017 ₹ 222.99 crores) provided to certain operating subsidiaries of the Company engaged in infrastructure projects whose net worth is fully eroded /undergoing restructuring due to continuous losses, as per the audited financial statements of those subsidiaries as at 31 March 2018.

    Considering the gestation period required for break even for such infrastructure investments, restructuring/refinancing arrangements carried out/proposed, expected higher cash flows based on future business projections and the strategic nature of these investments, no additional provision/ adjustment to the carrying value of the said investments/ loans & advances is considered necessary by the Management as at 31 March 2018.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, based on our audit :

   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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 Standalone Financial Statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

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

Place: Chennai
Date: 28 April 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING 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 Infrastructure Development Projects Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone 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. 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, 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, in terms of their reports referred to in the Other Matters paragraph below, 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, 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 31 March 2018, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

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

Place: Chennai
Date: 28 April 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the Land and Building	**Gross Block as at 31 March 2018 (₹ In Crores)**	**Net Block as at 31 March 2018 (₹ In Crores)**	**Remarks**
Freehold Land and Building located at Plot No. 26 and 22, Survey No. 36A of Mouje Pali of Sudhagad Taluke, District Raigad, measuring 242 sq mts and 166.5 sq mts, respectively	0.40	0.40	The title deeds are in the name of L&T East-West Tollway Limited (EWTL) & L&T Great Eastern Highway Limited (GHTL), erstwhile subsidiaries which got merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court(s) of judicature in the year 2014-2015. Refer Note E(II)(A)(i) of the standalone financial statements.
Building at Mumbai	0.13	0.10	The purchase deed is in the name of L&T Holdings Limited, the erstwhile name of the Company, which was changed to L&T Infrastructure Development Projects Limited in 2004. Refer Note E(II)(A)(ii) of the standalone financial statements.

Immovable properties of land and building whose title deeds have been pledged as security for borrowings obtained by the Company, are held in the name of the Company based on the confirmations directly received by us from the lenders/ Trustees.

(ii) The Company does not have any inventory and, hence, reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable. Section 186 of the Companies Act, 2013 is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for generation and transmission of electricity and for the roads and other infrastructure projects, which are applicable to the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Excise Duty, Goods & Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Goods & Service Tax, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax and Service Tax which have not been deposited as on 31 March 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Crores)	Amount Unpaid (₹ in Crores)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2009-10	0.84	0.84
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2013-14	3.05	3.05
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2015-16	1.71	1.71
Finance Act,1994	Service Tax	Commissioner Appeals	FY 2008-09 to 2012-13 (upto June 2012)	1.33	1.33

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders. The Company has not availed any loans from Banks.

(ix) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or taken term loans and, hence, reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) To the best of our knowledge and according to the information and explanations given to us, read with Note R(11)(v) of the standalone financial statements, the Company has not paid any managerial remuneration and accordingly the reporting on compliance with the provisions of Section 197 of the Companies Act, 2013 is not applicable during the year.

(xii) The Company is not a Nidhi Company and, hence, reporting under clause (xii) of the CARO 2016 Order is not applicable

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and, hence, reporting under clause (xiv) of CARO 2016 is not applicable to the Company

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and, hence, provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration as a Systemically Important Non-deposit taking Core Investment Company (CIC-ND-SI).

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

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

Place: Chennai
Date: 28 April 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31.03.2018 ₹ Crore	₹ Crore	*As at 31.03.2017 ₹ Crore*	*₹ Crore*
EQUITY AND LIABILITIES:					
Shareholders' Funds					
Share capital	A	2,321.06		*2,321.06*	
Reserves and surplus	B	2,285.74		*2,443.73*	
			4,606.80		*4,764.79*
Non-current liabilities					
Long-term borrowings	C(I)	350.00		*370.00*	
Deferred tax liabilities (Net)	Q(4)(b)	1.69		*1.64*	
Other long-term liabilities	C(II)	14.30		*14.30*	
Long-term provisions	C(III)	3.56		*5.27*	
			369.55		*391.21*
Current liabilities					
Short-term borrowings	D(I)	–		*200.00*	
Trade payables	D(II)				
- Total outstanding dues of micro enterprises and small enterprises		–		*–*	
- Total outstanding dues of creditors other than micro enterprises and small enterprises		34.21		*200.52*	
Other current liabilities	D(III)	161.65		*247.05*	
Short-term provisions	D(IV)	10.35		*6.32*	
			206.21		*653.89*
TOTAL			5,182.56		*5,809.89*
ASSETS:					
Non-current assets					
Fixed assets					
- Tangible assets	E(I)	38.91		*41.13*	
- Intangible assets	E(II)	0.16		*0.11*	
			39.07		*41.24*
Non-current investments	F		2,186.31		*2,754.70*
Long-term loans and advances	G		184.63		*681.69*
Current assets					
Current investments	H(I)	1,743.94		*617.00*	
Trade receivables	H(II)	68.16		*136.72*	
Cash and bank balances	H(III)	334.45		*1,270.19*	
Short-term loans and advances	H(IV)	529.48		*197.25*	
Other current assets	H(V)	96.52		*111.10*	
			2,772.55		*2,332.26*
TOTAL			5,182.56		*5,809.89*
CONTINGENT LIABILITIES	I				
COMMITMENTS	J				
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS	A to Q				
SIGNIFICANT ACCOUNTING POLICIES	R				

As per our report attached

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

JAIDEEP S TRASI
Partner

Place : Chennai
Date : 28 April 2018

For and on behalf of the Board of Directors

SHAILESH K. PATHAK	**T. S. VENKATESAN**	**KARTHIKEYAN T. V**	**K. C. RAMAN**
Chief Executive Officer and Whole-time Director (DIN: 01748959)	*Whole-time Director (DIN: 01443165)*	*Chief Financial Officer*	*Company Secretary*

Place : Chennai
Date : 28 April 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Note No.	2017-18 ₹ Crore	2017-18 ₹ Crore	*2016-17* *₹ Crore*	*2016-17* *₹ Crore*
REVENUE:					
Revenue from operations	**K**		**446.90**		*571.20*
Other income	**L**		**35.57**		*0.91*
Total revenue			**482.47**		*572.11*
EXPENSES:					
Construction and related operating expenses	**M**		**247.08**		*431.51*
Finance costs	**N**		**38.10**		*80.33*
Employee benefits expense	**O**		**29.57**		*28.68*
Depreciation and amortisation expense	**E**		**4.40**		*3.94*
Administration and other expenses	**P**		**34.61**		*26.91*
Total expenses			**353.76**		*571.37*
Profit before exceptional items and tax			**128.71**		*0.74*
Exceptional items [refer note Q(15)]			**(241.73)**		*(285.57)*
(Loss) before tax			**(113.02)**		*(284.83)*
Tax expense					
Current tax		**40.15**		*–*	
Additional / (excess) provision of earlier years		**0.31**		*0.29*	
MAT Credit Entitlement	**Q(4)(a)**	**(0.15)**		*(63.28)*	
		40.31		*(62.99)*	
Deferred tax	**Q(4)(b)**	**0.05**		*0.38*	
			40.36		*(62.61)*
(Loss) after tax carried to Balance Sheet			**(153.38)**		*(222.22)*
Earnings per equity share:	**Q(5)**				
Equity Shares					
Basic (₹)			**(4.78)**		*(6.92)*
Diluted (₹)			**(4.78)**		*(6.92)*
Face value per equity share (₹)			**10.00**		*10.00*
Special Equity Shares					
Basic and diluted (₹)			**–**		*–*
Face value per equity share (₹)			**10.00**		*10.00*
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS	**A to Q**				
SIGNIFICANT ACCOUNTING POLICIES	**R**				

As per our report attached

For and on behalf of the Board of Directors

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

JAIDEEP S TRASI
Partner

SHAILESH K. PATHAK
Chief Executive Officer and Whole-time Director (DIN: 01748959)

T. S. VENKATESAN
Whole-time Director (DIN: 01443165)

KARTHIKEYAN T. V
Chief Financial Officer

K. C. RAMAN
Company Secretary

Place : Chennai
Date : 28 April 2018

Place : Chennai
Date : 28 April 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Particulars	2017-18 ₹ Crore	2016-17 ₹ Crore
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(Loss) before tax	**(113.02)**	*(284.83)*
	Adjustments for :		
	Depreciation and amortisation	**4.40**	*3.94*
	Finance cost	**38.10**	*80.33*
	(Profit) / loss on sale of fixed assets (net)	**(0.07)**	*(0.07)*
	Exchange (gain) / loss on investments (net)	**–**	*(0.13)*
	Exceptional Items [refer note Q(15)]	**241.73**	*285.57*
	Contingent provision against standard assets	**–**	*–*
	Liabilities/ provision no longer required written back	**(5.37)**	*(0.40)*
	Provision for doubtful advance	**–**	*0.02*
	Operating Profit before working capital changes	**165.77**	*84.43*
	Adjustments For :		
	Increase / (decrease) in liabilities and provisions	**(247.24)**	*(109.83)*
	(Increase) / decrease in trade receivables and current assets	**80.66**	*49.55*
	(Increase) / decrease in loans and advances	**5.26**	*11.43*
	(Increase) / decrease in earmarked bank account	**(0.00)**	*–*
	Cash generated from / (used in) operations	**4.45**	*35.58*
	Direct taxes paid (net of refund)	**(25.64)**	*(2.59)*
	Net cash (used in) / generated from operating activities (A)	**(21.19)**	*32.99*
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of fixed assets	**(2.40)**	*(3.97)*
	Proceeds from sale of fixed assets	**0.24**	*0.35*
	Investment in subsidiaries and associates	**(66.51)**	*(213.32)*
	Proceeds from divestment of stake in subsidiaries	**–**	*2,067.45*
	Repayment of debentures by subsidiaries	**15.00**	*15.00*
	Loans given to subsidiaries	**(1.64)**	*(81.14)*
	Loans repaid by subsidiaries	**22.85**	*89.12*
	Bank balances not considered as cash and cash equivalents (placed)/matured	**(20.97)**	*(299.56)*
	(Purchase) / Sale of current investments (net)	**(607.66)**	*(560.00)*
	Exchange gain / (loss) on investments	**–**	*0.13*
	Inter-corporate deposits given to Holding Company and Subsidiaries	**(1,563.50)**	*(21.90)*
	Inter-corporate deposits repaid by Holding Company and Subsidiaries	**1,548.56**	*25.47*
	Inter-corporate deposits taken from Holding Company and Subsidiaries	**–**	*887.61*
	Inter-corporate deposits repaid to Holding Company and Subsidiaries	**–**	*(1,094.61)*
	Net Cash (used in) / generated from Investing Activities (B)	**(676.03)**	*810.63*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Particulars	2017-18 ₹ Crore	2016-17 ₹ Crore
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	–	–
Proceeds from long term borrowings	–	250.00
Repayment of long term borrowings	(20.00)	(265.00)
Issue / (Repayment) of Commercial Papers (net)	(200.00)	200.00
Interest paid	(39.50)	(77.72)
Net Cash (used in) / generated from Financing Activities (C)	(259.50)	107.28
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(956.72)	950.90
Cash and cash equivalents at beginning of the year	970.03	19.13
Cash and cash equivalents taken over on Amalgamation [refer note Q(17)]	0.00	–
Cash and cash equivalents at end of the year [refer note H(III)]	13.31	970.03

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3: "Cash Flow Statements" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Also refer notes forming part of the standalone financial statements.
3. Previous year figures have been regrouped and reclassified, to the extent practical/necessary, duly considering the reporting requirements.
4. The composition of cash and cash equivalents in Cash Flow Statement is as follows :

	2017-18 ₹ crore	2016-17 ₹ crore
Balance with banks on current accounts	3.22	107.78
Bank deposits with maturity less than 3 months (including interest accrued thereon)	10.09	862.25
Total	13.31	970.03

As per our report attached

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

JAIDEEP S TRASI
Partner

Place : Chennai
Date : 28 April 2018

For and on behalf of the Board of Directors

SHAILESH K. PATHAK — *Chief Executive Officer and Whole-time Director (DIN: 01748959)*

T. S. VENKATESAN — *Whole-time Director (DIN: 01443165)*

KARTHIKEYAN T. V — *Chief Financial Officer*

K. C. RAMAN — *Company Secretary*

Place : Chennai
Date : 28 April 2018

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

A SHARE CAPITAL

A(I) Authorised, issued, subscribed and paid-up:

Particulars	As at 31.03.2018		*As at 31.03.2017*	
	No. of Shares	**₹ crore**	*No. of Shares*	*₹ crore*
Authorised:				
Equity shares of ₹ 10 each	**559,000,000**	**559.00**	*549,000,000*	*549.00*
Special equity shares of ₹ 10 each	**10,000**	**0.01**	*10,000*	*0.01*
Compulsorily Convertible Preference Shares Series 1 of ₹ 1,00,00,000 each	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Compulsorily Convertible Preference Shares Series 2 of ₹ 1,00,00,000 each	**200**	**200.00**	*200*	*200.00*
	559,012,000	**2,559.01**	*549,012,000*	*2,549.01*
Issued:				
Equity shares of ₹ 10 each	**321,049,196**	**321.05**	*321,049,196*	*321.05*
Special equity shares of ₹ 10 each	**10,000**	**0.01**	*10,000*	*0.01*
Compulsorily Convertible Preference Shares Series 1 of ₹ 1,00,00,000 each	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Compulsorily Convertible Preference Shares Series 2 of ₹ 1,00,00,000 each	**200**	**200.00**	*200*	*200.00*
	321,061,196	**2,321.06**	*321,061,196*	*2,321.06*
Subscribed and fully paid up:				
Equity shares of ₹ 10 each	**321,049,196**	**321.05**	*321,049,196*	*321.05*
Special equity shares of ₹ 10 each	**10,000**	**0.01**	*10,000*	*0.01*
Compulsorily Convertible Preference Shares Series 1 of ₹ 1,00,00,000 each	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Compulsorily Convertible Preference Shares Series 2 of ₹ 1,00,00,000 each	**200**	**200.00**	*200*	*200.00*
	321,061,196	**2,321.06**	*321,061,196*	*2,321.06*

A(II) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2018		*As at 31.03.2017*	
	No. of Shares	**₹ crore**	*No. of Shares*	*₹ crore*
Equity shares of ₹ 10 each fully paid up				
At the beginning of the year	**321,049,196**	**321.05**	*321,049,196*	*321.05*
Issued during the year as fully paid up	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**321,049,196**	**321.05**	*321,049,196*	*321.05*
Special equity shares of ₹ 10 each fully paid up				
At the beginning of the year	**10,000**	**0.01**	*10,000*	*0.01*
Issued during the year as fully paid up	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**10,000**	**0.01**	*10,000*	*0.01*
Compulsorily Convertible Preference Shares Series 1 of ₹ 1,00,00,000 each [refer note Q(5)(ii)]				
At the beginning of the year	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Issued during the year as fully paid up	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Compulsorily Convertible Preference Shares Series 2 of ₹ 1,00,00,000 each [refer note Q(5)(ii)]				
At the beginning of the year	**200**	**200.00**	*200*	*200.00*
Issued during the year as fully paid up	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**200**	**200.00**	*200*	*200.00*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

A(III) Terms / rights / restrictions attached to equity shares

Equity Shares of ₹ 10 each :

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

Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend. The shares issued carry equal rights to dividend declared by the Company and no restrictions are attached to any specific shareholder.

Special Equity shares of ₹ 10 each :

The Special Equity shares rank pari passu with the existing equity shares except as set out below

1. The Special Equity Shares carry specific incremental rights ("Director Voting Rights") with respect to the election, appointment and/or removal of directors of the Company. These Director Voting Rights are triggered only under specific conditions.
2. The Special Equity Shares carry no right to receive any dividend or other distributions of the Company, or otherwise carry any economic rights. However, upon the occurrence of the voluntary or involuntary liquidation, dissolution or winding up of the Company, the holder of Special Equity Shares is entitled to receive a maximum of ₹ 10 per Special Equity Share.

Compulsorily Convertible Preference Shares Series 1 and Series 2 of ₹ 1,00,00,000 each :

These shares are allotted pursuant to the Investment agreement entered into by the Company with Larsen & Toubro Limited (the Holding Company), Old Lane Mauritius III Limited and CPP Investment Board Singaporean Holdings 1 Pte. Limited dated 21 June 2014. These shares are convertible in terms of clause 8.1 of the said agreement into equity shares based on a valuation process set out in schedule 9 of the said agreement with the earliest conversion date being 01 April 2016. These preference shares are not entitled to any dividend or any other form of distribution of profits by the Company until conversion into equity shares.

A(IV) Shares held by holding company/ ultimate holding company and/or their subsidiaries/associates:

Particulars	As at 31.03.2018		*As at 31.03.2017*	
	No. of Shares	**Shareholding %**	*No. of Shares*	*Shareholding %*
Equity shares of ₹ 10 each				
Larsen & Toubro Limited, the Holding Company (including shares held along with its nominees)	**312,859,096**	**97.45**	*312,859,096*	*97.45*
Special equity shares of ₹ 10 each				
Larsen & Toubro Limited, the Holding Company	**10,000**	**100.00**	*10,000*	*100.00*

A(V) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31.03.2018		*As at 31.03.2017*	
	No. of Shares	**Shareholding %**	*No. of Shares*	*Shareholding %*
Equity shares of ₹ 10 each				
Larsen & Toubro Limited, the Holding Company (including shares held along with its nominees)	**312,859,096**	**97.45**	*312,859,096*	*97.45*
Special equity shares of ₹ 10 each				
Larsen & Toubro Limited, the Holding Company	**10,000**	**100.00**	*10,000*	*100.00*
Compulsorily Convertible Preference Shares Series 1 of ₹ 1,00,00,000 each				
CPP Investment Board Singaporean Holdings 1 Pte. Limited	**1,800**	**100.00**	*1,800*	*100.00*
Compulsorily Convertible Preference Shares Series 2 of ₹ 1,00,00,000 each				
CPP Investment Board Singaporean Holdings 1 Pte. Limited	**200**	**100.00**	*200*	*100.00*

A(VI) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: **NIL**.

A(VII) Calls unpaid: **NIL**; Forfeited shares: **NIL**.

A(VIII) The Special Equity Shares have no right to receive bonus shares or offers for rights shares.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

B RESERVES AND SURPLUS:

Particulars	As at 31.03.2018 ₹ crore	As at 31.03.2018 ₹ crore	*As at 31.03.2017 ₹ crore*	*As at 31.03.2017 ₹ crore*
Securities premium account				
As per last balance sheet	**1,973.76**		*1,973.76*	
Additions during the year	**–**		*–*	
		1,973.76		*1,973.76*
Debenture redemption reserve				
As per last balance sheet	**13.57**		*16.38*	
Add: Transferred to General Reserve [refer note B(I)]	**(2.25)**		*(2.81)*	
		11.32		*13.57*
Reserve u/s 45-IC of Reserve Bank of India Act, 1934 [refer note B(II)]				
As per last balance sheet	**79.81**		*79.81*	
Add: Transferred from Surplus in Statement of Profit and Loss	**–**		*–*	
		79.81		*79.81*
General Reserve				
As per last balance sheet	**10.31**		*7.50*	
Add: Transfer from debenture redemption reserve [refer note B(I)]	**2.25**		*2.81*	
		12.56		*10.31*
Surplus in Statement of Profit and Loss				
As per last balance sheet	**366.28**		*588.50*	
Less: Transfer to reserve u/s 45-IC of Reserve Bank of India Act,1934 [refer note B(II)]	**–**		*–*	
	366.28		*588.50*	
Add: Profit/(Loss) for the year	**(153.38)**		*(222.22)*	
Add: Net addition/deduction on Amalgamation [refer note Q(17)]	**(4.61)**		*–*	
		208.29		*366.28*
		2,285.74		*2,443.73*

Note B(I)
Consequent to the Company becoming a Systemically Important Non-Deposit taking Core Investment Company (CIC-ND-SI) with effect from 01 April 2015, no additional amounts have been transferred to Debenture Redemption Reserve (DRR). Out of the Debenture Redemption Reserve created as at 01 April 2015 of ₹ 23.88 crore, an aggregate amount of ₹ 12.56 crore, representing the reserve relating to the portion of debentures repaid after 01 April 2015 has been transferred to General Reserve as at 31 March 2018.

Note B(II)
Considering the loss after tax for the year ended 31 March 2018 and 31 March 2017, no amounts are required to be transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

C(I) LONG TERM BORROWINGS:

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Secured:				
Redeemable non-convertible fixed rate debentures [refer note C(I)(a)]		**100.00**		*120.00*
Unsecured:				
Redeemable non-convertible fixed rate debentures [refer note C(I)(b)]		**250.00**		*250.00*
		350.00		*370.00*

Note C(I)(a):
Details of Secured Redeemable non-convertible fixed rate debentures:

10.06% p.a. interest-bearing 1,200 nos. (1,350 nos as at 31 March 2017) of debentures of face value ₹ 10,00,000 each redeemable at par as shown below:

Series	**Amount (₹ crore)**	**Current maturities (₹ crore)**	*Non-current maturities (₹ crore)*	*Redemption Date*
Series "J" of 2012-13	**30.00**	**–**	*30.00*	*27/Apr/22*
Series "I" of 2012-13	**25.00**	**–**	*25.00*	*27/Apr/21*
Series "H" of 2012-13	**25.00**	**–**	*25.00*	*27/Apr/20*
Series "G" of 2012-13	**20.00**	**–**	*20.00*	*29/Apr/19*
Series "F" of 2012-13	**20.00**	**20.00**	*–*	*27/Apr/18*
Total	**120.00**	**20.00**	*100.00*	

Security:
The debentures referred above are secured by way of the following:

- Pledge of 1,900 nos. (2,050 nos as at 31 March 2017) of rated secured redeemable non-convertible debentures issued by Panipat Elevated Corridor Limited (subsidiary) of ₹ 10,00,000 each"
- an ear-marked bank account of the Company as given in note H(III) and
- an immovable property of the Company situated in Maharashtra as given in note E(II)(A)(ii).

Note C(I)(b):
Details of Unsecured Redeemable non-convertible fixed rate debentures as at 31 March 2018 and 31 March 2017:

PARTICULARS	**Rate of interest**	**Terms of repayments**
Redeemable non-convertible fixed rate debentures (2,500 nos)	8.60% p.a. payable annually	Redeemable at face value at the end of 10 years from the date of allotment or on exercise of call/put option

C(II) Other long-term liabilities:

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Advance received against sale of investments [refer note C(II)(a)]		**14.30**		*14.30*
		14.30		*14.30*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Note C(II)(a):

Advance received against sale of investments represents advance of ₹ 14.30 crore received from Sical Logistics Limited (SLL) against sale of 1,43,00,000 equity shares of ₹ 10/- each in Sical Iron Ore Terminals Limited (SIOTL) at cost to SLL vide Agreement for Share Sale and Purchase dated 17 December 2008. The sale is subject to the condition that it can be completed only after three years from the date of commencement of commercial operation by SIOTL as per clause 18.2.2 (i) (d) of the License agreement dated 23 September 2006 between SIOTL and Ennore Port Limited (EPL). SIOTL has not been able to commence commercial operation as of 31 March 2018 due to the ban of export of iron ore from the State of Karnataka. SIOTL has sought necessary approvals from EPL and Government of India for handling alternate commodities. The Company has requested SIOTL to approach EPL for approval of the transfer.

C(III) Long-term provisions:

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Provision for employee benefits				
Retention pay [refer note Q(6)(D)]	**2.32**		*2.37*	
		2.32		*2.37*
Contingent provisions against standard assets [refer note Q(18)]		**1.24**		*2.90*
		3.56		*5.27*

D(I) SHORT-TERM BORROWINGS:

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Commercial papers [refer note D(I)(a)]				
Issued to related parties - Subsidiaries	**–**		*50.00*	
Issued to others	**–**		*150.00*	
		–		*200.00*
		–		*200.00*

Note D(I)(a):

Details of Commercial papers

AS AT 31.03.2017	**Rate of interest**	**Terms of repayments**
Issued to Others/ Subsidiaries	As agreed in the deal confirmation note based on market rate (ranging from 6.75% to 6.77%)	As agreed in the deal confirmation note (ranging from 30 to 45 days)

Commercial papers issued/ repaid during the year is as follows:

Particulars	**Tenor (Days)**	**Discount rate (per annum)**	*Date of Transaction*	*Redemption Date*
3,000 units having face value of ₹ 5,00,000 each	**45**	**6.77%**	*16-Mar-17*	*30-Apr-17*
1,000 units having face value of ₹ 5,00,000 each	**30**	**6.75%**	*27-Mar-17*	*26-Apr-17*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

D(II) TRADE PAYABLES:

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Total outstanding dues of micro enterprises and small enterprises [refer note Q(12)]		**–**		–
Total outstanding dues of creditors other than micro enterprises and small enterprises				
Acceptances	**2.32**		*158.08*	
Due to Holding company	**16.75**		*21.23*	
Due to Fellow subsidiaries	**0.22**		–	
Due to Others	**14.92**	**34.21**	*21.21*	*200.52*
		34.21		*200.52*

D(III) OTHER CURRENT LIABILITIES:

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Current maturities of long-term borrowings [refer note C(I)(a)]		**20.00**		*15.00*
Interest accrued but not due on borrowings		**16.87**		*18.26*
Due to customers [refer note Q(3)]				
From related parties				
Subsidiaries		**72.65**		*200.68*
Due to related parties				
Holding company	**–**		–	
Subsidiary	**–**		–	
Fellow subsidiaries	**–**		–	
		–		–
Advance received against sale of investments [refer note D(III)(a)]		**42.00**		–
Other payables				
Gratuity [refer note Q(6)(B)]	**1.66**		*0.95*	
Statutory liabilities	**1.54**		*3.68*	
Liability for capital goods	**–**		*1.94*	
Others	**6.93**		*6.54*	
		10.13		*13.11*
		161.65		*247.05*

Note D(III)(a):

Advance received against sale of investments represents advance received from L&T Transportation Infrastructure Limited towards sale of 4,20,00,000 equity share of ₹ 10 each at cost in L&T Deccan Tollways Limited. L&T Deccan Tollways Limited is in the process of obtaining approval from the term lenders to acquire shares from the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

D(IV) SHORT-TERM PROVISIONS

Particulars	As at 31.03.2018		*As at 31.03.2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits				
Compensated absences [refer note Q(6)(C)]	4.17		*3.95*	
Retention pay [refer note Q(6)(D)]	1.61		*1.87*	
		5.78		*5.82*
Provision for current tax [net of advance tax]		2.52		*–*
Contingent provisions against standard assets [refer note Q(18)]		2.05		*0.50*
		10.35		*6.32*

E FIXED ASSETS (Current Year)

E(I) Tangible Assets

₹ crore

Particulars	Gross				Depreciation				Net carrying value
	As at 01.04.2017	Additions	Disposals	**As at 31.03.2018**	*Upto 31.03.2017*	For the period	Disposals	**Upto 31.03.2018**	**As at 31.03.2018**
Land									
Freehold [refer note E(II)(A)(i)]	*1.50*	–	–	**1.50**	*–*	–	–	**–**	**1.50**
Buildings									
Leased out [refer note E(II)(A)(ii)]	*2.21*	–	–	**2.21**	*0.24*	0.05	–	**0.29**	**1.92**
Plant & Equipment									
Owned	*51.20*	0.12	0.20	**51.12**	*18.39*	2.55	0.18	**20.76**	**30.36**
Computers									
Owned	*5.38*	0.97	0.24	**6.11**	*2.60*	0.91	0.18	**3.33**	**2.78**
Electrical Installations									
Owned	*0.13*	0.03	0.11	**0.05**	*0.13*	0.01	0.11	**0.03**	**0.02**
Furniture & Fixture									
Owned	*1.36*	0.09	0.32	**1.13**	*1.23*	0.04	0.32	**0.95**	**0.18**
Vehicles (including motor car)									
Owned	*3.20*	0.61	0.87	**2.94**	*1.45*	0.66	0.78	**1.33**	**1.61**
Office Equipments									
Owned	*1.04*	0.50	–	**1.54**	*0.85*	0.15	–	**1.00**	**0.54**
Total	***66.02***	**2.32**	**1.74**	**66.60**	***24.89***	**4.37**	**1.57**	**27.69**	**38.91**

E(II) Intangible Assets

₹ crore

Particulars	Gross				Amortisation				Net carrying value
	As at 01.04.2017	Additions	Disposals	**As at 31.03.2018**	*Upto 31.03.2017*	For the period	Disposals	**Upto 31.03.2018**	**As at 31.03.2018**
Specialised Software	*1.49*	0.08	–	**1.57**	*1.38*	0.03	–	**1.41**	**0.16**
Total	***1.49***	**0.08**	**–**	**1.57**	***1.38***	**0.03**	**–**	**1.41**	**0.16**
Grand total	***67.51***	**2.40**	**1.74**	**68.17**	***26.27***	**4.40**	**1.57**	**29.10**	**39.07**

Notes:

E(II)(A) (i) Land includes ₹ 0.40 crore, being the freehold land situated at District Raigad, measuring 242.00 Sq.Mtrs and 166.50 Sq.Mtrs, the title deeds of which are in the name of L&T East - West Tollway Limited and L&T Great Eastern Highway Limited respectively, the erstwhile subsidiaries which got merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature in the year 2014-2015."

E(II)(A) (ii) Cost of leased out building includes ownership of an accommodation at Maharashtra of ₹ 0.13 crore (accumulated depreciation of ₹ 0.03 crore) by holding 5 shares of face value ₹ 50/- each in a co-operative society. The purchase deed in respect of the said

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

building is in the name of L&T Holdings Limited, the erstwhile name of the Company, which was changed to L&T Infrastructure Development Projects Limited in 2004. The said leased out building is mortgaged to secure redeemable non-convertible fixed rate debentures [refer note C(I)(i)(a)].

E(II)(A) (iii) Total depreciation for the year is ₹ 4.40 crore comprising of ₹ 4.37 crore of tangible assets and ₹ 0.03 crore of intangible assets.

E FIXED ASSETS (Previous Year)

E(I) Tangible Assets

₹ crore

Particulars	Gross				Depreciation				Net carrying value
	As at 01.04.2016	*Additions*	*Disposals*	*As at 31.03.2017*	*Upto 31.03.2016*	*For the year*	*Disposals*	*Upto 31.03.2017*	*As at 31.03.2017*
Land									
Freehold [refer note E(III)(B)(i)]	1.50	–	–	1.50	–	–	–	–	1.50
Buildings									
Leased out [refer note E(III)(B)(ii)]	2.21	–	–	2.21	0.20	0.04	–	0.24	1.97
Plant & Equipment									
Owned	51.36	–	0.16	51.20	15.98	2.56	0.15	18.39	32.81
Computers									
Owned	3.05	2.70	0.37	5.38	2.39	0.53	0.32	2.60	2.78
Electrical Installations									
Owned	0.16	–	0.03	0.13	0.15	–	0.02	0.13	–
Furniture & Fixture									
Owned	1.71	–	0.35	1.36	1.51	0.05	0.33	1.23	0.13
Vehicles (including motor car)									
Owned	2.93	1.03	0.76	3.20	1.40	0.62	0.57	1.45	1.75
Office Equipments									
Owned	0.98	0.13	0.07	1.04	0.79	0.13	0.07	0.85	0.19
Total	**63.90**	**3.86**	**1.74**	**66.02**	**22.42**	**3.93**	**1.46**	**24.89**	**41.13**

E(II) Intangible Assets

₹ crore

Particulars	Gross				Amortisation				Net carrying value
	As at 01.04.2016	*Additions*	*Disposals*	*As at 31.03.2017*	*Upto 31.03.2016*	*For the year*	*Disposals*	*Upto 31.03.2017*	*As at 31.03.2017*
Specialised Software	1.38	0.11	–	1.49	1.37	0.01	–	1.38	0.11
Total	**1.38**	**0.11**	**–**	**1.49**	**1.37**	**0.01**	**–**	**1.38**	**0.11**
Grand total	**65.28**	**3.97**	**1.74**	**67.51**	**23.79**	**3.94**	**1.46**	**26.27**	**41.24**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

F NON-CURRENT INVESTMENTS (at cost unless otherwise stated)

Particulars	As at 31.03.2018 ₹ crore	₹ crore	*As at 31.03.2017* *₹ crore*	*₹ crore*
Long-term Investments				
Trade investments [refer note F(I) to note(IX)]				
(i) Investments in unquoted equity/preference instruments of				
(a) Subsidiary companies				
(i) Fully paid equity shares	**1,707.07**		*2,243.48*	
(ii) Fully paid preference shares	**745.16**		*635.85*	
	2,452.23		*2,879.33*	
(b) Associate companies	**–**		*9.83*	
(c) Other companies	**14.86**		*14.86*	
		2,467.09		*2,904.02*
(ii) Investments in unquoted debentures of				
(a) Subsidiary company		**170.00**		*190.00*
Less: Provision for diminution in value of investments		**(450.78)**		*(339.32)*
		2,186.31		*2,754.70*
Aggregate amount of unquoted investments at cost less diminution		**2,186.31**		*2,754.70*
Aggregate provision for diminution in value of investments		**450.78**		*339.32*

NOTE F(I): DETAILS OF NON CURRENT INVESTMENTS

S. No.	Particulars	Face value ₹ per share	Number of shares *As at 01.04.2017*	Purchased / subscribed / reclassified during the year	Sold / reclassified / during the year	As at 31.03.2018	As at 31.03.2018 ₹ crore	*As at 31.03.2017* *₹ crore*
	Trade investments:							
(i)	**Unquoted equity instruments:**							
(a)	**Investment in subsidiaries:**							
	Fully paid equity shares:							
	Kudgi Transmission Limited	10	*192,599,998*			**192,599,998**	**192.60**	*192.60*
	Ahmedabad - Maliya Tollway Limited	10	*148,999,900*			**148,999,900**	**149.00**	*149.00*
	L&T BPP Tollway Limited [refer note F(IV)]	10	*247,199,998*	2	247,200,000	**–**	**–**	*247.20*
	L&T Deccan Tollways Limited [refer note Note D(III)(a)]	10	*205,999,998*	79,340,000	42,000,000	**243,339,998**	**243.34**	*206.00*
	Devihalli Hassan Tollway Limited [refer note F(IV)]	10	*89,999,900*	100	90,000,000	**–**	**–**	*90.00*
	L&T Halol - Shamlaji Tollway Limited [refer note F(V)]	10	*390,509,700*		990,200	**389,519,500**	**389.52**	*390.50*
	L&T IDPL Trustee Manager Pte. Ltd [refer note F(VI)]	1*	*1,315,000*		1,315,000	**–**	**–**	*6.16*
	L&T Interstate Road Corridor Limited	10	*57,159,998*			**57,159,998**	**57.16**	*57.16*
	Krishnagiri Thopur Toll Road Limited [refer note F(IV)]	10	*78,749,998*	2	78,750,000	**–**	**–**	*78.75*
	Krishnagiri Walajahpet Tollway Limited [refer note F(IV)]	10	*89,997,400*	2,600	90,000,000	**–**	**–**	*90.00*
	Panipat Elevated Corridor Limited	10	*84,299,998*			**84,299,998**	**84.30**	*84.30*
	L&T Port Kachchigarh Limited [refer note Q(17)]	10	*4,160,000*		4,160,000	**–**	**–**	*4.16*
	L&T Rajkot - Vadinar Tollway Limited	10	*109,999,900*			**109,999,900**	**110.00**	*110.00*
	L&T Samakhiali Gandhidham Tollway Limited	10	*80,527,000*			**80,527,000**	**80.53**	*80.53*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

S. No.	Particulars	Face value ₹ per share	Number of shares				As at 31.03.2018	As at 31.03.2017
			As at 01.04.2017	Purchased / subscribed / reclassified during the year	Sold / reclassified / during the year	As at 31.03.2018	₹ crore	₹ crore
	L&T Transportation Infrastructure Limited	10	30,536,000			30,536,000	53.14	53.14
	Vadodara Bharuch Tollway Limited	10	43,499,998			43,499,998	43.50	43.50
	Western Andhra Tollways Limited [refer note F(IV)]	10	56,499,998	2	56,500,000	–	–	56.50
	LTIDPL INDVIT Services Limited [refer note Q(16)]	10	13,950,007			13,950,007	13.95	13.95
	L&T Sambalpur - Rourkela Tollway Limited	10	290,029,998			290,029,998	290.03	290.03
							1,707.07	2,243.48
(b)	Investments in associate companies:							
	Fully paid equity shares :							
	International Seaports Haldia (Private) Limited [refer note F(VII)]	10	9,830,000		9,830,000	–	–	9.83
							–	9.83
(c)	Investment in other companies:							
	Fully paid equity shares:							
	Second Vivekananda Bridge Tollway Company Private Limited	10	915			915	–	–
	SICAL Iron Ore Terminals Limited	10	14,300,000			14,300,000	14.30	14.30
	Indian Highway Management Company Limited	10	555,370			555,370	0.56	0.56
							14.86	14.86
	Investment in unquoted equity instruments - Total						1,721.93	2,268.17
(ii)	Unquoted preference instruments:							
(a)	Investment in subsidiaries:							
	Fully paid 0.01% optionally convertible cumulative redeemable preference shares:							
	L&T Halol - Shamlaji Tollway Limited [refer note F(V)]	10	129,509,800	990,200		130,500,000	130.50	129.51
							130.50	129.51
	Fully paid 0.01% compulsorily convertible preference shares:							
	Ahmedabad - Maliya Tollway Limited	10	221,635,440	47,309,164		268,944,604	268.94	221.64
	L&T Rajkot - Vadinar Tollway Limited	10	125,492,100	46,302,352		171,794,452	171.79	125.49
	L&T Samakhiali Gandhidham Tollway Limited	10	113,465,780	14,718,223		128,184,003	128.18	113.46
	Panipat Elevated Corridor Limited	10	45,746,606			45,746,606	45.75	45.75
							614.66	506.34
	Investment in unquoted preference instruments - Total						745.16	635.85
(iii)	Unquoted debentures:							
(a)	Investment in subsidiaries:							
	"Panipat Elevated Corridor Limited - 10.56% secured redeemable non-convertible debentures (unquoted) [refer note C(I)(a)]"	1,000,000	1,900	–	# 200	1,700	170.00	190.00
	Investments in Debentures - Total						170.00	190.00
	Less: Provision for diminution in value of non current investments						(450.78)	(339.32)
	Total Non Current Investments						2,186.31	2,754.70

* Singapore Dollar; # reclassified to current portion of long term investments

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Note F(II):

The Company had pledged its investment in the equity shares of the following companies, to the lenders of term loan of the respective companies

Sl. No	Name of the Company	As at 31.03.2018		*As at 31.03.2017*	
		₹ crore	₹ crore	*₹ crore*	*₹ crore*
(a)	**Subsidiary companies**				
1.	Krishnagiri Thopur Toll Road Limited [refer note F(IV)]	–		*20.47*	
2.	Western Andhra Tollways Limited [refer note F(IV)]	–		*14.69*	
3.	Vadodara Bharuch Tollway Limited	–		*22.18*	
4.	Krishnagiri Walajahpet Tollway Limited [refer note F(IV)]	–		*45.90*	
5.	L&T Samakhiali Gandhidham Tollway Limited	41.07		*41.07*	
6.	Devihalli Hassan Tollway Limited [refer note F(IV)]	–		*44.10*	
7.	L&T Halol - Shamlaji Tollway Limited [refer note F(V)]	520.02		*390.50*	
8.	PNG Tollway Limited [refer note Q(14)]	41.40		*41.40*	
			602.49		*620.31*
			602.49		*620.31*

Note F(III):

Disclosures pursuant to Accounting Standard (AS 13) "Accounting for Investments"

The Company has given, inter alia, the following undertakings in respect of its investments:

(a) Jointly with Larsen & Toubro Limited (holding company), to the term lenders of L&T Transportation Infrastructure Limited (LTTIL) not to reduce the joint shareholding in LTTIL below 51% until the financial assistance received from the term lenders is repaid in full by LTTIL.

(b) Jointly with Larsen & Toubro Limited (holding company), to the term lenders of L&T Samakhiali Gandhidham Tollway Limited (LTSGTL) not to reduce the joint shareholding in LTSGTL below 51% until the financial assistance received from the term lenders is repaid in full by LTSGTL.

(c) Jointly with Larsen & Toubro Limited (holding company) and Ashoka Buildcon Limited, to the term lenders of PNG Tollway Limited (PNG) not to reduce the joint shareholding in PNG below 51% until the financial assistance received from the term lenders is repaid in full by PNG.

(d) To the term lenders of the below mentioned subsidiaries, not to divest control without the prior approval of the lenders and Gujarat State Road Development Corporation Limited.

- L&T Rajkot - Vadinar Tollway Limited
- Ahmedabad - Maliya Tollway Limited

(e) To the term lenders of L&T Sambalpur - Rourkela Tollway Limited (LTSRTL) to retain the management control of LTSRTL and not to reduce the shareholding below 51% without prior written approval of the lenders.

(f) To the term lenders of L&T Deccan Tollways Limited not to reduce its shareholding below 51% of total paid up equity share capital as per the Finance Plan during the currency of the loan without prior approval of the lenders.

(g) To the term lenders of L&T Interstate Road Corridor Limited not to reduce its shareholding below 51% until the expiry of three years from Commercial Operation Date (COD) and thereafter not to reduce its shareholding below 26% until the financial assistance received from the term lenders is repaid in full.

(h) The company has given an undertaking to the debenture trustee and term lenders of the following subsidiaries not to change the management or control in these subsidiaries and/or not to reduce its shareholding below 51% until these subsidiaries have made adequate arrangement as mutually agreed by the subsidiaries with the debenture trustee and term lenders respectively:

a. Krishnagiri Thopur Toll Road Limited [refer note F(IV)]

b. Western Andhra Tollways Limited [refer note F(IV)]

c. Vadodara Bharuch Tollway Limited

d. Devihalli Hassan Tollway Limited [refer note F(IV)]

(i) To the term lenders of Krishnagiri Walajahpet Tollway Limited (KWTL) to retain management control of KWTL and not agree/effect any change in the management control till the final settlement date.

Note F(IV):

The Company had obtained approval from the Securities and Exchange Board of India (SEBI) for the establishment of an Infrastructure Investment Trust under (InvIT) under the provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014. The

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Certificate of Registration (CoR) as an InvIT was issued by SEBI to Indinfravit Trust was issued on 15 March 2018. The Board of Directors in their meeting held on 16 March 2018, approved transfer of the Company's interest in five of its below mentioned road subsidiaries to Indinfravit Trust.

a) L&T BPP Tollway Limited

b) Devihalli Hassan Tollway Limited

c) Krishnagiri Thopur Toll Road Limited

d) Krishnagiri Walajahpet Tollway Limited

e) Western Andhra Tollways Limited

Accordingly investments and loans and advances of ₹ 462.45 crore (net of estimated provision for diminution of ₹ 100.00 crore) and ₹ 392.96 crore, respectively, has been reclassified as part of current investments and short term loans and advances. For effecting the transaction the pledge on these shares were removed. The Company believes that the amount of net investments and the receivables carried in the books is good for recovery and no additional provision/adjustment to the carrying value of the said investments/receivables is considered necessary by the Management as at March 31, 2018.

Note F(V)

During the previous year ended 31 March 2017, one of the subsidiaries of the Company, namely, L&T Halol Shamalji Tollway Limited (LTHSTL), pursuant to its withdrawal of the termination letter issued to Gujarat State Road Development Corporation (GSRDC) had entered into a Master Restructuring Agreement with its lenders under the Strategic Restructuring package of the Reserve Bank of India. Pursuant to the same,

a) the lenders have acquired about 51% stake in LTHSTL. However the Company continues to retain Management control over LTHSTL.

b) the Company has entered into a deed of pledge wherein all the shares held by the Company in L&T HSTL have been pledged in favour of the lenders of LTHSTL.

c) the amount of Mezannaine debt given to LTHSTL amounting to ₹ 130.50 crore has been converted into equity shares.

d) investment in Preference shares of LTHSTL has been converted into equity shares of LTHSTL to the extent of ₹ 129.51 crore.

e) the Company has entered into a sponsor undertaking in favour of the lenders wherein the Company has sub-ordinated its rights to receive any amounts from LTHSTL in whatever form unless all obligations of the lenders including the equity portion of their debt is repaid with an agreed IRR.

(f) the Company shall not transfer or pledge the equity shares held by it in LTHSTL, without procuring the prior written consent of the lender shareholders.

(g) LTHSTL has allotted 9,90,200 0.01% optionally Convertibile Preference Shares of ₹ 10 each in favour of the Company for the rectification of excess conversion of Preference Shares into Equity Shares made during the financial year 2016-17.

Note F(VI)

L&T IDPL Trustee Manager Pte. Ltd (Trustee Manager) was incorporated to render investment advisory, fund management and other services for the investment activity to be carried out in Singapore. On closure of activities in Singapore, it was decided to voluntarily wind up and close the subsidiary. In the process of winding up, the issued and paid up capital of Trustee Manager was reduced from SGD 1,315,000 to SGD 1 by repatriating the residual interest of L&T IDPL and by cancelling remaining paid up capital. Since it is expected to wind up the subsidiary in foreseeable future, the investment of 1 share at 1 SGD and the corresponding provision for diminution has been reclassified to current investment [refer note H(I)].

Note F(VII):

The Board of Directors of the Company in its meeting held on 22 January 2018 has approved the transfer of 98,30,000 equity shares of ₹ 10 each in International Seaports (Haldia) Private Limited (ISHPL) to L&T Transportation Infrastructure Limited (LTTIL). Accordingly investment in ISHPL has been reclassified to current investment [refer note H(I)].

Note F(VIII)

During the previous year ended 31 March 2017, the Company had sold its investment in L&T Metro Rail (Hyderabad) Limited (LTMRHL) at cost, pursuant to the agreement entered into with Larsen & Toubro Limited, the Holding Company ("Buyer") dated 29 March 2017. Further, the Company has been relieved of all its obligations/undertakings provided by the Company to the lenders of LTMRHL, post the sale of the Company's stake in favour of the Holding Company.

Note F(IX)

The Company is carrying net investments aggregating to ₹ 1,149.80 crore (As at 31 March 2017 ₹ 1,331.76 crore) and has outstanding net loans and advances aggregating to ₹ 125.09 crore (As at 31 March 2017 ₹ 222.99 crore) provided to certain operating subsidiaries of the Company engaged in infrastructure projects whose net worth is fully eroded/undergoing restructuring due to continuous losses, as per the audited financial statements of these entities as at 31 March 2018.

Considering the gestation period required for break even for such infrastructure investments, restructuring/refinancing arrangements carried out/ proposed, expected higher cash flows based on future business projections and the strategic nature of these investments, no additional provision/ adjustment to the carrying value of the said investments/ loans and advances is considered necessary by the Management as at 31 March 2018. [refer note Q(15)].

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

G LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2018		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Unsecured, considered good				
Loans and advances to related parties				
Subsidiary companies: [refer note F(IX)]				
Unsecured loans, considered good (including interest accrued thereon) [refer note G(I)]	**139.43**		*639.05*	
Advance towards equity shares in L&T Deccan Tollways Limited	**–**		*12.84*	
Mat credit entitlement [refer note Q(4)]	**45.20**		*29.80*	
		184.63		*681.69*
		184.63		*681.69*

Note G(I): Unsecured loans to subsidiary companies includes:

(a) Mezzanine debt given to the following subsidiaries:

Name of the Subsidiary	As at 31.03.2018	*As at 31.03.2017*
	₹ crore	*₹ crore*
(i) Interest-free Mezzanine debt given to its subsidiary, Ahmedabad - Maliya Tollway Limited as per Schedule IX of the Common Loan Agreement dated 09 October 2009. The repayment of this debt will be made only after secured obligations are discharged by the subsidiary to its lenders as per the terms of the Agreement.	**52.69**	*100.00*
(ii) Interest-free Mezzanine debt given to its subsidiary, L&T Rajkot - Vadinar Tollway Limited as per Part B of Schedule III of the Common Loan Agreement dated 28 August 2009. The repayment of this debt will be made only after secured obligations are discharged by the subsidiary to its lenders as per the terms of the Agreement.	**63.70**	*110.00*
(iii) Interest-free Mezzanine debt given to its subsidiary, L&T Samakhiali Gandhidham Tollway Limited as per Schedule II of the Common Loan Agreement dated 03 July 2010. The repayment of this debt will be made only after secured obligations are discharged by the subsidiary to its lenders as per the terms of the Agreement.	**23.04**	*37.76*
(iv) Interest-free Mezzanine debt given to its subsidiary, L&T BPP Tollway Limited as per Schedule II of the Common Loan Agreement dated 17 November 2011. The repayment of this debt will be made only after secured obligations are discharged by the subsidiary to its lenders as per the terms of the Agreement [refer note F(IV)].	**–**	*370.80*
Total Mezzanine Debt (a)	**139.43**	*618.56*

(b) Cash support provided to the following subsidiaries (interest paid at one year G-Sec rate p.a. prevailing on the effective date of borrowing)

Name of the Subsidiary	As at 31.03.2018	*As at 31.03.2017*
	₹ crore	*₹ crore*
Devihalli Hassan Tollway Limited [refer Note F(IV)]	**–**	*11.45*
Krishnagiri Walajahpet Tollway Limited [refer Note F(IV)]	**–**	*4.01*
Total Cash support (b)	**–**	*15.46*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(c) Interest accrued but not due on cash support

Name of the Subsidiary	**As at 31.03.2018**	*As at 31.03.2017*
	₹ crore	*₹ crore*
Devihalli Hassan Tollway Limited [refer Note F(IV)]	**–**	*0.88*
Krishnagiri Walajahpet Tollway Limited [refer Note F(IV)]	**–**	*0.41*
Total Interest accrued but not due on cash support (c)	**–**	*1.29*

As per the arrangement with the subsidiaries read with the undertaking given to the lenders who have provided loan to the subsidiaries, the amount and interest thereon will be repayable by the subsidiaries to the Company after the last instalment of the borrowings are repaid by the subsidiaries to its lenders.

(d) Inter corporate deposits placed with the following Subsidiaries at RBI bank rate (presently at 6.25% p.a.)

Name of the Subsidiary	**As at 31.03.2018**	*As at 31.03.2017*
	₹ crore	*₹ crore*
Long-term loans and advances		
Panipat Elevated Corridor Limited	**–**	*3.74*
Total Inter corporate deposits (d)	**–**	*3.74*
Total Loans and advances to subsidiaries (a+b+c+d)	**139.43**	*639.05*

H(I) CURRENT INVESTMENTS (at cost or net realisable value)

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Investment in subsidiaries [refer note H(I)(a)]				
Investment held for sale	**504.45**		*–*	
Investment in terminated projects	**42.00**		*42.00*	
Investment in subsidiary which have ceased operation	**–**		*–*	
Current portion of long-term investments	**20.00**		*15.00*	
		566.45		*57.00*
Investment in associates [refer note H(I)(b)]		**9.83**		*–*
Investment in quoted mutual funds [refer note H(I)(c)]		**1,167.66**		*560.00*
		1,743.94		*617.00*

Note H(I)(a): Details of investment in subsidiaries

S. No.	**Particulars**	Face value ₹ per share	**No of shares as at 31.03.2018**	**As at 31.03.2018**	*As at 31.03.2017*
		₹	**Nos.**	**₹ crore**	*₹ crore*
	Investments in subsidiaries:				
(a)	**Investments held for sale**				
(i)	**Investment in unquoted equity instruments**				
	L&T BPP Tollway Limited ^	10	**247,200,000**	**247.20**	*–*
	Krishnagiri Walajahpet Tollway Limited ^	10	**90,000,000**	**90.00**	*–*
	Devihalli Hassan Tollway Limited ^	10	**90,000,000**	**90.00**	*–*
	Krishnagiri Thopur Toll Road Limited ^	10	**78,750,000**	**78.75**	*–*
	Western Andhra Tollways Limited ^	10	**56,500,000**	**56.50**	*–*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

S. No.	Particulars	Face value ₹ per share	No of shares as at 31.03.2018	As at 31.03.2018	As at 31.03.2017
		₹	Nos.	₹ crore	₹ crore
	L&T Deccan Tollways Limited [refer note Note D(III)(a)]	10	42,000,000	42.00	
	Less: Diminution in value of investment [refer note Note Q(15)]			(100.00)	–
				504.45	–
(b)	**Investment in terminated projects**				
(i)	Investment in unquoted equity instruments				
	PNG Tollway Limited [refer note Q(14) and Q(15)]	10	102,711,340	102.71	102.71
	L&T Chennai - Tada Tollway Limited [refer note Q(14) and Q(15)]	10	41,999,900	42.00	42.00
	Less: Diminution in value of investment			(102.71)	(102.71)
				42.00	42.00
(ii)	Investment in unquoted preference shares				
	PNG Tollway Limited [refer note Q(14) and Q(15)]	10	91,110,000	91.11	91.11
	Less: Diminution in value of investment			(91.11)	(91.11)
				–	–
(c)	**Investment in subsidiary which have ceased operation**				
(i)	Investment in unquoted equity instruments				
	L&T IDPL Trustee Manager Pte. Ltd [refer Note F(VI)]	1*	1	0.00	–
	Less: Diminution in value of investment			(0.00)	–
				–	–
(d)	**Current portion of long-term investments**				
(i)	Investment in unquoted debentures				
	Panipat Elevated Corridor Limited - 10.56% secured non convertible debentures [refer note C (I)(a)]	1,000,000	200	20.00	15.00
				20.00	15.00
	Total Current Investment in subsidiaries			566.45	57.00

*Singapore Dollar; ^ Previous year investment was included as non current investment [refer note F(IV)]

Note H(I)(b): Details of investment in associates

S. No.	Particulars	Face value ₹ per share	No of shares as at 31.03.2018	As at 31.03.2018	As at 31.03.2017
		₹	Nos.	₹ crore	₹ crore
	Investment in associates:				
(a)	**Investment held for sale**				
(i)	Investment in unquoted equity instruments				
	International Seaports Haldia (Private) Limited [refer note F(VII)]	10	9,830,000	9.83	–
	Total Current Investment in subsidiaries			9.83	–

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Note H(I)(c): Details of investment in quoted mutual funds

Particulars	NAV	**No of units as at 31.03.2018**	**Market value**	*Book value*
	₹	**Nos.**	**₹ crore**	*₹ crore*
IDFC Cash Fund - Growth Option (Regular Plan)	2,103.42	**585,599.91**	**123.18**	*121.41*
Tata Money Manager Fund Growth Option	2,726.94	**805,129.41**	**219.55**	*218.64*
Tata Liquid Fund Regular Plan - Growth	3,191.66	**72,683.37**	**23.20**	*23.05*
Sundaram Money Fund Regular Growth	36.49	**6,006,935.29**	**21.92**	*20.57*
ICICI Prudential Liquid Fund Growth	256.39	**4,731,205.24**	**121.30**	*120.91*
Reliance Liquidity Fund - Growth	2,605.48	**311,692.81**	**81.21**	*80.57*
Reliance Liquidity Fund Treasury Fund- Growth Option	4,222.25	**182,578.02**	**77.09**	*75.59*
L&T Liquid Fund Growth Regular	2,375.82	**588,350.95**	**139.78**	*132.94*
SBI Premier Liquid Fund -Regular Plan -Growth	2,715.59	**64,103.87**	**17.41**	*16.33*
HDFC Liquidity Fund - Growth	3,410.56	**413,744.03**	**141.11**	*140.87*
Kotak Liquid Regular Plan Growth	3,512.89	**12,723.55**	**4.47**	*4.44*
UTI Liquid Cash Plan Institutional - Growth	2,836.79	**496,109.50**	**140.74**	*138.64*
DSP Blackrock Liquidity Fund Institutional - Growth	2,473.99	**209,414.24**	**51.81**	*50.70*
Axis Liquid Fund - Growth	1,920.74	**69,686.19**	**13.38**	*13.00*
Birla Sun Life Cash Plus Growth - Regular Plan	278.23	**370,024.88**	**10.30**	*10.00*
Aggregate book value of quoted current investment			**1,186.44**	*1,167.66*

Particulars	NAV	**No of units as at 31.03.2017**	**Market value**	*Book value*
	₹	**Nos.**	**₹ crore**	*₹ crore*
Tata Money Market Fund Regular Plan - Growth	2,553.79	**783,511.99**	**200.09**	*200.00*
ICICI Prudential Money Market Fund - Growth	224.38	**8,917,679.12**	**200.10**	*200.00*
IDFC Cash Fund Growth (Regular Plan)	1,970.93	**304,501.68**	**60.02**	*60.00*
Reliance Liquidity Fund - Growth	2,442.18	**204,796.57**	**50.02**	*50.00*
L&T Liquid Fund Growth Regular	2,224.77	**224,799.65**	**50.01**	*50.00*
Aggregate book value of quoted current investment			**560.24**	*560.00*

H(II) TRADE RECEIVABLES

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Unsecured considered good				
Debts outstanding for a period of more than 6 months	**1.87**		*112.62*	
Other debts	**66.29**		*24.10*	
		68.16		*136.72*
		68.16		*136.72*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

H(III) CASH AND BANK BALANCES

Particulars	As at 31.03.2018		As at 31.03.2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Cash and cash equivalents				
Balance with banks	3.22		107.78	
Fixed deposits with banks (maturity less than 3 months)	10.09		862.25	
		13.31		970.03
Other bank balances				
Fixed deposits with banks (including interest accrued thereon)	321.14		300.16	
Earmarked bank account for Non Convertible Debentures issued [current year ₹ 14,244/- and previous year ₹ 10,000/-] [refer note C(I)(a)]	0.00		0.00	
		321.14		300.16
		334.45		1,270.19

H(IV) SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31.03.2018		As at 31.03.2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Unsecured, considered good, unless otherwise stated				
Loans and advances to related parties				
Holding company				
Advance recoverable	–		6.13	
Advance paid for purchase of investments [refer note H(IV)(a)]	22.42		22.42	
Other advances	–		0.35	
		22.42		28.90
Subsidiary companies:				
Inter-corporate deposits (including interest accrued) considered good [refer note H (IV)(b)(i) and H (IV)(b)(ii)]	6.71		6.56	
Inter-corporate deposits (including interest accrued) considered doubtful [refer note H (IV)(b)(i) and H (IV)(b)(ii)]	19.95		–	
Unsecured loans and advances (including interest accrued) - considered good [refer note H (IV)(c)(i) and H (IV)(c)(ii)]	390.29		23.15	
Unsecured loans and advances (including interest accrued) - considered doubtful [refer note H (IV)(c)(i) and H (IV)(c)(ii)]	206.18		206.18	
Other advances	–		5.00	
Less: Provision for doubtful advance	(226.13)		(206.18)	
		397.00		34.71
Considered doubtful:				
Other advances - considered doubtful	–		0.45	
Less: Provision for doubtful advance	–		(0.45)	
		–		–

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Particulars	As at 31.03.2018		As at 31.03.2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Other short term loans and advances				
Advance tax (net of provisions)	31.83		28.41	
Mat credit entitlement [refer note Q(4)]	–		33.48	
Security deposits	0.28		0.31	
Other advances [refer note Q(11)]	77.95		71.44	
		110.06		133.64
		529.48		197.25

Note H(IV):

(a) Advance paid for purchase of investments represents the advance paid to Larsen & Toubro Limited, the Holding Company towards the purchase of their stake in PNG Tollway Limited, a subsidiary of the Company.

(b) (i) Inter corporate deposits placed with the following Subsidiaries at RBI bank rate (presently at 6.25% p.a.)

Name of the Subsidiary	As at 31.03.2018 ₹ crore	As at 31.03.2017 ₹ crore
Current maturities of Long term loans and advances		
Panipat Elevated Corridor Limited	3.74	5.06
(Interest is payable at RBI bank rate [presently 6.25% p.a.])		
Other inter corporate deposits		
Panipat Elevated Corridor Limited	21.50	1.50
(Interest is payable at one year G-Sec rate p.a. prevailing on the effective date of borrowing)		
Less: Provision for doubtful advance	(18.53)	–
Total Inter corporate deposits (A)	6.71	6.56

(ii) Interest accrued but not due on inter corporate deposits

Name of the Subsidiary	As at 31.03.2018 ₹ crore	As at 31.03.2017 ₹ crore
Panipat Elevated Corridor Limited [previous year ₹ 9,202/-]	1.43	0.00
Less: Provision for doubtful advance	(1.43)	–
Total Interest accrued but not due on inter corporate deposits (C)	–	0.00
Total Inter-corporate deposits including interest accrued (A+B+C)	6.71	6.56

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(c) (i) Mezzanine debt and cash support provided to the following Subsidiaries:

Name of the Subsidiary	**As at 31.03.2018** **₹ crore**	*As at 31.03.2017* *₹ crore*
Cash support provided to		
Devihalli Hassan Tollway Limited [refer note F(IV)]	**13.10**	–
Krishnagiri Walajahpet Tollway Limited [refer note F(IV)]	**4.01**	–
Kudgi Transmission Limited	**–**	*22.85*
PNG Tollway Limited [refer note Q(14)]	**34.48**	*34.48*
Less: Provision for doubtful advance	**(34.48)**	*(34.48)*
Mezzanine debt given to		
PNG Tollway Limited [refer note Q(14)]	**125.13**	*125.13*
(Interest is payable at SBI bank rate+predetermined spread+0.05% after obtaining approval of lenders)		
L&T BPP Tollway Limited [refer note F(IV)]	**370.80**	–
(Interest free mezzanine debt)		
Less: Provision for doubtful advance	**(125.13)**	*(125.13)*
Total Mezzanine debt and cash support (A)	**387.91**	*22.85*

(ii) Interest accrued but not due on mezzanine debt and cash support

Name of the Subsidiary	**As at 31.03.2018** **₹ crore**	*As at 31.03.2017* *₹ crore*
PNG Tollway Limited [refer note Q(14)]	**46.57**	*46.57*
Kudgi Transmission Limited	**–**	*0.30*
Krishnagiri Walajahpet Tollway Limited	**0.68**	–
Devihalli Hassan Tollway Limited	**1.70**	–
Less: Provision for doubtful advance	**(46.57)**	*(46.57)*
Total (B)	**2.38**	*0.30*
Total Unsecured loans and advances (including interest accrued) (A+B)	**390.29**	*23.15*

H(V) OTHER CURRENT ASSETS

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Net Receivable on settlement [refer note Q(14)]	**171.25**		*166.19*	
Less: Provision for net receivable	**(92.00)**		*(92.00)*	
		79.25		*74.19*
Interest accrued on investments		**17.27**		*20.82*
Unamortised discount on commercial papers		**–**		*1.03*
Unamortised discount on letter of credit		**–**		*2.95*
Due from Customers		**–**		*12.11*
		96.52		*111.10*

I CONTINGENT LIABILITIES:

(i) Income tax liability (including penalty) that may arise in respect of which Company is in appeal ₹ 11.43 crore (previous year: ₹ 10.58 crore)

(ii) Service tax liability (including penalty) that may arise in respect of which Company is in appeal ₹ 1.33 crore (previous year: ₹ 1.33 crore)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(iii) Contingent liability in respect of acceptances and guarantees issued on behalf of subsidiaries and the Company ₹ 310.65 crore (previous year: ₹ 328.53 crore)

(iv) The Company is contingently liable to the extent of its investments pledged [refer note F(II)] for loans taken by:

Particulars	**As at 31.03.2018 ₹ crore**	*As at 31.03.2017 ₹ crore*
Subsidiary companies	**602.49**	*620.31*
Other company [current year ₹ 10,000/- and previous year ₹ 10,000/-]	**–**	*–*
Total	**602.49**	*620.31*

J COMMITMENTS:

(a) Commitments quantifiable

(i) Estimated amount of committed funding by way of equity / loans to subsidiary companies ₹ 23.50 crore (previous year ₹ 90.00 crore)

(ii) Estimated amount of contracts remaining to be executed on capital account ₹ Nil (previous year ₹ Nil)

(b) Commitments not quantifiable

(i) The Company has given undertakings to the term lenders of the following subsidiaries to meet the cost overrun to the extent of 5% of

(a) L&T Deccan Tollways Limited

(b) L&T Sambalpur - Rourkela Tollway Limited

(c) Krishnagiri Walajahpet Tollway Limited

(ii) The Company has given an undertaking jointly with Larsen & Toubro Limited (holding company) to the term lenders of the L&T Samakhiali Gandhidham Tollway Limited to meet the cost overrun to the extent of 5% of the project cost.

(iii) The Company has given, inter alia, the following commitments to the term lenders of L&T Chennai - Tada Tollway Limited,

- to meet the cost overrun of the project, in future if any
- to bring in an amount upto ₹ 178.74 crore on a need basis in the form of Mezzanine debt, after drawal of loan of ₹ 475 crore in full in order to meet the reduction in the quantum of loan by the lenders and increase in the project cost as reduced by increase in internal accruals. [Also refer note Q(15)].

(iv) The Company has given, inter alia, the following commitments in respect of its investments:

(a) Jointly with Larsen & Toubro Limited(holding company), to the term lenders of L&T Transportation Infrastructure Limited (LTTIL) to jointly meet the shortfall in the working capital requirements of LTTIL until the financial assistance received from the term lenders is repaid in full by LTTIL.

(b) To the term lenders of L&T BPP Tollway Limited to meet shortfall as provided in the base case revenue projections for the first two years post Commercial Operation Date (COD).

(c) To the term lenders of L&T Sambalpur - Rourkela Tollway Limited to meet the cost overrun in excess of 5% of the Project Cost in such a manner that the Debt-Equity of 1.86 times is not exceeded and to fund equity as per the revised financial model in case additional funds are to be raised by way of debt to meet the cost overrun in excess of 5 % of Project Cost. The Company has also given a commitment to infuse/provide temporary funds to the Borrower during construction and operation period to meet shortfall in case of delay in receipt of Grant subject to repayment on receipt of the Grant.

(d) To the term lenders of L&T Deccan Tollways Limited (LTDTL) to meet shortfall in major maintenance and Debt Service Reserve (DSR) Account and to maintain minimum year to year Debt Service Coverage Ratio of 1.2 times in a manner satisfactory to Senior Debt Tranche A Lenders (Facility amounting to ₹ 1,080.92 crore) in line with base case revenue projections. The Company has also given an undertaking to Senior Debt Tranche B Lenders (Facility amounting to ₹ 154.42 crore) for servicing the obligation in the event of failure of repayment by LTDTL.

(e) To the lenders of Krishnagiri Walajahpet Tollway Limited (KWTL), to provide to promptly and timely service the debt service obligations of the borrower under the subordinate facility (Facility amounting to ₹ 54.00 crore) to the satisfaction of subordinate lenders, without recourse to the project assets in the event internal cash accruals are insufficient to meet debt service obligations under the subordinate facility.

(f) The Company has given an undertaking to the debenture trustee of L&T Interstate Road Corridor Limited (LTIRCL) to make payment of the Termination Shortfall amount due to Concessionaire event of default in the event that LTIRCL fails to make payment of the same within 5 business days from the due date of deposit of the Termination Payments by NHAI into the Escrow Account and also to make payment of the Operation & Maintenance(O&M) expenses shortfall amounts caused due to increase in O&M Expenses beyond the

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

limits set out in Base Case O&M Expenses Schedule and resulting in shortfall in amounts available for debt servicing and/or DSR Amount and/or the Major Maintenance Reserve, without utilising the surplus amounts within a period of 30 (thirty) Business days from the date of demand therefore issued by the Debenture Trustee.

(g) The Company has given a commitment to the debenture trustees of Kudgi Transmission Limited under Sponsor Support and Put Option Agreements dated 29 May 2015 to fund the coupon shortfall in accordance with the terms of the agreement. The Company has also given a commitment to purchase the debentures in accordance with the terms of the put option mentioned in the agreement.

(h) The Company has given a commitment to the debenture trustees of Vadodara Bharuch Tollway Limited (VBTL) vide a Sponsor Support Agreement dated 30 September 2016 wherein the Company has undertaken/guaranteed that in the event of shortage of funds for repayment of the debentures to the debenture trustees, the Company shall immediately arrange for the repayment of the advances/loans given by VBTL to the Company or its subsidiaries.

(i) The Company has given a commitment to the debenture trustees of Ahmedabad Maliya Tollway Limited (AMTL) vide a Sponsor Support Agreement dated 28 August 2017 wherein the Company has undertaken that in the event of shortage of funds for coupon payment and repayment of the debentures to the debenture trustees, the Company shall fund such shortfall. Also the Company has undertaken to fund the rail over bridge expenses of AMTL.

(j) Also refer notes F(III) and F(V).

(v) The Company has given non divestment commitments as mentioned in Note F(III).

(c) Management's Assessment

The amounts shown under contingent liabilities and commitments represent the best possible estimate arrived at on the basis of the available information. Further, various government authorities/other stakeholders raise issues/clarifications in the normal course of business and the Management has provided its responses in respect of the same and no formal demands/claims have been raised in respect of the same other than those disclosed above. The obligations and possible reimbursements in respect of the above are dependent on the outcome of the various discussions/proceedings that are ongoing and, therefore, cannot be predicted accurately. The Company does not expect any financial exposure in respect of these as at 31 March 2018.

K REVENUE FROM OPERATIONS:

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income:				
From holding company				
On inter corporate deposits	**33.06**		*–*	
From subsidiary companies				
On debentures	**20.13**		*21.71*	
On inter corporate deposits	**2.04**		*1.29*	
On other loans and advances	**1.22**		*3.41*	
From bank deposits	**22.38**		*0.44*	
		78.83		*26.85*
Dividend income from associate		**3.44**		*1.47*
Construction activity [refer note Q(3)]		**316.74**		*497.75*
Project facilitation and advisory service fees		**18.05**		*14.21*
Income from wind power generation		**8.81**		*8.37*
Business support services		**21.03**		*22.55*
		446.90		*571.20*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

L OTHER INCOME:

Particulars	2017-18		*2016-17*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Net gain on sale of current investments		**29.90**		*0.10*
Profit on sale of fixed assets (net)		**0.07**		*0.07*
Exchange gain (net)		**–**		*0.13*
Liabilities/ provision no longer required written back [refer note F(VI),Q(18) and Q(17)]		**5.37**		*0.40*
Miscellaneous income		**0.23**		*0.21*
		35.57		*0.91*

M CONSTRUCTION AND RELATED OPERATING EXPENSES:

Particulars	2017-18		*2016-17*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Construction expenses				
Construction materials	**–**		*31.69*	
Sub-contracting charges	**228.16**		*392.54*	
Professional charges	**0.02**		*0.16*	
Rates and taxes	**8.57**		*1.72*	
		236.75		*426.11*
Related operating expenses				
Professional and consultancy charges	**6.94**		*3.96*	
Tender document expenses	**0.15**		*0.18*	
Repairs and maintenance	**3.20**		*1.22*	
Insurance	**0.04**		*0.04*	
		10.33		*5.40*
		247.08		*431.51*

N FINANCE COSTS

Particulars	2017-18		*2016-17*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Interest expense on borrowings				
Interest expenses	**–**		*27.86*	
Interest on redeemable non-convertible fixed rate debentures	**33.68**		*19.34*	
Amortised discount on commercial paper	**1.03**		*16.47*	
Other borrowing cost	**–**		*0.54*	
		34.71		*64.21*
Others				
Discounting charges on letter of credit	**3.39**		*16.12*	
		3.39		*16.12*
		38.10		*80.33*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

O EMPLOYEE BENEFITS EXPENSE:

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries and wages		**26.05**		*25.38*
Contribution to and provision for:				
Provident fund and pension scheme	**1.05**		*1.02*	
Gratuity [refer note Q(6)(B)]	**1.11**		*0.55*	
Superannuation	**0.12**		*0.13*	
		2.28		*1.70*
Staff welfare expenses		**1.24**		*1.60*
		29.57		*28.68*

P ADMINISTRATION AND OTHER EXPENSES:

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Professional charges		**12.09**		*6.68*
Insurance		**1.36**		*1.58*
Rent [refer note P(i)]		**2.90**		*3.04*
Rates and taxes		**2.22**		*1.04*
Repairs & maintenance				
Buildings	**0.13**		*0.12*	
Others	**8.43**		*6.71*	
		8.56		*6.83*
Printing & stationery		**0.20**		*0.14*
Power & electricity charges		**0.11**		*0.12*
Communication & postage		**0.90**		*0.89*
Bank and bank guarantee charges		**0.21**		*0.43*
Travelling & conveyance		**3.60**		*3.57*
Provision for doubtful loans and advances		**–**		*0.02*
Bad debts written off		**0.36**		*–*
Miscellaneous expenses [refer note P(ii)]		**2.10**		*2.57*
		34.61		*26.91*

Note P(i):
The Company has taken residential premises and office premises under cancellable operating leases. These lease agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases for the year is ₹ 2.90 crore (previous year ₹ 3.04 crore)

Note P(ii):
Miscellaneous expenses include Auditors remuneration (excluding applicable taxes)

Particulars	2017-18	*2016-17*
	₹ crore	*₹ crore*
As auditor	**0.17**	*0.15*
For taxation matters	**0.02**	*0.01*
For certification	**0.11**	*0.08*
Limited review and other services	**0.15**	*0.14*
For reimbursement of expenses	**0.01**	*0.01*
Total	**0.46**	**0.39**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q(1) Particulars in respect of loans and advances in the nature of loans as required by the Listing Obligations and Disclosure Requirements:

Name of the company	**Balance as at**		*Maximum outstanding during*	
	31.03.2018	**31.03.2017**	*2017-18*	*2016-17*
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
(a) Loans and advances in the nature of loans (gross of provisions) given to holding company:				
Larsen and Toubro Limited	**–**	**–**	*510.00*	*–*
	–	**–**		
(b) Loans and advances in the nature of loans (gross of provisions) given to subsidiaries:				
Panipat Elevated Corridor Limited	**25.23**	**10.30**	*34.25*	*76.13*
Devihalli Hassan Tollway Limited	**13.10**	**11.45**	*18.15*	*18.15*
Krishnagiri Walajahpet Tollway Limited	**4.01**	**4.01**	*57.97*	*57.97*
L&T Chennai - Tada Tollway Limited	**11.45**	**11.45**	*11.45*	*11.45*
Ahmedabad - Maliya Tollway Limited	**52.69**	**100.00**	*109.46*	*109.46*
L&T Halol Shamlaji Tollway Limited	**–**	**–**	*–*	*130.50*
L&T Samakhiali Gandhidham Tollway Limited	**23.04**	**37.76**	*83.62*	*83.62*
L&T BPP Tollway Limited	**370.80**	**370.80**	*370.80*	*370.80*
PNG Tollway Limited	**261.38**	**261.38**	*261.38*	*261.38*
Kudgi Transmission Limited	**–**	**22.85**	*22.85*	*22.85*
L&T Rajkot - Vadinar Tollway Limited	**63.70**	**110.00**	*110.00*	*110.00*
	825.40	**940.00**		

Q(2) The Company is engaged in the business of generation of wind power. Accordingly, information as applicable to wind power operations is given below:

Particulars		**Unit of measurement**	**2017-18**	*2016-17*
Installed capacity		**MW**	**8.7**	*8.7*
Production	**(A)**	**KWH**	**17,452,440**	*18,303,611*
Power consumed for starting WTG from grid	**(B)**	**KWH**	**149,920**	*134,960*
Wheeling charges and banking charges as per wheeling agreement with TNEB	**(C)**	**KWH**	**1,234,984**	*908,434*
Invoicing on Larsen & Toubro Limited	**(D)**	**KWH**	**14,692,501**	*12,508,968*
Invoicing on TNEB	**(A-B-C-D)**	**KWH**	**1,375,035**	*4,751,249*

The Company has five wind turbine generators (WTG) in Tamil Nadu with an aggregate capacity of 8.7MW. The Company had entered into a Power Supply Agreement dated 18 March 2010 with Larsen & Toubro Limited (L&T), the holding company, under which the Company would sell the power generated to L&T at its establishments located in Tamil Nadu and registered with Tamil Nadu Electricity Board (TNEB), as a captive consumer at rates agreed in the said agreement for the units consumed at the end of each month. The Company had also entered into Wheeling agreement with TNEB dated 19 March 2010 under which the surplus units not consumed by Larsen & Toubro Limited would be banked and sold to TNEB at the rates agreed in the said wheeling agreements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q(3) Disclosure pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts"

	Particulars	2017-18 ₹ crore	*2016-17* *₹ crore*
i)	Contract revenue recognised for the financial year [refer note K]	**316.74**	*497.75*
ii)	Aggregate amounts of contract costs incurred and recognised profits (less: recognised losses) as at the end of the financial year for all contracts in progress as at that date	**1,165.15**	*1,995.76*
iii)	Amount of customer advances outstanding for contracts in progress as at end of the financial year [refer note D(III)]	**–**	*–*
iv)	Retention amounts by customers for contracts in progress as at end of the financial year	**–**	*–*
v)	Gross amount due to customers for contract work [refer note D(III)]	**72.65**	*200.68*
vi)	Gross amount due from customers for contract work [refer note H(V)]	**–**	*12.11*

Q(4) Taxation

(a) MAT Credit

Tax expense (net) includes an amount of ₹ 0.15 crore of MAT credit recognised in the financial statements for the year ended 31 March 2018 in line with the accounting policy [refer note R(17)] followed by the Company considering the Management's assessment of the future projections as at 31 March 2018.

(b) Disclosure pursuant to Accounting Standard (AS) 22 "Accounting for Taxes on Income":

Major components of deferred tax liabilities and deferred tax assets:

Particulars	As at 31.03.2018 ₹ crore	*As at 31.03.2017* *₹ crore*
Deferred tax liabilities		
Difference between carrying amounts of fixed assets in the books and WDV for income tax purposes.	**4.88**	*4.68*
Tax effect of depreciation charged to retained earnings	**–**	*–*
Total deferred tax liabilities	**4.88**	*4.68*
Less: Deferred tax assets		
Employee benefits	**2.04**	*1.70*
Contingent provisions against standard assets	**1.15**	*1.18*
Provision for doubtful advances	**–**	*0.16*
Total deferred tax assets	**3.19**	*3.04*
Net deferred tax liability / (asset)	**1.69**	*1.64*
Incremental provision for deferred tax liability / (asset)	**0.05**	*0.38*
Net incremental provision for deferred tax liability / (asset)	**0.05**	*0.38*

Q(5) Disclosure pursuant to Accounting Standard (AS) 20 'Earnings per Share' (EPS):

Particulars		2017-18	*2016-17*
A. Equity Shares			
Basic			
(Loss) after tax available to equity shareholders (₹ crore)	A	**(153.38)**	*(222.22)*
Weighted average number of shares outstanding (WANES)	B	**321,049,196**	*321,049,196*
Basic EPS (₹)	A/B	**(4.78)**	*(6.92)*
Diluted			
(Loss) after tax available to equity shareholders (₹ crore)	A	**(153.38)**	*(222.22)*
Weighted average number of shares outstanding (WANES)	B	**321,049,196**	*321,049,196*
Add: Weighted average number of potential equity shares on account of conversion of compulsorily convertible preference shares [refer note (ii) below]	C	**412,190,331**	*412,190,331*
Weighted average number of shares outstanding for diluted EPS (WANES)	D=B+C	**733,239,527**	*733,239,527*
Diluted EPS (₹) [refer note (iii) and (iv) below]		**(4.78)**	*(6.92)*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Particulars		**2017-18**	*2016-17*
Face value per equity share (₹)		**10.00**	*10.00*
B. Special Equity Shares [refer note (i) below]			
Profit after tax available to special equity shareholders (₹)	**A**	**–**	*–*
Weighted average number of shares (WANES)	**B**	**10,000**	*10,000*
Basic and diluted EPS (₹)	**A/B**	**–**	*–*
Face value per equity share (₹)		**10.00**	*10.00*

(i) Basic and diluted EPS for the Special Equity Shares of ₹ 10 each does not arise as the shares do not have any right to receive dividend or other distributions of the Company or otherwise carry any economic rights, except to the extent of ₹ 10 per share in the event of liquidation or dissolution of the Company.

(ii) The Company had allotted 900 Compulsorily Convertible Preference Shares Series 1 (“CCPS Series 1”) of ₹ 1,00,00,000 each and 100 Compulsorily Convertible Preference Shares Series 2 (“CCPS Series 2”) of ₹ 1,00,00,000 each to CPP Investment Board Singaporean Holdings Pte. 1 Limited pursuant to the Investment agreement dated 21 June 2014, signed between the Company, Larsen & Toubro Limited, the Holding Company, Old lane Mauritius III Limited and CPP Investment Board Singaporean Holdings Pte. 1 Limited. In terms of clause 8.1.3 of the said agreement, the CCPS Series 1 and CCPS Series 2 are convertible into equity shares of face value ₹ 10 each based on a valuation process set out in Schedule 9 of the said agreement on or before 31 March 2019 and 31 March 2021 respectively.

In order to compute the diluted earnings per share and to determine the number of potential equity shares, the Company has undertaken an internal valuation based on management’s projections and estimated the number of equity shares that would be allotted upon conversion of these CCPS Series 1 and CCPS Series 2. However, the actual number of equity shares that would be allotted upon conversion may significantly differ from the above if the valuation of the Company as envisaged in the Investment agreement at the time of conversion is materially different.

(iii) The Company has 10,000 Special Equity Shares of ₹ 10/- each outstanding which do not have any right to receive dividend or other distributions of the Company or otherwise carry any economic rights. Consequently, earnings per share is not applicable to such Special Equity Shares.

(iv) For the year ended 31 March 2018 and 31 March 2017, the Basic and Diluted Earnings per Share is the same as it is anti-dilutive in nature.

Q(6) Disclosure pursuant to Accounting Standard (AS)-15 (revised) on Employee benefits:

A. Defined Contribution Plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to the fund by the Company is as per the rules of the schemes. The Company recognised ₹ 0.20 crore (Previous year ₹ 0.20 crore) and ₹ 0.12 crore (Previous year ₹ 0.13 crore) towards Recognised Provident Fund and Superannuation Fund contribution respectively in the Statement of Profit and Loss.

B. Defined Benefit Plans:

i) Gratuity Plan:

The Company operates gratuity plan through LIC’s Group Gratuity scheme where every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

ii) Trust managed provident fund plan:

The Company manages provident fund plan through the holding Company’s provident fund trust for its employees which is permitted under the Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the provident fund authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

a) The amounts recognised in Balance Sheet are as follows:

Particulars	**Gratuity plan**		**Trust-managed provident fund plan**	
	As at 31.03.2018	*As at 31.03.2017*	**As at 31.03.2018**	*As at 31.03.2017*
	₹ crore	**₹ crore**	₹ *crore*	₹ *crore*
A) Present value of defined benefit obligation				
– Wholly funded	**4.05**	*3.45*	**18.43**	*16.08*
Less : Fair value of plan assets	**2.39**	*2.50*	**18.24**	*15.91*
Amount to be recognised as liability or (asset)	**1.66**	*0.95*	**0.19**	*0.17*
B) Amounts reflected in the Balance Sheet				
Liabilities	**1.66**	*0.95*	**0.19**	*0.17*
Assets	**–**	*–*	**–**	*–*
Net Liability / (asset)	**1.66**	*0.95*	**0.19**	*0.17*

b) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	**Gratuity plan**		**Trust-managed provident fund plan**	
	2017-18	*2016-17*	**2017-18**	*2016-17*
	₹ crore	**₹ crore**	₹ *crore*	₹ *crore*
1 Current service cost	**0.35**	*0.35*	**0.84**	*0.91*
2 Interest on Defined benefit obligation	**0.21**	*0.23*	**1.38**	*1.29*
3 Expected return on plan assets ##	**(0.16)**	*(0.18)*	**(1.38)**	*(1.29)*
4 Actuarial losses/(gains)	**0.71**	*0.15*	**0.11**	*–*
5 Adjustment for earlier years	**–**	*–*	**0.00**	*–*
Total (1 to 5)	**1.11**	*0.55*	**0.84**	*0.91*
I Amount included in “employee benefit expenses”	**1.11**	*0.55*	**0.84**	*0.91*
II Amount included as part of “finance costs”	**–**	*–*	**–**	*–*
Total (I + II)	**1.11**	*0.55*	**0.84**	*0.91*
Actual return on plan assets	**0.16**	*0.18*	**1.38**	*1.29*

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

Particulars	**Gratuity plan**		**Trust-managed provident fund plan**	
	2017-18	*2016-17*	**2017-18**	*2016-17*
	₹ crore	₹ *crore*	**₹ crore**	₹ *crore*
Opening balance of present value of defined benefit obligation	**3.45**	*3.19*	**16.08**	*15.80*
Add: Current service cost	**0.35**	*0.35*	**0.84**	*0.91*
Add: Interest cost	**0.21**	*0.23*	**1.38**	*1.29*
Add: Contribution by plan participants				
i) Employer	**–**	*–*	**–**	*–*
ii) Employee	**–**	*–*	**1.36**	*1.51*
Add: Actuarial losses/(gains)	**0.73**	*0.11*	**–**	*–*
Less: Benefits paid	**(0.69)**	*(0.43)*	**(1.22)**	*(3.04)*
Add: Liabilities assumed on transfer of employees	**–**	*–*	**0.12**	*(0.42)*
Add/(less):Adjustment for earlier years	**–**	*–*	**(0.12)**	*0.03*
Closing balance of present value of defined benefit obligation	**4.05**	*3.45*	**18.44**	*16.08*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

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

Particulars	Gratuity plan		Trust-managed provident fund plan	
	2017-18	*2016-17*	**2017-18**	*2016-17*
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Opening balance of fair value of plan assets	**2.50**	*2.44*	**15.91**	*15.63*
Add: Expected return on plan assets	**0.16**	*0.18*	**1.38**	*1.29*
Add/(less): Actuarial (losses)/gains	**0.02**	*(0.03)*	**(0.11)**	*0.07*
Add: Contribution by employer	**0.40**	*0.25*	**0.82**	*0.91*
Add: Contribution by plan participants	**–**	*–*	**1.36**	*1.51*
Less: Benefits paid	**(0.69)**	*(0.34)*	**(1.22)**	*(3.04)*
Add/(less): Transfer in/(out)	**–**	*–*	**0.10**	*(0.43)*
Add: Adjustment for earlier years	**–**	*–*	**–**	*(0.03)*
Closing balance of fair value of plan assets	**2.39**	*2.50*	**18.24**	*15.91*

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

Particulars	Gratuity plan		Trust-managed provident fund plan	
	2017-18	*2016-17*	**2017-18**	*2016-17*
Government of India securities	**–**	*–*	**23%**	*20%*
State government securities	**–**	*–*	**20%**	*21%*
Special deposit schemes	**–**	*–*	**6%**	*8%*
Public sector unit bonds	**–**	*–*	**29%**	*33%*
Corporate bonds	**–**	*–*	**17%**	*15%*
Mutual funds	**–**	*–*	**3%**	*3%*
Others	**–**	*–*	**2%**	*–*
Policy of insurance	**100%**	*100%*	**–**	*–*
Total	**100%**	*100%*	**100%**	*100%*

f) Principal actuarial assumptions at the Balance Sheet date:

Particulars	**2017-18**	*2016-17*
1 Discount rate:		
a) Gratuity plan	**7.30%**	*6.95%*
b) Trust managed provident fund plan	**7.19%**	*7.19%*
2 Expected return on plan assets:		
a) Gratuity plan	**7.30%**	*6.95%*
b) Trust managed provident fund plan	**8.87%**	*8.87%*
3 Salary growth rate - Gratuity plan	**6.00%**	*6.00%*
4 Attrition rate - Gratuity plan	**–**	*–*
25 and below	**15.00%**	*15.00%*
26 to 35	**12.00%**	*12.00%*
36 to 45	**9.00%**	*9.00%*
46 to 55	**6.00%**	*6.00%*
56 and above	**3.00%**	*3.00%*
5 Mortality rate	**Indian Assured Lives Mortality (2006-08) Table**	*Indian Assured Lives Mortality (2006-08) Table*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

g) The amounts pertaining to defined benefit plans are as follows:

S. No.	Particulars	As at 31.03.2018 ₹ crore	As at 31.03.2017 ₹ crore	As at 31.03.2016 ₹ crore	As at 31.03.2015 ₹ crore	As at 31.03.2014 ₹ crore
1	Gratuity plan (funded)					
	Defined benefit obligation	**4.05**	*3.45*	*3.19*	*2.49*	*2.03*
	Plan assets	**2.39**	*2.50*	*2.44*	*2.24*	*1.89*
	Surplus / (Deficit)	**(1.66)**	*(0.95)*	*(0.75)*	*(0.25)*	*(0.14)*
2	Trust managed provident fund plan					
	Defined benefit obligation	**18.43**	*16.08*	*15.79*	*12.61*	*10.35*
	Plan assets	**18.24**	*15.91*	*15.63*	*12.55*	*9.92*
	Surplus / (Deficit)	**(0.19)**	*(0.17)*	*(0.17)*	*(0.06)*	*(0.43)*
3	Experience adjustments					
	Experience adjustments on plan liabilities	**0.80**	*(0.05)*	*0.67*	*Refer note g(i)*	
	Experience adjustments on plan assets	**(0.02)**	*0.04*	*(0.04)*		

Note g(i)

Due to non availability of information for the previous years experience adjustment of plan liabilities and assets for the respective years has not been disclosed.

h) Expected contribution towards gratuity to be made in the next financial year is ₹ 1.66 crore (Previous year ₹ 0.95 crore)

C. Compensated Absences

The significant assumptions considered by the independent actuary in carrying out the actuarial valuation of long term compensated absences are given below:

Particulars	As at 31.03.2018	As at 31.03.2017
Assumptions		
Discount Rate	**7.30%**	*6.95%*
Future Salary Increase	**6.00%**	*6.00%*
Attrition Rate		
Age Band		
25 and below	**15.00%**	*15.00%*
26 to 35	**12.00%**	*12.00%*
36 to 45	**9.00%**	*9.00%*
46 to 55	**6.00%**	*6.00%*
56 and above	**3.00%**	*3.00%*

D. Retention Pay

The significant assumptions considered by the independent actuary in carrying out the actuarial valuation of retention pay are given below:

Particulars	As at 31.03.2018	As at 31.03.2017
Discount Rate	**7.30%**	*6.95%*
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Table**	*Indian Assured Lives Mortality (2006-08) Table*

Q(7) Segment information has been presented in the Consolidated Financial Statements as permitted by the Accounting Standard (AS 17) on Segment Reporting as notified under the Companies (Indian Accounting Standards) Rules, 2015.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q(8) Expenditure in foreign currency

Particulars	**2017-18** **₹ crore**	*2016-17* *₹ crore*
Subscription fee	**0.07**	*0.11*
Professional fees	**0.65**	*0.05*
Repairs and Maintenance	**1.70**	–
Travelling expenses	**0.15**	*0.13*

Q(9) Earnings in Foreign Currency - ₹ Nil (previous year ₹ Nil). The Company had no foreign currency exposures as at 31 March 2018 (previous year ₹ Nil) .

Q(10) Disclosure pursuant to Accounting Standard (AS)-18 on Related Party Disclosures

(i) List of related parties:

Holding company	Larsen & Toubro Limited
Entity exercising significant influence	CPP Investment Board Singaporean Holdings 1 Pte. Limited
Subsidiary companies	1 L&T Transportation Infrastructure Limited
	2 Krishnagiri Thopur Toll Road Limited
	3 Vadodara Bharuch Tollway Limited [refer note F(IX)]
	4 Western Andhra Tollways Limited [refer note F(IX)]
	5 L&T Interstate Road Corridor Limited
	6 Panipat Elevated Corridor Limited [refer note F(IX)]
	7 Ahmedabad - Maliya Tollway Limited [refer note F(IX)]
	8 L&T Halol - Shamlaji Tollway Limited [refer note F(IX)]
	9 L&T Rajkot - Vadinar Tollway Limited [refer note F(IX)]
	10 L&T Chennai - Tada Tollway Limited [refer note Q(14)]
	11 L&T Samakhiali Gandhidham Tollway Limited
	12 Krishnagiri Walajahpet Tollway Limited [refer note F(IX)]
	13 Devihalli Hassan Tollway Limited
	14 L&T BPP Tollway Limited
	15 L&T Deccan Tollways Limited
	16 LTIDPL INDVIT Services Limited (formerly known as L&T Western India Tollbridge Limited) [refer note Q(16)]
	17 L&T Infrastructure Development Projects Lanka (Private) Limited (upto 6 May 2016) [refer note Q(13)]
	18 L&T IDPL Trustee Manager Pte. Limited [refer note F(VI)]
	19 PNG Tollway Limited [refer note Q(14)]
	20 Kudgi Transmission Limited
	21 L&T Sambalpur - Rourkela Tollway Limited
	22 L&T Port Kachchigarh Limited (merged with the Company w.e.f 01 April 2016 [refer note Q(17)])
	23 L&T Metro Rail (Hyderabad) Limited (upto 29 March 2017) [refer note F(VIII)]
Associates	International Seaports Haldia (Private) Limited [refer note F(VII)]
Fellow Subsidiaries	1 L&T Shipbuilding Limited
	2 L&T Hydrocarbon Engineering Limited
	3 Larsen & Toubro Infotech Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

	4	L&T Infrastructure Engineering Limited
	5	L&T Finance Limited
	6	L&T Metro Rail (Hyderabad) Limited (from 29 March 2017) [refer note F(VIII)]
Key Management Personnel		Mr. K. Venkatesh, Chief Executive & Managing Director (upto 7 April 2018) [refer note Q(10)(vi)]

(ii) Details of transactions with related parties:

Nature of transaction/ relationship/ major parties	2017-18		*2016-17*	
	Amount	**Amounts for major parties**	*Amount*	*Amounts for major parties*
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
1. Purchase of goods and services incl. taxes				
Holding company, Larsen & Toubro Limited	**252.69**		*404.78*	
Subsidiaries & fellow subsidiaries	**2.37**		*1.03*	
	255.06		*405.81*	
2. Sale of Goods/Contract revenue and Services rendered incl. taxes				
Holding company, Larsen & Toubro Limited	**8.57**		*7.29*	
Subsidiaries & fellow subsidiaries, including:	**362.45**		*547.17*	
Kudgi Transmission Limited		**–**		*96.35*
L&T Sambalpur - Rourkela Tollway Limited		**317.35**		*403.96*
	371.02		*554.46*	
3. Purchase of assets				
Subsidiaries including:	**0.05**		*0.09*	
PNG Tollway Limited		**–**		*0.07*
L&T BPP Tollway Limited		**0.03**		*0.01*
L&T Halol - Shamlaji Tollway Limited		**0.01**		*–*
L&T Rajkot - Vadinar Tollway Limited		**0.01**		*–*
	0.05		*0.09*	
4. Sale of assets				
Holding company, Larsen & Toubro Limited	**–**		*0.08*	
Subsidiaries & fellow subsidiaries including,	**0.01**		*–*	
L&T Metro Rail (Hyderabad) Limited	**–**	**0.01**		*–*
	0.01		*0.08*	
5. Subscription to equity and preference shares (incl. advance paid)				
Subsidiaries including:	**90.00**		*213.32*	
L&T Deccan Tollways Limited		**90.00**		*66.34*
Ahmedabad - Maliya Tollway Limited		**–**		*14.68*
L&T Sambalpur - Rourkela Tollway Limited		**–**		*74.18*
L&T Rajkot - Vadinar Tollway Limited		**–**		*7.45*
L&T Metro Rail (Hyderabad) Limited		**–**		*31.22*
	90.00		*213.32*	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Nature of transaction/ relationship/ major parties	2017-18		*2016-17*	
	Amount	**Amounts for major parties**	*Amount*	*Amounts for major parties*
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
6. Conversion of loan and interest accrued to preference shares				
Subsidiaries including:	**–**		*103.91*	
Panipat Elevated Corridor Limited		**–**		*45.75*
L&T Samakhiali Gandhidham Tollway Limited		**–**		*48.53*
	–		*103.91*	
7. Conversion of mezzanine debt to equity shares				
Subsidiary	**108.33**			
L&T Halol - Shamlaji Tollway Limited			*130.50*	
Ahmedabad - Maliya Tollway Limited		**47.31**	*–*	
L&T Rajkot - Vadinar Tollway Limited		**46.30**	*–*	
L&T Samakhiali Gandhidham Tollway Limited		**14.72**	*–*	
	–		*130.50*	
8. Rent paid incl.taxes				
Holding company, Larsen & Toubro Limited	**2.60**		*2.22*	
	2.60		*2.22*	
9. Rent received incl. taxes				
Subsidiary	**0.01**		*0.10*	
L&T Metro Rail (Hyderabad) Limited		**0.01**		*0.10*
	0.01		*0.10*	
10. Interest expense				
Subsidiaries including	**–**		*15.19*	
L&T Transportation Infrastructure Limited		**–**		*10.08*
LTIDPL INDVIT Services Limited (formerly known as L&T Western India Tollbridge Limited)		**–**		*2.16*
Vadodara Bharuch Tollway Limited		**–**		*2.95*
	–		*15.19*	
11. Interest income				
Holding company, Larsen & Toubro Limited	**33.06**		*–*	
Subsidiaries including	**23.39**		*26.41*	
Panipat Elevated Corridor Limited		**22.17**		*23.72*
	56.45		*26.41*	
12. Reimbursement of expenses charged from				
Holding company, Larsen & Toubro Limited	**0.01**		*–*	
Subsidiaries including	**0.36**		*0.96*	
L&T Sambalpur - Rourkela Tollway Limited		**0.35**		*0.87*
Vadodara Bharuch Tollway Limited		**–**		*0.01*
	0.37		*0.96*	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Nature of transaction/ relationship/ major parties	2017-18		2016-17	
	Amount	Amounts for major parties	Amount	Amounts for major parties
	₹ crore	₹ crore	₹ crore	₹ crore
13. Reimbursement of expenses charged to				
Holding company, Larsen & Toubro Limited	–		0.15	
Subsidiaries including	2.79		0.24	
L&T Transportation Infrastructure Limited		0.98		–
LTIDPL INDVIT Services Limited (formerly known as L&T Western India Tollbridge Limited)		1.01		–
Vadodara Bharuch Tollway Limited		–		0.05
L&T Halol - Shamlaji Tollway Limited		–		0.03
Kudgi Transmission Limited		–		0.12
	2.79		0.40	
14. ICD / Mezzanine Debt / Unsecured Loan granted to				
Holding company, Larsen & Toubro Limited	1,530.00		–	
Subsidiaries including	35.15		77.57	
Ahmedabad - Maliya Tollway Limited		–		9.46
Panipat Elevated Corridor Limited		–		21.90
L&T Samakhiali Gandhidham Tollway Limited		–		18.36
Kudgi Transmission Limited		–		22.85
L&T BPP Tollway Limited		–		2.00
	1,565.15		77.57	
15. ICD / Mezzanine Debt / Unsecured Loan received back				
Holding company, Larsen & Toubro Limited	1,530.00		–	
Subsidiaries including	41.41		89.12	
Devihalli Hassan Tollway Limited		–		9.70
L&T Krishnagiri Walajahpet Tollway Limited		–		53.96
Panipat Elevated Corridor Limited		–		25.46
L&T Halol - Shamlaji Tollway Limited		–		–
	1,571.41		89.12	
16. ICD / Promoters Loan / Mezzanine Debt received				
Subsidiaries including	–		887.61	
L&T Transportation Infrastructure Limited		–		750.61
Vadodara Bharuch Tollway Limited		–		104.50
	–		887.61	
17. ICD / Promoters Loan / Mezzanine Debt repaid				
Subsidiaries including	–		1,094.61	
L&T Transportation Infrastructure Limited		–		925.61
	–		1,094.61	
18. Debentures received back				
Subsidiaries including	15.00		15.00	
Panipat Elevated Corridor Limited		15.00		15.00
	15.00		15.00	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Nature of transaction/ relationship/ major parties	2017-18		2016-17	
	Amount	Amounts for major parties	Amount	Amounts for major parties
	₹ crore	₹ crore	₹ crore	₹ crore
19. Other advances paid				
Subsidiaries including	**5.07**		57.04	
PNG Tollway Limited		**1.02**	–	51.17
L&T Chennai - Tada Tollway Limited		**4.05**		
	5.07		–	
20. Dividend received				
Associate	**3.44**		1.47	
International Seaports Haldia (Private) Limited		**3.44**		1.47
	3.44		1.47	
21. Sale of equity shares in Subsidiary at cost				
Holding company, Larsen & Toubro Limited	**–**		2,041.57	
	–		2,041.57	
22. Advance received against sale of Investment				
Subsidiary, L&T Transportation Infrastructure Limited	**42.00**		–	
	42.00		–	
23. Refund of equity advance infused				
Subsidiary, L&T Deccan Tollways Limited	**23.50**		–	
	23.50		–	
24. Purchase of equity investments from				
Holding company, Larsen & Toubro Limited	**0.01**		–	
	0.01		–	
25. Conversion of equity shares into preference shares				
Subsidiary				
L&T Halol - Shamlaji Tollway Limited	**0.99**		–	
	0.99		–	
26. Refundable deposit paid for directors' nomination				
Subsidiaries including:	**0.07**		0.33	
Vadodara Bharuch Tollway Limited		**0.01**		–
LTIDPL INDVIT Services Limited (formerly known as L&T Western India Tollbridge Limited)		**0.03**		–
PNG Tollway Limited		**0.02**		–
L&T Metro Rail (Hyderabad) Limited		**–**		0.04
	0.07		0.33	
27. Subscription of commercial papers by subsidiaries	**–**		150.00	
Krishnagiri Thopur Toll Road Limited		**–**		45.00
Vadodara Bharuch Tollway Limited		**–**		50.00
Western Andhra Tollways Limited		**–**		55.00
	–		150.00	
28. Transfer of employee scheme assets from				
Subsidiary				
L&T Sambalpur - Rourkela Tollway Limited	**0.01**		–	
	0.01		–	

"Major parties" denote entities who account for 10% or more of the aggregate for that category of transaction during respective year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(iii) Amount due to and due from related parties (Net) :

Particulars		2017-18		2016-17	
		Due to	Due from	Due to	Due from
		₹ crore	₹ crore	₹ crore	₹ crore
i.	**Holding company**				
	Larsen & Toubro Limited	–	13.41	–	10.91
ii.	**Subsidiaries**				
	LTIDPL INDVIT Services Limited (formerly known as L&T Western India Tollbridge Limited)	–	0.96	–	0.34
	L&T Transportation Infrastructure Limited	41.27	–	–	0.02
	Panipat Elevated Corridor Limited	–	233.99	–	236.17
	Vadodara Bharuch Tollway Limited	–	0.31	–	0.28
	Ahmedabad - Maliya Tollway Limited	–	52.85	–	100.22
	L&T Halol - Shamlaji Tollway Limited	–	0.21	–	0.24
	Western Andhra Tollways Limited	–	0.44	29.80	–
	L&T Interstate Road Corridor Limited	–	0.08	–	–
	L&T Port Kachchigarh Limited	–	–	–	5.45
	L&T Samakhiali Gandhidham Tollway Limited	–	23.11	–	37.99
	Krishnagiri Walajahpet Tollway Limited	–	5.15	–	6.00
	Krishnagiri Thopur Toll Road Limited	–	0.54	19.09	–
	L&T BPP Tollway Limited	–	371.64	–	370.88
	Devihalli Hassan Tollway Limited	–	15.19	–	13.07
	PNG Tollway Limited	–	360.87	–	359.85
	L&T Rajkot - Vadinar Tollway Limited	–	64.94	–	111.02
	L&T Deccan Tollways Limited	–	1.96	–	0.48
	Kudgi Transmission Limited	–	1.94	–	148.01
	L&T Sambalpur - Rourkela Tollway Limited	21.00	–	188.90	–
	L&T Chennai - Tada Tollway Limited	–	16.56	–	12.51
iii.	**Fellow subsidiaries**				
	L&T Metro Rail (Hyderabad) Limited	–	–	0.01	–
	L&T Shipbuilding Limited	–	–	–	1.28
	Larsen &Toubro Infotech Limited	0.19	–	–	–
	L&T Hydrocarbon Engineering Limited	–	–	–	0.04
	L&T Infrastructure Engineering Limited	0.03	–	–	–

(iv) No amount due to or due from related parties has been written back or written off during the year or previous year. Also refer note Q(15) in respect of provisions created for investments / loans and advances given to certain subsidiaries.

(v) No Managerial remuneration is payable to the Mr. K. Venkatesh, Chief Executive and Managing Director of the Company, who was on deputation from the Holding Company, for the year ended 31 March 2018 as per the terms of his appointment. (Previous year Nil).

(vi) Mr. K. Venkatesh retired from the Company on 7 April 2018. Subsequent to the year end, on 28 April 2018 Mr. Shailesh Kumar Pathak has been appointed as the Chief Executive Officer and Whole-time Director and Mr. T. S. Venkatesan has been appointed as the Whole-time Director to the Company.

(vii) As per the arrangement that the Company has with its Holding Company/ Subsidiaries (together referred to as the 'Group Company'), the common cost incurred by the Company/ Group Companies are accounted for in the Financial Statements of the Company to the extent, of actual debit, raised by/ raised on the Company as/ by the Group Companies.

(viii) Also refer notes A, F, H, J and Q(14).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q(11) The Company had received a notice dated 20 April 2015 from Maharashtra Airport Development Company Limited (MADC), as per which MADC has instructed to hand over the possession of 50.85 acres of vacant land taken on ninety nine years lease at Nagpur, within a period of 15 days, as the Company has not commenced commercial activities by 20 June 2013. Accordingly, the book value of premium paid to MADC as at 31 March 2018 of ₹ 14.20 crore (As at 31 March 2017 ₹ 14.20 crore) has been reclassified as Other Advances - advance recoverable in cash or kind. The Company has approached MADC for either transfer of land to any interested party or to make a total exit from its allotted land by claiming refund. The Company is confident of realizing the said amount in terms of the Co-Developers Agreement dated 20 June 2008 signed by the Company with MADC.

Q(12) As at 31 March 2018 and as at 31 March 2017, based on and to the extent of information received from the suppliers regarding their registration as Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts outstanding in respect of these vendors and hence no disclosure of the information is required under the said Act relating to them has been made.

Q(13) The Company had divested its stake in L&T Infrastructure Development Projects Lanka (Private) Limited vide Share Purchase Agreement dated 04 April 2016. The transaction had resulted in exceptional gain of ₹ 2.43 crore (₹ 37.57 crore of loss on sale less provision of ₹ 40 crore released during the previous year) this amount was disclosed as Exceptional Item in the Statement of Profit and Loss for the previous year ended 31 March 2017 [refer note Q(15)].

Q(14) As at 31 March 2018, an amount of ₹ 191.26 crore, net of estimated provision for diminution of ₹ 492 crore (As at 31 March 2017 ₹ 186.19 crore, net of estimated provision for diminution of ₹ 492 crore), is reflected as net carrying value of investments/loans and advances relating to two subsidiaries of the Company, engaged in infrastructure projects, which have terminated the concession agreements entered into with National Highways Authority of India (NHAI). The nature of default and the termination amount claimed has not been accepted by the NHAI and arbitration proceedings have been initiated in respect of the disputes relating to the termination payments/claims.

The Company has carried out an assessment of its exposure in these projects duly considering the expected payments arising out of the aforesaid termination and the likely outcome of the arbitration proceedings, contractual stipulations/ interpretation of the relevant clauses including the possible obligations to lenders, legal advice, etc. and believes that the amount of net investments and the loans & advances carried in the books is good for recovery and no additional provision/adjustment to the carrying value of the said investments/loans & advances is considered necessary by the Management as at 31 March 2018. [refer note Q(15)].

Q(15) **Exceptional Items:**

Particulars	**As at 31.03.2018**	*As at 31.03.2017*	Note Reference
Provision (reversed)/made for diminution in value of investment in subsidiaries sold / held for sale	**100.00**	*(2.43)*	Note Q(13)
Provision for diminution in value of investment/loans and advances in subsidiaries where the concession agreements are terminated/ under termination	**–**	*92.00*	Note Q(14)
Provision for diminution in value of investment/loans and advances in subsidiaries having net worth erosion	**141.73**	*196.00*	Note F(IX)
Total	**241.73**	*285.57*	

Q(16) During the previous year ended 31 March 2017, the Board of Directors of the Company had approved the merger of two of the Company's subsidiaries namely, L&T Port Kachchigarh Limited and L&T Western India Tollbridge Limited (renamed during the current period as LTIDPL INDVIT Services Limited) with the Company effective 01 April 2016 which was submitted to the appropriate authorities for approval. During the current year, consequent to certain developments as stated in note F(IV), the Company has decided the cancellation of the merger request of LTIDPL INDVIT Services Limited (Formerly known as "L&T Western India Tollbridge Limited") with the Company. With regard to the Scheme of amalgamation between the Comapany and L&T Port Kachchigarh Limited, the same was approved by the appropriate authorities on 12 December 2017 and accordingly the effect of the merger has been given in the current financial year [refer note Q(17)].

Q(17) **Scheme of amalgamation ('the scheme') between L&T Port Kachchigarh Limited (Transferor Company) and L&T Infrastructure Development Projects Limited (Transferee Company).**

a) L&T Infrastructure Development Projects Limited (L&T IDPL) is a major player in the Public - Private Partnership projects in India with business interests across Roads and Bridges, Ports, Wind Energy and emerging sectors such as Power Transmission Lines, Water and Railways.

L&T Port Kachchigarh Limited (L&T PKL) was incorporated to construct, develop and maintain port at Sutrapada as an All Weather Direct Berthing Port Infrastructure in phases for commercial use, based on Build, Own, Operate and Transfer basis. Since, the Gujarat Maritime Board was unable to provide the required land at Sutrapada, alternative land was offered at Kachchigarh. As the objectives were not fulfilled as planned, it was decided not to pursue the project and merge L&T PKL with L&T IDPL.

b) The schemes between the Transferor Company and the Transferee Company were approved by the Registrar of Companies, Chennai, Tamil Nadu on 12 December 2017 and the amalgamation is effective from 01 April 2016 (the Appointed Date).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

c) The amalgamation has been accounted under Pooling of Interest Method in accordance with Accounting Standard 14 - Accounting for Amalgamations.

d) The Schemes envisages transfer of all assets, liabilities and reserves of the Transferor Companies to the Transferee Company at their book value on the Appointed Date. Due to merger, the authorized capital has increased by ₹ 10 crore divided into 1,00,00,000 shares of ₹ 10 each.

e) All the reserves of the Transferor Company has been recorded in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Company.

f) No new shares has been issued by the transferee company to the transferor company to effect the scheme of amalgamation.

g) The assets and liabilities of L&T PKL as at 01 April 2016 is as below:

Particulars	**As at 01.04.2016**
	₹ crore
Equity and liabilities:	
Shareholders' fund	
Share capital	4.16
Reserves and surplus	(4.59)
	(0.43)
Current liabilities:	
Other current liabilities	0.44
Total Liabilities	0.01
Assets:	
Current assets	
Cash and cash equivalents	0.01
Total assets	0.01

Q(18) Movement in Contingent Provision against Standard Assets during the year is as under:

Particulars	**For the year ended 31 March 2018**	*For the year ended 31 March 2017*
	₹ crore	*₹ crore*
Opening Balance	**3.41**	*3.80*
Additions during the year	**–**	*–*
Reversed / Utilised during the year	**0.12**	*0.39*
Closing Balance	**3.29**	*3.41*
Long-term Provision [refer note C(III)]	**1.24**	*2.90*
Short-term Provision [refer note D(IV)]	**2.05**	*0.50*

As required in terms of paragraph 10 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 every Non-Banking Financial Company shall make provision for standard asset at 0.40 per cent by end of March 2018.

Q(19) Core Investment Company (CIC) Compliance Ratios:

S.No.	**Particulars**	**As at 31.03.2018**	*As at 31.03.2017*
(i)	Investments and loans (Net off provisions) to group companies as a proportion of Net Assets (%)	**92%**	*91%*
(ii)	Investments in equity shares and compulsorily convertible instruments of group companies (Gross) as a proportion of Net Assets (%)	**85%**	*77%*
(iii)	Investments in equity shares and compulsorily convertible instruments of group companies (Net off provisions) as a proportion of Net Assets (%)	**68%**	*63%*
(iv)	Capital Ratio (%) [Adjusted Net Worth/Risk Weighted Assets]	**91%**	*100%*
(v)	Leverage Ratio (Times) [Outside Liabilities/Adjusted Net Worth]	**0.19**	*0.29*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q(20) Schedule to the Balance Sheet of a Non-Banking Financial Company as required by RBI as per the Circular RBI/2008-09/116 DNBS(PD). CC.No. 125/ 03.05.002/ 2008-09, Guidelines for NBFC-ND-SI as regards capital adequacy, liquidity and disclosure norms:

1) **Capital Risk Adequacy Ratio:**
As per RBI Master Circular RBI/2015-16/13 DNBR (PD) CC. No.043 / 03.10.119 / 2015-16 maintenance of Capital Adequacy Ratio is not applicable.

2) **Exposure to Real Estate Sector**

Category	**2017-18**	*2016-17*
a) Direct Exposure		
(i) Residential Mortgages		
Lending secured by mortgages on residential property that is or will be occupied by the borrower or the property is rented; (Individual housing loans upto ₹ 15 lakh may be shown separately)	**Nil**	*Nil*
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	**Nil**	*Nil*
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a) Residential	**Nil**	*Nil*
b) Commercial Real Estate	**Nil**	*Nil*
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	**Nil**	*Nil*

3) **Asset Liability Management**
Maturity pattern of certain items of assets and liabilities

Assets and liabilities as at 31.03.2018

Particulars	Liabilities		Assets	
	Borrowings from banks	**Market Borrowings**	**Advances (Net of provision)**	**Investments (Net of provision)**
	₹ crore	**₹ crore**	**₹ crore**	**₹ crore**
1 day to 30/31 days (one month)	–	**20.00**	–	**20.00**
Over one month to 2 months	–	–	–	–
Over 2 months upto 3 months	–	–	–	–
Over 3 months to 6 months	–	–	–	–
Over 6 months to 1 year	–	–	**495.27**	**1,723.94**
Over 1 year to 3 years	–	**45.00**	–	**45.00**
Over 3 years to 5 years	–	**55.00**	–	**55.00**
Over 5 years	–	**250.00**	**139.43**	**2,086.31**
Total	–	**370.00**	**634.70**	**3,930.25**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Assets and liabilities as at 31.03.2017

Particulars	Liabilities		Assets	
	Borrowings from banks	**Market Borrowings**	**Advances (Net of provision)**	**Investments (Net of provision)**
	₹ crore	**₹ crore**	**₹ crore**	**₹ crore**
1 day to 30/31 days (one month)	–	*215.00*	–	*575.00*
Over one month to 2 months	–	–	–	–
Over 2 months upto 3 months	–	–	–	–
Over 3 months to 6 months	–	–	–	–
Over 6 months to 1 year	–	–	*135.06*	*42.00*
Over 1 year to 3 years	–	*40.00*	–	*40.00*
Over 3 years to 5 years	–	*50.00*	–	*50.00*
Over 5 years	–	*280.00*	*650.59*	*2,664.70*
Total	–	*585.00*	*785.65*	*3,371.70*

Q(21) Schedule to the Balance Sheet of a non-deposit taking non-banking financial company as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Liabilities side :

1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

Particulars	**As at 31.03.2018**		*As at 31.03.2017*	
	Amount Outstanding	**Amount Overdue**	*Amount Outstanding*	*Amount Overdue*
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
(a) Debentures				
Secured	**131.21**	**–**	*147.61*	–
Unsecured	**255.65**	**–**	*255.65*	–
(other than falling within the meaning of public deposits)		**–**	–	–
(b) Deferred Credits		**–**	–	–
(c) Term Loans	**–**	**–**	–	–
(d) Inter-corporate loans and borrowing	**–**	**–**	–	–
(e) Commercial Paper	**–**	**–**	*200.00*	–
(f) Other Loans		**–**	–	–

Assets side :

2) Break-up of Loans and Advances including bills receivables (Net of provision) [other than those included in (4) below] :

Particulars	**As at 31.03.2018**	*As at 31.03.2017*
	Amount Outstanding	*Amount Outstanding*
	₹ crore	*₹ crore*
(a) Secured	**–**	–
(b) Unsecured	**634.70**	*785.65*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

3) Break up of Leased Assets and stock on hire and other assets counting towards Asset Finance Company (AFC) activities:

Particulars	**As at 31.03.2018**	*As at 31.03.2017*
	Amount Outstanding	*Amount Outstanding*
	₹ crore	*₹ crore*
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	–	–
(b) Operating lease	–	–
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	–	–
(b) Repossessed Assets	–	–
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	–	–
(b) Loans other than (a) above	–	–

4) Break-up of Investments: (Amount net of provision)

Particulars	**As at 31.03.2018**	*As at 31.03.2017*
	Amount Outstanding (Net of diminution)	*Amount Outstanding (Net of diminution)*
	₹ crore	*₹ crore*
Current Investments: (Net of provision)		
1 Quoted :		
(i) Shares: (a) Equity	**–**	*–*
(b) Preference	**–**	*–*
(ii) Debentures and Bonds	**–**	*–*
(iii) Units of mutual funds	**1,167.66**	*560.00*
(iv) Government Securities	**–**	*–*
(v) Others	**–**	*–*
2 Unquoted:		
(i) Shares: (a) Equity	**556.28**	*42.00*
(b) Preference	**–**	*–*
(ii) Debentures and Bonds	**20.00**	*15.00*
(iii) Units of mutual funds	**–**	*–*
(iv) Government Securities	**–**	*–*
(v) Others	**–**	*–*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Particulars	As at 31.03.2018 Amount Outstanding (Net of diminution) ₹ crore	As at 31.03.2017 Amount Outstanding (Net of diminution) ₹ crore
Long Term Investments: (Net of provision)		
1 Quoted :		
(i) Shares: (a) Equity	–	–
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of mutual funds	–	–
(iv) Government Securities	–	–
(v) Others	–	–
2 Unquoted:		
(i) Shares: (a) Equity	**1,337.63**	*1,944.55*
(b) Preference	**699.41**	*620.15*
(ii) Debentures and Bonds	**149.27**	*190.00*
(iii) Units of mutual funds	–	–
(iv) Government Securities	–	–
(v) Others	–	–

5) Borrower group-wise classification of assets financed as in (2) and (3) above : (Amount net of provision)

Particulars	As at 31.03.2018		
	Secured	**Unsecured**	**Total**
	₹ crore	**₹ crore**	**₹ crore**
1 Related Parties			
(a) Subsidiaries	–	**534.05**	**534.05**
(b) Companies in the same group	–	–	–
(c) Other related parties	–	**22.42**	**22.42**
2 Other than related parties	–	**78.23**	**78.23**
Total	–	**634.70**	**634.70**

Particulars	As at 31.03.2017		
	Secured	*Unsecured*	*Total*
	₹ crore	*₹ crore*	*₹ crore*
1 Related Parties			
(a) Subsidiaries	–	*685.01*	*685.01*
(b) Companies in the same group	–	–	–
(c) Other related parties	–	*28.90*	*28.90*
2 Other than related parties	–	*71.75*	*71.75*
Total	–	*785.66*	*785.66*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Particulars	As at 31.03.2018		*As at 31.03.2017*	
	Market Value / Break up or Fair value or NAV	**Book Value (Net of Provision)**	*Market Value / Break up or Fair value or NAV*	*Book Value (Net of Provision)*
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
1 Related Parties				
(a) Subsidiaries	**2,737.90**	**2,737.90**	*2,787.01*	*2,787.01*
(b) Companies in the same group	**–**	**–**	*–*	*–*
(c) Other related parties	**9.83**	**9.83**	*9.83*	*9.83*
2 Other than related parties	**14.86**	**14.86**	*14.86*	*14.86*
Total	**2,762.59**	**2,762.59**	*2,811.70*	*2,811.70*

Market Value / Break up or Fair value or NAV is taken as same as book value in case of unquoted shares in absence of Market value / Break up value or Fair value or NAV.

7) Other information

Particulars	As at 31.03.2018	*As at 31.03.2017*
	₹ crore	*₹ crore*
(i) Gross Non-Performing Assets		
(a) Related parties	**–**	*–*
(b) Other than related parties	**–**	*–*
(ii) Net Non-Performing Assets		
(a) Related parties	**–**	*–*
(b) Other than related parties	**–**	*–*
(iii) Assets acquired in satisfaction of debt	**–**	*–*

Note:

(i) The disclosures required under the Master Circular – "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015" and Master Circular– Regulatory Framework for Core Investment Companies (CICs) for CICs, as applicable to the Company has been made duly considering the nature/ other infrastructure project execution activities of the Company.

Q(22) Subsequent Event:

The Board of Directors in its meeting held on April 28, 2018 have proposed buy back of 920 fully paid up Compulsorily Convertible Preference Shares Series I (CCPS) of ₹ 1 crore each of nominal value at a premium of ₹ 21,73,913 per CCPS for an aggregating value not exceeding ₹ 1,120 crore, subject to shareholders approval.

Q(23) Previous year figures have been regrouped and reclassified, to the extent practical/necessary, duly considering the reporting requirements.

R SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, in accordance with Generally Accepted Accounting Principles in India ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards prescribed under section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the Circular No.07/2014 dated 01 April 2014 of the Ministry of Corporate Affairs.

Further, the Company has been issued a certificate of registration from the Reserve Bank of India (RBI), to commence/carry on the business of non-banking financial institution without accepting public deposits subject to certain conditions as mentioned by the RBI and is covered as a systemically important non-deposit taking core investment company (CIC-ND-SI). Since the Company is covered as a CIC-ND-SI effective 01 April 2015, based on the letter dated 12 January 2015 acknowledged by the RBI the presentation and accounting in these financial statements has been done duly considering the same and the directions issued by the (RBI) for CIC-ND-SI, as applicable.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

The accounting policies followed in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of estimates and other matters involving Management assessment

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. 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 recognized in the periods in which the results are known / materialize. Estimates include the useful lives of tangible and intangible fixed assets, provisions for resurfacing obligations, employee benefit plans, provision for income taxes and provision for diminution in the value of investments.

The financial statements of the Company have been prepared in accordance with the significant accounting policies duly considering Management's assessment of various matters relating to arbitration/termination proceedings, future projections, restructuring plans etc, which are significant to the Company and the final outcome of these matters, including legal/contractual interpretations, where applicable, could have a significant impact on the financial statements and the Management's evaluation of the same is very critical and fundamental to the preparation of these financial statements.

3. 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 Accounting Standard (AS) 3 "Cash Flow Statements". 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 Listing Agreement.

Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.

4. Revenue recognition

(i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest Income on non-performing assets is recognized upon realization, as per guidelines issued by the Reserve Bank of India.

(iii) Profit/loss on sale of investments is recognised at the time of actual sale/redemption.

(iv) Dividend income is recognised when the right to receive the same is established by the reporting date.

(v) Revenue from windmill operations is recognised based on contractual agreements.

(vi) Contract revenue from construction activity on fixed price contracts is recognized only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using percentage of completion method.

Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

For the purposes of recognizing revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost. Expected loss, if any, on the construction activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

(vii) Other items of income are recognised as and when the right to receive arises.

5. 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

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

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 Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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 recognized immediately in the Statement of Profit and Loss.

(iii) Other long term employee benefits:

The obligation for 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.

6. Tangible fixed assets

Fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalized as part of the cost of the fixed assets.

7. Leases

Finance leases :

(i) Where the Company as a lessor leases assets under finance leases, such amounts are recognized as receivables at an amount equal to the net investment in the lease and the finance income is recognized based on a constant rate of return on the outstanding net investment.

(ii) Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating leases :

(i) Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases.

(ii) Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

(iii) Assets leased out under operating leases are capitalized. Rental income is recognized over the lease term.

8. Depreciation

a. Owned assets :

Depreciation on assets have been provided on straight-line method on the basis of useful life as specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro-rata from/to the month of additions/ deductions.

In respect of the following categories of assets, depreciation is provided based on the useful life which is different than that prescribed in Schedule II to the Companies Act, 2013.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Category of Asset	**Useful life adopted by the Company (years)**
(i) Plant & Equipment - Wind Power Generation Plant	20
(ii) Motor cars	5
(iii) Office equipments	
a) Multifunctional devices printers, switches and projectors	4
(iv) Building - Residential	50
(v) Plant and Machinery	
a) D.G. Set	12
b) Air-conditioning and refrigeration equipment	12
c) Split AC and Window AC	4

The Company has carried out an assessment of the useful lives of these assets and based on technical evaluation, different useful lives have been arrived at in respect of above assets.

The justification for adopting different useful life compared to the useful life of assets provided in Schedule II is based on the consumption pattern of the assets, past performance of similar assets and peer industry comparison duly supported by technical assessment from internal technical personnel.

b. Leasehold land

Land acquired under long term lease is classified under “tangible assets” and is depreciated over the period of lease.

9. Intangible assets and amortisation

Intangible assets are recognized 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 amortization and cumulative impairment.

Specialized software is amortized over a period of three years on straight line basis from the month in which the addition is made.

Administrative and other general overhead expenses that are directly attributable to development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the assets’ revised carrying amount over its remaining useful life.

10. Impairment of assets

As at each Balance Sheet date, the carrying amount of asset is tested for impairment so as to determine :

(i) the provision for impairment loss, if any; and

(ii) the reversal of impairment loss recognised in previous periods, if any,

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined :

a. In the case of an individual asset, at the higher of the net selling price and the value in use.

b. In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit’s net selling price and the value in use.

(Value in use is determined at the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life)

11. Investments

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

Investments, which are readily realisable and are intended to be held for not more than one year and investments in subsidiaries where projects are under termination, are classified as current investments. All other investments are classified as long term investments.

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Current investments are stated at lower of cost or market value.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

12. Cash and bank balances

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

13. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. 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 the Balance Sheet are also included under this category with a specific disclosure.

14. Borrowing costs

Borrowing costs include interest, amortization 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. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

15. Foreign currency transactions

(i) The reporting currency of the Company is the Indian Rupee.

(ii) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items carried at historical cost denominated in a foreign currency, are reported using the exchange rate on the date of the transaction.

(iii) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognized as income or expense in the period in which they arise.

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. Taxes on income

Provision for tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the provisions contained in the Guidance Note issued by The Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Deferred tax is recognised, on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty supported by convincing evidence exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

The Company offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

18. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation 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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Provisioning for non performing assets and standard assets are made in accordance with the asset classification and provisioning norm as issued by the Reserve Bank of India. Also refer note Q(18).

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

19. 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.

20. Goods and Service tax input credit

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

21. Operating cycle for current/non-current classification:

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

22. 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.

For and on behalf of the Board of Directors

SHAILESH K. PATHAK	T. S. VENKATESAN	KARTHIKEYAN T. V	K. C. RAMAN
Chief Executive Officer and Whole-time Director (DIN: 01748959)	*Whole-time Director (DIN: 01443165)*	*Chief Financial Officer*	*Company Secretary*

Place : Chennai
Date : 28 April 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **L&T Infrastructure Development Projects Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements/ financial information of the subsidiaries and associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

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

a) As stated in Note Q(25) of the consolidated financial statements as at 31 March 2018, a net amount of ₹ 183.96 crores (As at 31 March 2017 ₹ 134.23 crores), is carried as the net amount recoverable towards termination compensation by two subsidiaries of the Group, engaged in infrastructure projects, which have terminated the concession agreements entered into with the National Highway Authorities of India (NHAI). The nature of default and termination amount claimed under the concession agreement has not been accepted by NHAI and arbitration/ conciliation proceedings have been initiated in respect of the disputes relating to the termination payments/claims. Further, in respect of one of the subsidiaries, the lenders of the subsidiary have filed petition with Debt Recovery Tribunal for recovery of outstanding loans.

The Management has carried out an assessment of its exposure in these projects duly considering the likely outcome of the arbitration/ conciliation proceedings, contractual stipulations/ interpretation of the relevant clauses of the aforesaid concession agreement, the expected termination payments, the possible obligations to lenders, legal advice, etc. and believes that the net amount of recoverable carried in the books is good for recovery and no additional provision/adjustment to the same is considered necessary by the Management as at 31 March 2018.

The above matter has also been referred to as an Emphasis of Matter in the auditor's report of the respective subsidiaries.

b) As explained in Note Q(24) of the consolidated financial statements, the Group is carrying toll collection rights (net of amortisation/impairment) aggregating to ₹ 4,361.07 crore (previous year : ₹ 5,687.19 crore relating to seven operating subsidiaries) in five operating subsidiaries, engaged in infrastructure projects, whose net worth is fully eroded as at 31 March 2018/undergoing restructuring due to continuous losses, as per the audited financial statements of these entities as at 31 March 2018.

   Considering the gestation period required for break even for such infrastructure investments, restructuring/refinancing arrangements carried out/proposed, expected higher cash flows based on future business projections and the strategic nature of the investments etc., no additional impairment/adjustment to the carrying value of the said toll collection rights is considered necessary by the Management as at 31 March 2018.

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements of 19 subsidiaries, whose financial statements reflect total assets of ₹ 31,168.35 crores as at 31 March 2018, total revenues of ₹ 2,136.10 crores and net cash (outflows) amounting to ₹ 1,433.34 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements and certain other adjustments carried out in the consolidated financial statements in respect of these subsidiaries referred to in Note E(II)(c) of the consolidated financial statements have been audited/certified by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports/certificate of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit of ₹ 2.40 crores for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of an associate, whose financial information have not been audited by their auditors and have been included based on the financial information certified by the Management of the associate and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such management certified financial information. Any adjustments to these management certified financial information could have consequential effects on the consolidated financial statements. In the absence of the audit report of the associate, we are not commenting on the requirements of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports/certificate of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company and its subsidiary companies incorporated in India. The audit report of the associate company is not available and, accordingly, our reporting under this clause does not cover the associate.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

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

Place: Chennai
Date: 28 April 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **L&T Infrastructure Development Projects Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 31 March 2018, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 19 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. In case of one associate company, the audit report of that company is not available and, accordingly, our reporting under Section 143(3)(i) of the Act does not cover the associate. However, the size of this associate in the context of the Group is not material.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

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

Place: Chennai
Date: 28 April 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

Particulars	**Note No.**	**As at 31 March 2018 ₹ Crore**	*As at 31 March 2017 ₹ Crore*
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
(a) Share capital	**A**	**2,321.06**	*2,321.06*
(b) Reserves and surplus	**B**	**1,681.31**	*1,865.31*
		4,002.37	*4,186.37*
Minority interest (net)	**Q(3)**	**127.76**	*144.82*
LIABILITIES			
Non-current liabilities			
(a) Long term borrowings	**C(I)**	**7,646.71**	*11,309.50*
(b) Deferred tax liabilities (net)	**Q(12)**	**16.96**	*17.07*
(c) Other long term liabilities	**C(II)**	**5,880.50**	*10,865.00*
(d) Long term provisions	**C(III)**	**260.45**	*586.55*
		13,804.62	*22,778.12*
Current liabilities			
(a) Short term borrowings	**D(I)**	**–**	*150.00*
(b) Trade payables	**D(II)**		
Total outstanding dues of micro and small enterprises		**0.24**	*–*
Total outstanding dues of creditors other than micro and small enterprises		**119.14**	*311.25*
(c) Other current liabilities	**D(III)**	**2,847.63**	*3,783.40*
(d) Short term provisions	**D(IV)**	**226.86**	*18.81*
		3,193.87	*4,263.46*
TOTAL EQUITY AND LIABILITIES		**21,128.62**	*31,372.77*
ASSETS			
Non-current assets			
Fixed assets			
(a) Property, Plant and Equipment	**E(I)**	**1,444.48**	*1,501.51*
(b) Intangible assets	**E(II)**	**13,883.66**	*21,594.64*
(c) Capital work-in-progress	**E(I)**	**0.08**	*22.61*
(d) Intangible assets under development	**E(II)**	**63.74**	*2,285.94*
(e) Goodwill on consolidation	**E(III)**	**–**	*–*
(f) Non-current investments	**F**	**14.86**	*29.68*
(g) Long term loans and advances	**G(I)**	**118.41**	*124.90*
(h) Other non-current assets	**G(II)**	**8.47**	*19.64*
		15,533.70	*25,578.92*
Current assets			
(a) Current investments	**H(I)**	**2,062.25**	*1,120.41*
(b) Trade receivables	**H(II)**	**66.11**	*58.00*
(c) Cash and bank balances	**H(III)**	**643.62**	*2,931.85*
(d) Short term loans and advances	**G(I)**	**1,668.08**	*1,678.31*
(e) Other current assets	**G(II)**	**1,154.86**	*5.28*
		5,594.92	*5,793.85*
TOTAL ASSETS		**21,128.62**	*31,372.77*
CONTINGENT LIABILITIES	**I**		
COMMITMENTS	**J**		
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	**Q**		
SIGNIFICANT ACCOUNTING POLICIES	**R**		

As per our report attached

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

JAIDEEP S TRASI
Partner

Place : Chennai
Date : 28 April 2018

For and on behalf of the Board of Directors

SHAILESH K. PATHAK
Chief Executive Officer and Whole-time Director
(DIN: 01748959)

T. S. VENKATESAN
Whole-time Director
(DIN: 01443165)

KARTHIKEYAN T. V
Chief Financial Officer

K. C. RAMAN
Company Secretary

Place : Chennai
Date : 28 April 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

	Particulars	**Note No.**	**Year ended 31 March 2018 ₹ Crore**	*Year Ended 31 March 2017 ₹ Crore*
I	**REVENUE**			
	(a) Revenue from operations	**K**	**1,665.26**	*1,482.15*
	(b) Other income	**L**	**93.94**	*35.91*
	Total Revenue (I)		**1,759.20**	*1,518.06*
II	**EXPENSES**			
	Operating expenses			
	(a) Cost of materials consumed		**–**	*31.69*
	(b) Sub-contracting charges		**228.16**	*392.54*
	(c) Financing charges		**37.87**	*29.25*
	(d) Other construction and related operating expenses	**M**	**264.76**	*238.44*
	Employee benefits expense	**N**	**49.14**	*46.65*
	Depreciation, amortisation, impairment and obsolescence	**E**	**512.86**	*316.55*
	Finance costs	**P**	**705.26**	*658.23*
	Administration and other expenses	**O**	**62.22**	*65.77*
	Total Expenditure (II)		**1,860.27**	*1,779.12*
III	**(Loss) before exceptional items and tax (I - II)**		**(101.07)**	*(261.06)*
IV	Exceptional items	**Q(18)**	**(118.30)**	*(69.47)*
V	**(Loss) before tax (III – IV)**		**(219.37)**	*(330.53)*
VI	Tax expense			
	Current tax	**Q(5)**	**76.57**	*18.49*
	MAT credit entitlement		**(3.86)**	*(77.12)*
	Deferred tax	**Q(12)**	**(0.11)**	*(3.29)*
			72.60	*(61.92)*
VII	(Loss) after tax before share of profit / (loss) of associate and minority interest (V - VI)		**(291.97)**	*(268.61)*
VIII	Add : Share of profit of associate		**2.40**	*1.62*
			(289.57)	*(266.99)*
IX	Add/(less) : Share of profit/(loss) attributable to minority interest (net)		**(17.06)**	*(14.00)*
X	**(Loss) for the year from continuing operations (VII+VIII-IX)**		**(272.51)**	*(252.99)*
XI	Profit/(loss) for the year from discontinuing operations		**40.94**	*(4.92)*
XII	Tax expense of discontinuing operations		**13.06**	*1.09*
XIII	**Profit/(loss) from discontinuing operations (after tax)**	**Q(19)**	**27.88**	*(6.01)*
XIV	**(Loss) for the year (X + XIII)**		**(244.63)**	*(259.00)*
XI	Earnings per equity share (face value of ₹ 10 each)	**Q(11)**		
	Continuing operations			
	(a) Equity shares			
	(1) Basic		**(8.49)**	*(7.88)*
	(2) Diluted		**(8.49)**	*(7.88)*
	(b) Special equity shares			
	(1) Basic		**–**	–
	(2) Diluted		**–**	–
	Total operations			
	(a) Equity shares			
	(1) Basic		**(7.62)**	*(8.07)*
	(2) Diluted		**(7.62)**	*(8.07)*
	(b) Special equity shares			
	(1) Basic		**–**	–
	(2) Diluted		**–**	–

See notes forming part of the consolidated financial statements

As per our report attached

For and on behalf of the Board of Directors

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

JAIDEEP S TRASI
Partner

SHAILESH K. PATHAK
Chief Executive Officer and Whole-time Director (DIN: 01748959)

T. S. VENKATESAN
Whole-time Director (DIN: 01443165)

KARTHIKEYAN T. V
Chief Financial Officer

K. C. RAMAN
Company Secretary

Place : Chennai
Date : 28 April 2018

Place : Chennai
Date : 28 April 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Particulars	**Year ended 31 March 2018 ₹ Crore**	*Year Ended 31 March 2017 ₹ Crore*
A.	**Cash flow from operating activities**		
	Loss before tax, share of profit/(loss) of associate and minority interest from continuing operations	**(219.37)**	*(330.53)*
	Profit/(loss) before tax from discontinuing operations	**40.94**	*(4.92)*
	Adjustments for :		
	Liabilities / provisions no longer required written back	**(0.64)**	*(2.32)*
	Depreciation, amortisation, impairment and obsolescence	**696.52**	*491.40*
	Finance costs	**1,078.11**	*997.60*
	Interest income	**(7.55)**	*(7.09)*
	Exceptional Items [Also refer note Q(18)]	**118.30**	*69.47*
	Loss / (profit) on sale of fixed assets (net)	**0.07**	*(0.08)*
	Gain on disposal of investments (net)	**(92.30)**	*(17.36)*
	Other non-cash charges	**6.16**	
	Exchange difference on items relating to financing activities	**–**	*17.61*
	Operating profit before working capital changes	**1,620.24**	*1,213.78*
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	**–**	*49.13*
	Trade receivables	**(8.11)**	*(54.21)*
	Short term loans and advances	**(15.04)**	*64.97*
	Long term loans and advances	**17.75**	*8.06*
	Other current assets	**(4.20)**	*13.71*
	Other non-current assets	**11.24**	*(17.54)*
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	**(135.22)**	*(31.52)*
	Other current liabilities	**46.51**	*(361.81)*
	Other non-current liabilities	**(17.01)**	*100.26*
	Short-term provisions	**212.31**	*(0.24)*
	Long-term provisions	**(26.25)**	*204.86*
	Cash generated from operations	**1,702.22**	*1,189.45*
	Direct taxes paid (net of refunds)	**(99.98)**	*(40.11)*
	Net cash generated from operating activities (A)	**1,602.24**	*1,149.34*
B.	**Cash flow from investing activities**		
	Capital expenditure on purchase of property,plant and equipment/intangible assets including capital advances (net) [Refer Notes 2,3 and 5 below]	**(429.13)**	*(470.77)*
	Proceeds from disposal of property,plant and equipment/intangible assets	**8.52**	*2.77*
	Bank balances not considered as cash and cash equivalents-matured/(placed)[Refer Note 4 below]	**809.67**	*(1,282.08)*
	Purchase of current investments (net)	**(1,015.61)**	*(816.40)*
	Interest received	**21.32**	*15.02*
	Dividend received from associate	**1.47**	*1.47*
	Consideration received on disposal of subsidiaries	**–**	*2,067.45*
	Net cash (used in) investing activities (B)	**(603.76)**	*(482.54)*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

	Particulars	Year ended 31 March 2018 ₹ Crore	*Year Ended 31 March 2017 ₹ Crore*
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	**292.33**	*2,459.91*
	Repayment of long term borrowings	**(1,435.42)**	*(1,122.78)*
	Proceeds from/(repayment of) other borrowings (net)	**(150.00)**	*142.25*
	Discharge of deferred payment liabilities	**(228.95)**	*(98.94)*
	Interest paid [Refer Note 5]	**(917.47)**	*(1,054.08)*
	Net cash (used in)/generated from financing activities (C)	**(2,439.51)**	*326.36*
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,441.03)**	*993.16*
	Cash and cash equivalents at the beginning of the year	**1,623.29**	*630.17*
	Effect of exchange differences on restatement of foreign currency cash and cash equivalents	**–**	*(0.04)*
	Cash and cash equivalents at the end of the year [Refer Note 4 below]	**182.26**	*1,623.29*

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
2. Capital expenditure on purchase of property,plant and equipment/intangible assets includes movement of capital work-in-progress during the year and eligible borrowing costs, negative grant and additional concession fee to NHAI. Refer Notes E(I), E(II) and E(III).
3. Capital expenditure on purchase of property,plant and equipment/intangible assets is net of Viability Gap Fund recognised in respect of one of the subsidiaries. Refer Notes E(I), E(II) and E(III).
4. The Consolidated Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations. The cash and cash equivalents at the end of the year represents the combined closing balances of continuing and discontinuing operations. Refer Note Q(19) for cash flows pertaining to discontinuing operations.
5. Capital expenditure on purchase of property,plant and equipment/intangible assets excludes ₹58.18 crore being toll collections deposited into the escrow account of one of the subsidiaries, L&T Chennai Tada Tollway Limited ("LTCTTL") which had terminated it's concession agreement and recovered by term lenders towards interest on term loans.
6. Previous year's figures have been regrouped/reclassified wherever necessary.

See notes forming part of the consolidated financial statements

As per our report attached

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

JAIDEEP S TRASI
Partner

Place : Chennai
Date : 28 April 2018

For and on behalf of the Board of Directors

SHAILESH K. PATHAK
Chief Executive Officer and Whole-time Director
(DIN: 01748959)

T. S. VENKATESAN
Whole-time Director
(DIN: 01443165)

KARTHIKEYAN T. V
Chief Financial Officer

K. C. RAMAN
Company Secretary

Place : Chennai
Date : 28 April 2018

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

A SHARE CAPITAL

A(I) Share capital authorised, issued, subscribed and paid up:

Particulars	As at 31 March 2018		*As at 31 March 2017*	
	No. of Shares	₹ crore	*No. of Shares*	*₹ crore*
Authorised:				
Equity shares				
Equity shares of ₹10 each	**559,000,000**	**559.00**	*549,000,000*	*549.00*
Special equity shares of ₹10 each	**10,000**	**0.01**	*10,000*	*0.01*
Preference shares				
Compulsorily Convertible Preference Shares Series 1 of ₹ 1,00,00,000 each	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Compulsorily Convertible Preference Shares Series 2 of ₹ 1,00,00,000 each	**200**	**200.00**	*200*	*200.00*
Issued:				
Equity shares				
Equity shares of ₹10 each	**321,049,196**	**321.05**	*321,049,196*	*321.05*
Special equity shares of ₹10 each	**10,000**	**0.01**	*10,000*	*0.01*
Preference shares				
Compulsorily Convertible Preference Shares Series 1 of ₹ 1,00,00,000 each	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Compulsorily Convertible Preference Shares Series 2 of ₹ 1,00,00,000 each	**200**	**200.00**	*200*	*200.00*
Subscribed and fully paid up:				
Equity shares				
Equity shares of ₹10 each	**321,049,196**	**321.05**	*321,049,196*	*321.05*
Special equity shares of ₹10 each	**10,000**	**0.01**	*10,000*	*0.01*
Preference shares				
Compulsorily Convertible Preference Shares Series 1 of ₹ 1,00,00,000 each	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Compulsorily Convertible Preference Shares Series 2 of ₹ 1,00,00,000 each	**200**	**200.00**	*200*	*200.00*
TOTAL	**321,061,196**	**2,321.06**	*321,061,196*	*2,321.06*

A(II) Reconciliation of the number of shares and share capital

Particulars	As at 31 March 2018		*As at 31 March 2017*	
	No. of Shares	₹ crore	*No. of Shares*	*₹ crore*
Equity shares of ₹10 each				
At the beginning of the year	**321,049,196**	**321.05**	*321,049,196*	*321.05*
Issued during the year as fully paid up (face value ₹ 10 each)	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**321,049,196**	**321.05**	*321,049,196*	*321.05*
Special equity shares of ₹10 each				
At the beginning of the year	**10,000**	**0.01**	*10,000*	*0.01*
Issued during the year as fully paid up	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**10,000**	**0.01**	*10,000*	*0.01*
Compulsorily Convertible Preference Shares Series 1 of ₹1,00,00,000 each				
At the beginning of the year	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Issued during the year as fully paid up	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**1,800**	**1,800.00**	*1,800*	*1,800.00*
Compulsorily Convertible Preference Shares Series 2 of ₹1,00,00,000 each				
At the beginning of the year	**200**	**200.00**	*200*	*200.00*
Issued during the year as fully paid up	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**200**	**200.00**	*200*	*200.00*
TOTAL	**321,061,196**	**2,321.06**	*321,061,196*	*2,321.06*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

A(III) Terms/rights attached to shares

Equity shares of ₹ 10 each :

The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend. The shares issued carry equal rights to dividend declared by the Company and no restrictions are attached to any specific shareholder.

Special equity shares of ₹ 10 each :

The special equity shares rank pari passu with the existing equity shares except for :

a) Specific incremental rights (i.e) Director Voting Rights ["DVR"] with respect to election, appointment and/or removal of Directors of the Company. These DVR are triggered only under specific conditions

b) No right to receive any dividend or other distributions of the Company or otherwise carry any economical rights. However, upon the occurrence of voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders are entitled to a maximum of ₹ 10 per Special equity share.

Compulsorily Convertible Preference Shares (CCPS) series 1 and series 2 of ₹ 1,00,00,000 each :

These shares are issued pursuant to the Investment agreement entered into by the Company with Larsen and Toubro Limited ("the Holding Company"), Old Lane Mauritius III Limited and CPP Investment Board Singaporean Holdings 1 Pte. Limited dated 21 June 2014. These shares are convertible in terms of clause 8.1 of the said agreement into equity shares based on a Retrospective valuation methodology as set out in schedule 9 of the said agreement with the earliest conversion date being 01 April 2016. These shares are not entitled to any dividend or any other form of distribution of profits made by the Company until conversion into equity shares.

A(IV) Shares held by Holding Company and/or their subsidiaries/associates

Particulars	**As at 31 March 2018**		*As at 31 March 2017*	
	No. of shares	**Shareholding %**	*No. of shares*	*Shareholding %*
Equity shares of ₹10 each				
Larsen & Toubro Limited (Holding Company) (including shares held along with its nominees)	**312,859,096**	**97.45**	*312,859,096*	*97.45*
Special equity shares of ₹10 each				
Larsen & Toubro Limited (Holding Company) (including shares held along with its nominees)	**10,000**	**100.00**	*10,000*	*100.00*

A(V) Details of shareholders holding more than 5% shares in the Company:

Particulars	**As at 31 March 2018**		*As at 31 March 2017*	
	No. of shares	**Shareholding %**	*No. of shares*	*Shareholding %*
Equity shares of ₹10 each				
Larsen & Toubro Limited (Holding Company) (including shares held along with its nominees)	**312,859,096**	**97.45**	*312,859,096*	*97.45*
Special equity shares of ₹10 each				
Larsen & Toubro Limited (Holding Company) (including shares held along with its nominees)	**10,000**	**100.00**	*10,000*	*100.00*
Compulsorily Convertible Preference Shares Series 1 of ₹1,00,00,000 each				
CPP Investment Board Singaporean Holdings Pte. 1 Limited	**1,800**	**100.00**	*1,800*	*100.00*
Compulsorily Convertible Preference Shares Series 2 of ₹1,00,00,000 each				
CPP Investment Board Singaporean Holdings Pte. 1 Limited	**200**	**100.00**	*200*	*100.00*

A(VI) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date : **NIL**

A(VII) Calls unpaid : **NIL;** Forfeited shares : **NIL**

A(VIII) The Special Equity Shares have no right to receive bonus shares or offers for rights shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

B RESERVES AND SURPLUS

Particulars	As at 31 March 2018		*As at 31 March 2017*	
	₹ Crore	₹ Crore	*₹ Crore*	*₹ Crore*
Capital reserve [Refer Note (B)(i)]				
As per last balance sheet	372.86		225.00	
Additions during the year	60.69		147.86	
		433.55		372.86
Capital reserve on consolidation [Refer Note B(ii)]				
As per last balance sheet	263.01		14.93	
Additions during the year	–		248.08	
		263.01		263.01
Securities premium account				
As per last balance sheet	1,973.76		1,973.76	
Additions during the year	–		–	
		1,973.76		1,973.76
Debenture redemption reserve [Refer Note B(iii)]				
As per last balance sheet	110.40		37.70	
Less: Transferred to general reserve	(2.25)		(2.80)	
Add: Transferred from retained earnings	92.07		75.50	
		200.22		110.40
Reserve u/s 45 IC of the RBI Act, 1934				
As per last balance sheet	79.81		79.81	
Add: Transferred from retained earnings	–		–	
		79.81		79.81
Foreign currency translation reserve				
As per last balance sheet	0.05		3.85	
For the year (net)	(0.05)		(3.80)	
		–		0.05
Hedging reserve				
As per last balance sheet	–		14.57	
Additions/(deductions) during the year (net)	–		(14.57)	
		–		–
General reserve				
As per last balance sheet	10.50		7.65	
Additions during the year	2.25		2.85	
		12.75		10.50
Surplus/(deficit) in the statement of profit and loss				
As per last balance sheet	(945.08)		(610.58)	
Add/(Less) :				
Transfer to debenture redemption reserve	(92.07)		(75.50)	
(Loss) for the year	(244.63)		(259.00)	
		(1,281.78)		(945.08)
TOTAL		1,681.31		1,865.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Note (B)(i) : Capital Reserve represents grant received from National Highways Authority of India/ State authorities ("NHAI" or "the authority") in terms of the Concession agreements entered into by three subsidiaries (previous year : three subsidiaries) with NHAI/State authorities.

Note (B)(ii) : Addition to Capital reserve on consolidation in the previous year includes the share of net assets of minority shareholders pertaining to one of the subsidiaries, L&T Halol Shamlaji Tollway Limited (LTHSTL), pursuant to the Shareholders Agreement entered into by the Company with the lenders of LTHSTL in compliance with the conditions of the Strategic Debt Restructuring Scheme issued by the Reserve Bank of India.

Note (B)(iii) : Debenture Redemption Reserve amounting to ₹ 92.07 crore (previous year: ₹ 75.50 crore) has been created in terms of section 71 of the Companies Act, 2013 and the rules made thereunder. Out of the Debenture Redemption Reserve (DRR) as at 01 April 2015, an amount of ₹ 2.25 crore (previous year : ₹ 2.80 crore) representing the DRR pertaining to the portion of debentures repaid during the year has been transferred to general reserve.

C (I) Long term borrowings

PARTICULARS	As at 31 March 2018 Secured ₹ Crore	As at 31 March 2018 Unsecured ₹ Crore	As at 31 March 2018 Total ₹ Crore	*As at 31 March 2017 Secured ₹ Crore*	*As at 31 March 2017 Unsecured ₹ Crore*	*As at 31 March 2017 Total ₹ Crore*
Term loans [Refer Notes C(I)(i), C(I)(ii) and C(I)(iii)]						
From banks	**4,358.67**	**–**	**4,358.67**	*7,465.60*	–	*7,465.60*
From financial institutions	**316.24**	**–**	**316.24**	*461.22*	–	*461.22*
Redeemable non-convertible fixed rate debentures [Refer Note C(I)(iv)]	**2,721.80**	**250.00**	**2,971.80**	*3,132.68*	*250.00*	*3,382.68*
TOTAL	**7,396.71**	**250.00**	**7,646.71**	*11,059.50*	*250.00*	*11,309.50*

Notes :

(i) Details of term loans from banks and financial institutions:

Name of Company/ Subsidiary	As at 31 March 2018 Secured ₹ Crore	As at 31 March 2018 Unsecured ₹ Crore	As at 31 March 2018 Total ₹ Crore	*As at 31 March 2017 Secured ₹ Crore*	*As at 31 March 2017 Unsecured ₹ Crore*	*As at 31 March 2017 Total ₹ Crore*	Terms of repayment
PNG Tollway Limited	**986.29**	**–**	**986.29**	*959.35*	–	*959.35*	Refer Note D(III)(a).
L&T Rajkot Vadinar Tollway Limited	**773.01**	**–**	**773.01**	*808.05*	–	*808.05*	Repayable in 89 unequal monthly instalments from April 2017 to August 2024 at specified amounts.
Krishnagiri Thopur Tollroad Limited*	**–**	**–**	**–**	*224.93*	–	*224.93*	Repayable in 87 monthly unequal installments starting from April 2017 to June 2025.
Western Andhra Tollways Limited*	**–**	**–**	**–**	*125.07*	–	*125.07*	Repayable in 35 quarterly unequal instalments from April 2017 till Mar 2026.
Vadodara Bharuch Tollway Limited	**27.93**	**–**	**27.93**	*33.93*	–	*33.93*	Repayable in 31 December 2020
L&T Transportation Infrastructure Limited	**39.35**	**–**	**39.35**	*58.88*	–	*58.88*	Repayable in 36 unequal monthly instalments from April 2017 to March 2020 at specified amounts.
Krishnagiri Walajahpet Tollway Limited*	**–**	**–**	**–**	*772.58*	–	*772.58*	Repayable in 216 unequal monthly instalments from April 2017 till 31 March 2035.
Devihalli Hassan Tollway Limited*	**–**	**–**	**–**	*107.18*	–	*107.18*	Repayable in 120 unequal monthly instalments from April 2017 to March 2027.
L&T Halol-Shamlaji Tollway Limited	**580.87**	**–**	**580.87**	*597.25*	–	*597.25*	Repayable in 108 monthly instalments from April 2017 to March 2026 at specified amounts in Master Restructuring Agreement.
Ahmedabad-Maliya Tollway Limited	**893.25**	**–**	**893.25**	*1,100.94*	–	*1,100.94*	Repayable in 151 monthly unequal instalments from August 2017 to March 2030 at specified amounts.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Name of Company/ Subsidiary	As at 31 March 2018			*As at 31 March 2017*			Terms of repayment
	Secured	**Unsecured**	**Total**	*Secured*	*Unsecured*	*Total*	
	₹ Crore	**₹ Crore**	**₹ Crore**	*₹ Crore*	*₹ Crore*	*₹ Crore*	
L&T BPP Tollway Limited*	–	–	–	*1,825.99*	–	*1,825.99*	Repayable in 116 unequal monthly instalments from April 2017 till 30 November 2026.
L&T Samakhiali Gandhidham Tollway Limited	**753.11**	–	**753.11**	*866.21*	–	*866.21*	Repayable in 100 unequal monthly instalments from April 2017 to July 2025.
L&T Deccan Tollways Limited	**1,021.23**	–	**1,021.23**	*855.89*	–	*855.89*	Repayable in 168 unequal monthly instalments from April 2017 to 31 March 2031.
Kudgi Transmission Limited	–	–	–	*1,008.29*	–	*1,008.29*	Refer Note D(III)(d)
L&T Sambalpur Rourkela Tollway Limited	**907.98**	–	**907.98**	*783.84*	–	*783.84*	Repayable in 132 unequal monthly instalments from 30 May 2018 to 30 April 2029.
L&T Chennai - Tada Tollway Limited	**342.46**	–	**342.46**	*342.46*	–	*342.46*	Refer Note D(III)(b)
TOTAL	**6,325.48**	–	**6,325.48**	*10,470.84*	–	*10,470.84*	
Less : Current maturities	**1,650.57**		**1,650.57**	*2,544.02*	–	*2,544.02*	
Term loans from banks and financial institutions [Note C[I]]	**4,674.91**	–	**4,674.91**	*7,926.82*	–	*7,926.82*	

ii) Security, interest rate etc.:

a) Indian rupee term loan from banks and financial institutions and redeemable non-convertible debentures are secured by a pari passu charge inter se lenders over :

(i) all immovable properties wherever applicable both present and future, including all real estate rights;

(ii) all tangible movable assets, including movable plant and machinery, equipment, machinery spares, tools and accessories, current assets and all other movable assets(except project assets), both present and future;

(iii) all rights, title, interest, benefits, claims and demands(excluding project assets), whatsoever of the borrower in any project documents, contracts and licenses to and all assets of the project;

(iv) all rights, title, interest, benefits, claims and demands in respect of the accounts, that may be opened and all guarantees/ performance bonds given, in terms of the project documents; and,

(v) all amounts owing to, received and receivable by the Group;

b) The interest rate for the above loans from banks and financial institutions vary from 9.25% p.a. to 13.30% p.a.

c) Term loans are repayable over monthly/quarterly instalments over the remaining period.

* Refer Note G(II)(a)

iii) As at 31 March 2018, the Group had defaulted in the repayment of term loans and interest w.r.t following subsidiaries as given below:

Name of Subsidiary	As at 31 March 2018			*As at 31 March 2017*		
	Principal	**Interest**	**Total**	*Principal*	*Interest*	*Total*
	₹ Crore	**₹ Crore**	**₹ Crore**	*₹ Crore*	*₹ Crore*	*₹ Crore*
L&T Chennai Tada Tollway Limited*	–	–	–	*342.46*	*20.25*	*362.71*
L&T Halol Shamlaji Tollway Limited#	**2.31**	**7.56**	**9.87**	–	–	–
PNG Tollway Limited*	–	–	–	*959.35*	–	*959.35*
Total	**2.31**	**7.56**	**9.87**	*1,301.81*	*20.25*	*1,322.06*

* The lenders of both L&T Chennai Tada Tollway Limited and PNG Tollway Limited have recalled the loans subsequent to the termination of the respective concession agreements. Also refer note Q(25) and Q(26).

The subsidiary had defaulted in repayment of term loan to India Infrastructure Finance Company Ltd (IIFCL), as IIFCL did not participate in the Strategic Debt Restructuring scheme of the term loan of the subsidiary. Also refer not Q(30).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(iv) Details of Redeemable non-convertible debentures:

Name of Company/ Subsidiary	As at 31 March 2018			*As at 31 March 2017*			Terms of repayment
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*	
	₹ Crore	₹ Crore	₹ Crore	*₹ Crore*	*₹ Crore*	*₹ Crore*	
L&T Infrastructure Development Projects Limited	**120.00**	**250.00**	**370.00**	*135.00*	*250.00*	*385.00*	Redeemable at face value at the end of 10 years from the date of allotment or on exercise of call/ put option
Krishnagiri Thopur Tollroad Limited**	**–**	**–**	**–**	*99.80*	*–*	*99.80*	Redeemable at 38 quarterly unequal installments starting from December 2015 to March 2025.
Western Andhra Tollways Limited**	**–**	**–**	**–**	*97.00*	*–*	*97.00*	Redeemable in 36 unequal instalments from Dec 2015 till Sept 2025.
Devihalli Hassan Tollway Limited**	**–**	**–**	**–**	*159.84*	*–*	*159.84*	Redeemable at par in 72 unequal quarterly instalments ending by March 2035.
Kudgi Transmission Limited	**1,500.40**	**–**	**1,500.40**	*1,500.40*	*–*	*1,500.40*	Redeemable in 23 unequal annual instalments from 25 April 2018 to 25 April 2040.
Vadodara Bharuch Tollway Limited	**935.50**	**–**	**935.50**	*935.50*	*–*	*935.50*	Repayable in 4 bullet payments on 4 April 2018, 01 October 2019, 31 December 2019, and 30 June 2021.
L&T Interstate Road Corridor Limited	**222.40**	**–**	**222.40**	*270.15*	*–*	*270.15*	Redeemable at each in 18 unequal installment from April 2015 to October 2023 at specified amounts.
Ahmedabad Maliya Tollway Limited	**175.00**	**–**	**175.00**	*–*	*–*	*–*	Repayable on 28th August 2030
TOTAL	**2,953.30**	**250.00**	**3,203.30**	*3,197.69*	*250.00*	*3,447.69*	
Less : Current maturities	**231.50**	**–**	**231.50**	*65.01*	*–*	*65.01*	
Redeemable non convertible fixed rate debentures	**2,721.80**	**250.00**	**2,971.80**	*3,132.68*	*250.00*	*3,382.68*	

*The interest rate for the above debentures vary from 9.10% p.a. to 10.56% p.a.

** Refer Note G(II)(a).

C (II) Other long term liabilities

Particulars	**As at 31 March 2018 ₹ Crore**	*As at 31 March 2017 ₹ Crore*
Deferred payment liabilities for acquisition of intangible assets [Refer Note Q(15)]	**5,711.71**	*10,692.09*
Interest accrued but not due - others	**71.24**	*58.35*
Revenue share payable to NHAI and state authorities [Refer Note Q(29)]	**83.25**	*100.26*
Advance received against sale of shares [Refer Note C(II)(a)]	**14.30**	*14.30*
TOTAL	**5,880.50**	*10,865.00*

Note C(II)(a):
Advance received against sale of shares represents advance of ₹ 14.30 crore received from Sical Logistics Limited (SLL) against sale of 14,300,000 equity shares of ₹ 10 each in Sical Iron Ore Terminals Limited (SIOTL) at cost to SLL vide Agreement for Share Sale and Purchase dated 17 December 2008. The sale is subject to the condition that it can be completed only after three years from the date of commencement of commercial operation by SIOTL as per clause 18.2.2 (i) (d) of the License agreement dated 23 September 2006 between SIOTL and Ennore Port Limited (EPL). SIOTL has not been able to commence commercial operation as on 31 March 2018 due to the ban of export of iron ore from the State of Karnataka. SIOTL has sought necessary approvals from EPL and Government of India for handling alternate commodities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

C (III) Long term provisions

Particulars	As at 31 March 2018 ₹ Crore	*As at 31 March 2017 ₹ Crore*
Provision for employee benefits:		
Retention pay scheme [Refer Note Q(7)]	**3.01**	*3.59*
Other provisions:		
Periodic major maintenance [Refer Note Q(13)]	**257.44**	*582.96*
TOTAL	**260.45**	*586.55*

D (I) Short term borrowings

Particulars	As at 31 March 2018			*As at 31 March 2017*		
	Secured ₹ Crore	Unsecured ₹ Crore	Total ₹ Crore	*Secured ₹ Crore*	*Unsecured ₹ Crore*	*Total ₹ Crore*
Commercial paper	–	–	–	–	*150.00*	*150.00*
TOTAL	–	–	–	–	*150.00*	*150.00*

D (II) Trade payables

Particulars	As at 31 March 2018 ₹ Crore	*As at 31 March 2017 ₹ Crore*
Acceptances	**2.32**	*158.08*
Due to related parties:		
Due to Holding company	**28.95**	*42.82*
Due to fellow subsidiaries	**0.13**	*0.04*
Due to others (construction and project related activity)	**87.69**	*110.14*
Due to Micro and small enterprises	**0.24**	–
Others	**0.05**	*0.17*
TOTAL	**119.38**	*311.25*

Disclosure persuant to schedule III of Companies Act, 2013 on Micro, Small and Medium enterprises ("MSME") : (₹ crore)

Principal amount remaining unpaid	**0.24**
Interest due on above and the unpaid interest	–
Interest paid	–
Payment made beyond the appointed day during the year	–
Interest due and payable for the period of delay	–
Interest accrued and remaining unpaid	–
Amount of further interest remaining due and payable in succeeding years	–

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

D (III) Other current liabilities

Particulars	As at 31 March 2018 ₹ Crore	*As at 31 March 2017 ₹ Crore*
Current maturities of deferred payment liabilities for acquisition of intangible assets [Refer Note Q(15)]	**33.32**	*226.93*
Current maturities of long term borrowings [Refer Notes C(I)(i) and C(I)(iv)]	**1,882.07**	*2,609.03*
Interest accrued but not due on borrowings	**271.80**	*124.85*
Interest accrued and due on borrowings	**37.39**	*45.70*
Interest accrued but not due - others	**6.62**	*3.58*
Loans from others [Refer Note D(III)(c)]	**47.97**	*47.97*
Due to others (construction and project related activity)	**70.84**	*186.38*
Statutory liabilities	**6.59**	*14.31*
Deposits received	**0.31**	*0.87*
Advances from customers	**133.25**	*27.89*
Liability for capital goods	**143.26**	*212.87*
Revenue share payable to NHAI and state authorities	**86.91**	*38.44*
Others	**127.30**	*244.58*
TOTAL	**2,847.63**	*3,783.40*

Notes:

Current maturities of long term borrowings as at 31 March 2018 includes :

(a) An amount of ₹ 986.29 Crore (previous year : ₹ 959.35 crore), including interest accrued thereon, due to the term lenders of one of the subsidiaries, PNG Tollway Limited, subsequent to the termination of its concession agreement with National Highways Authority of India ("NHAI") and the recall letters issued by the term lenders of the subsidiary .

(b) An amount of ₹ 342.56 Crore (previous year : ₹ 342.56 crore), due to the term lenders of one of the subsidiaries, L&T Chennai Tada Tollway Limited, pursuant to the termination of its concession agreement with National Highways Authority of India ("NHAI") and the recall letters issued by the term lenders of the subsidiary. Subsequent to the termination of the concession agreement by the subsidiary, interest is not accrued on these loans. Also Refer Note Q(25) and Q(26).

(c) Loans from others represent :

(i) Mezzanine debt received from Ashoka Concessions Limited amounting to ₹43.97 crore (previous year : ₹ 43.97 crore) by one of the subsidiaries PNG Tollway Limited. The Mezzanine Debt carries interest equal to the rate applied by banks on term loans plus a spread of 5 basis points.

(ii) Unsecured loan received from Ashoka Concessions Limited amounting to ₹ 4 crore (previous year: ₹ 4 crore) by one of the subsidiaries PNG Tollway Limited. The unsecured loan carries interest at RBI bank rate. The above loans are repayable after the term lenders' obligations are repaid in full.

Current maturities of long term borrowings as at 31 March 2017 includes :

(d) An amount ₹ 1,008.29 crore due to the term lenders of one of the subsidiaries, Kudgi Transmission Limited, pursuant to refinance of the project loans, which have become due and payable and were repaid on 04 April 2017. Also refer note H(III).

D (IV) Short term provisions

Particulars	As at 31 March 2018 ₹ Crore	*As at 31 March 2017 ₹ Crore*
Provision for employee benefits [Refer Note Q(7)]		
Gratuity	**1.82**	*1.33*
Compensated absences	**3.94**	*7.68*
Retention pay scheme	**2.08**	*2.27*
Others		
Periodic major maintenance [Refer Note Q(13)]	**214.88**	*1.44*
Provisions for income tax (net of advance taxes)	**4.14**	*6.09*
TOTAL	**226.86**	*18.81*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

E(I) PROPERTY, PLANT AND EQUIPMENT (Current year)

(₹ crore)

Particulars	COST					DEPRECIATION					BOOK VALUE	
	As at 01 April 2017	Additions	Deletions	Disposals/ Reclassified as held for sale [Refer Note G(II)a]"	**As at 31 March 2018**	*As at 01 April 2017*	For the year	Deductions	Disposals/ Reclassified as held for sale [Refer Note G(II)a]"	**As at 31 March 2018**	**As at 31 March 2018**	*As at 31 March 2017*
Freehold land	*2.55*	3.92	–	0.38	**6.09**	–	–	–	–	**–**	**6.09**	*2.55*
Buildings - Owned	*1.56*	–	0.07	0.87	**0.62**	*0.88*	0.01	0.07	0.58	**0.24**	**0.38**	*0.68*
Buildings - Leased out	*2.21*	–	–	–	**2.21**	*0.21*	0.08	–	–	**0.29**	**1.92**	*2.00*
Plant and equipment	*1,623.82*	17.73	3.93	33.08	**1,604.54**	*143.87*	62.96	2.41	24.18	**180.24**	**1,424.30**	*1,479.95*
Computers	*8.93*	2.04	0.86	1.08	**9.03**	*4.91*	1.62	0.63	0.70	**5.20**	**3.83**	*4.02*
Furniture and fixtures	*8.34*	0.86	0.55	1.83	**6.82**	*4.81*	0.81	0.49	1.02	**4.11**	**2.71**	*3.53*
Office equipment	*4.57*	1.76	0.16	2.16	**4.01**	*3.71*	0.59	0.10	1.61	**2.59**	**1.42**	*0.86*
Vehicles	*23.07*	2.23	6.68	6.16	**12.46**	*15.15*	2.69	4.94	4.27	**8.63**	**3.83**	*7.92*
Total	*1,675.05*	28.54	12.25	45.56	**1,645.78**	*173.54*	68.76	8.64	32.36	**201.30**	**1,444.48**	*1,501.51*
Add : Capital work-in-progress											**0.08**	*22.61*
Total											**1,444.56**	*1,524.12*

Notes:

(i) Cost/valuation as at 01 April 2017 of individual assets have been reclassified, wherever necessary.

(ii) Owned assets given on operating lease have been presented separately under tangible assets.

(iii) Cost of leased out building includes ownership of an accommodation at Maharashtra of ₹ 0.13 crore (accum. depreciation of ₹ 0.03 crore) by holding 5 shares of face value ₹ 50 each in a co-operative society.

(iv) Depreciation for the year includes ₹ 0.01 crore (previous year :₹ Nil crore) on account of obsolescence.

(v) Plant and equipment includes ₹ Nil crore (previous year: ₹ 54.14 crore) being borrowing cost capitalised during the year in terms of Accounting Standard (AS) 16 Borrowing costs.

(vi) Plant and equipment includes amounts receivable in the form annuity payments of ₹ 1381.20 crore (previous year: ₹ 1419.23 crore). The amount of annuity income recognised in the statement of profit and loss for the year ended 31 March 2018 is ₹ 204.48 crore (previous year : ₹ 111.54 crore).

(vii) Capital work in progress includes ₹ Nil crore (previous year: ₹ Nil crore) being borrowing cost capitalised during the year in terms of Accounting Standard (AS) 16 Borrowing costs.

E(I) PROPERTY, PLANT AND EQUIPMENT (Previous year)

(₹ crore)

Particulars	COST					DEPRECIATION					BOOK VALUE	
	As at 01 April 2016	*Additions*	*Deletions*	*Disposals*	*As at 31 March 2017*	*As at 01 April 2016*	*For the year*	*Deductions*	*Disposals*	*As at 31 March 2017*	*As at 31 March 2017*	*As at 31 March 2016*
Freehold land	*2.71*	–	–	*0.16*	*2.55*	–	–	–	–	–	*2.55*	*2.71*
Buildings - Owned	*1.59*	–	*0.03*	–	*1.56*	*0.89*	*0.02*	*0.03*	–	*0.88*	*0.68*	*0.70*
Buildings - Leased out	*2.21*	–	–	–	*2.21*	*0.21*	–	–	–	*0.21*	*2.00*	*2.00*
Plant and equipment	*163.54*	*1,464.77*	*4.49*	–	*1,623.82*	*101.68*	*44.72*	*2.53*	–	*143.87*	*1,479.95*	*61.86*
Computers	*8.55*	*4.13*	*1.27*	*2.48*	*8.93*	*6.28*	*0.98*	*0.75*	*1.60*	*4.91*	*4.02*	*2.27*
Furniture and fixtures	*14.89*	*2.38*	*0.74*	*8.19*	*8.34*	*6.71*	*0.74*	–	*2.64*	*4.81*	*3.53*	*8.18*
Office equipment	*22.84*	*1.00*	*0.75*	*18.52*	*4.57*	*9.58*	*0.53*	*0.12*	*6.28*	*3.71*	*0.86*	*13.26*
Vehicles	*20.19*	*4.84*	*1.69*	*0.27*	*23.07*	*12.42*	*3.13*	*0.21*	*0.19*	*15.15*	*7.92*	*7.77*
Total	*236.52*	*1,477.12*	*8.97*	*29.62*	*1,675.05*	*137.77*	*50.12*	*3.64*	*10.71*	*173.54*	*1,501.51*	*98.75*
Add : Capital work-in-progress											*22.61*	*1,679.76*
Total											*1,524.12*	*1,778.51*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Notes:

(i) Cost/valuation as at 01 April 2016 of individual assets have been reclassified, wherever necessary.

(ii) Owned assets given on operating lease have been presented separately under tangible assets.

(iii) Cost of leased out building includes ownership of an accommodation at Maharashtra of ₹ 0.13 crore (accumulated depreciation of ₹ 0.03 crore) by holding 5 shares of face value ₹ 50 each in a co-operative society.

(iv) Depreciation for the year includes ₹ Nil crore (previous year :₹ 0.01 crore) on account of obsolescence.

(v) Plant and equipment includes ₹ 54.14 crore (previous year: ₹ Nil crore) being borrowing cost capitalised during the year in terms of Accounting Standard (AS) 16 Borrowing costs.

(vi) Plant and equipment includes amounts receivable in the form annuity payments of ₹ 1,419.23 crore (previous year: ₹ Nil crore). The amount of annuity income recognised in the statement of profit and loss for the year ended 31 March 2017 is ₹ 111.54 crore (previous year : ₹ Nil crore).

(vii) Capital work in progress includes ₹ Nil crore (previous year: ₹103.89 crore) being borrowing cost capitalised during the year in terms of Accounting Standard (AS) 16 Borrowing costs.

E(II) INTANGIBLE ASSETS (Current year)

(₹ crore)

Particulars	COST					ACCUMULATED AMORTISATION						BOOK VALUE	
	As at 01 April 2017	Additions	Deletions	Disposals/ Reclassified as held for sale [Refer Note G(II)a]	**As at 31 March 2018**	*As at 01 April 2017*	For the year	Deductions	Disposals/ Reclassified as held for sale [Refer Note G(II)a]	**As at 31 March 2018**	**Impairment provision as at 31 March 2018**	**As at 31 March 2018**	*As at 31 March 2017*
Toll collection rights	*23,682.25*	5,857.99	5.33	13,485.09	**16,049.82**	*2,068.17*	627.47	0.35	666.36	**2,028.93**	**138.30**	**13,882.59**	*21,594.08*
Specialised software	*2.60*	0.80	0.03	–	**3.37**	*2.04*	0.29	0.03	–	**2.30**	**–**	**1.07**	*0.56*
Total	*23,684.85*	5,858.79	5.36	13,485.09	**16,053.19**	*2,070.21*	627.76	0.38	666.36	**2,031.23**	**138.30**	**13,883.66**	*21,594.64*
Add : Intangible assets under development												**63.74**	*2,285.94*
Total												**13,947.40**	*23,880.58*

Notes:

a) Toll collection rights include amounts accrued towards negative grant payable and additional concession fee payable in respect of certain projects, the details of which are given in note Q(15).

b) Toll collection rights include amounts receivable in the form of annuity payments of ₹ 259.24 crore (previous year: ₹ 302.30 crore). The amount of annuity income recognised in the Statement of profit and loss for the year ended 31 March 2018 is ₹ 86.42 Crore (previous year: ₹ 86.42 crore).

c) The Group has made an adjustment aggregating to ₹ 647.00 crore (previous year : ₹ 636.20 crore) to the carrying value of Toll collection rights as at 31 March 2018 in order to ensure alignment in the method of amortisation followed by all entities in the Group. These amounts have been accounted for in the consolidated financial statements based on a certificate provided by a Chartered Accountant.

d) Intangible assets under development include ₹ Nil crore (previous year ₹ 121.92 crore) and intangible assets include ₹ 332.41 crore (previous year ₹ Nil crore), being borrowing cost capitalised during the year in accordance with Accounting Standard (AS) 16 " Borrowing Costs"

e) Consequent to the termination of the concession agreements of two subsidiaries PNG Tollway Limited(PNG) and L&T Chennai Tada Tollway Limited (LTCTTL), the toll collection rights of PNG and the intangible assets under development pertaining to LTCTTL have been de-recognised and compensation receivable on account of termination in terms of the concession agreements is accounted as receivable and included in Note G(I) - Loans and advances.

f) Claims for compensation/concession extension with NHAI represents, compensation receivable for loss of revenue under the concession agreements entered into with National Highways Authority of India (NHAI) by the Group, by way of extension of the concession agreement by certain number of days based on the actual loss incurred due to non-collection/partial collection of toll revenue during the period of force majeure. The group has recognised the extension of the concession period by increasing the value of Toll collection rights in accordance with the accounting policy of the Group. Also refer note K(i) under Revenue from operations.

g) On Commercial operation date (COD), one of the subsidiaries that had entered into concession agreement with Gujarat State Road Development Corporation Limited (GSRDC), the Group had recognised provisions to the tune of ₹ 27.99 crores for balance civil works to be done under the terms of the concession agreement. Pursuant to the supplementary agreements entered into with GSRDC and their letter dated 07 February 2017, the net amount payable to GSRDC for not carrying out the said civil works was determined as ₹ 15.35 crore. Consequently the carrying amount of toll collection rights in respect of the subsidiary is adjusted by ₹ 4.98 crore (net of accumulated amortisation amounting to ₹ 0.35 crore) for the year ended 31 March 2018.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

E(II) INTANGIBLE ASSETS (Previous year)

(₹ crore)

Particulars	COST					ACCUMULATED AMORTISATION						BOOK VALUE	
	As at 01 April 2016	Additions	Deletions	Disposals	As at 31 March 2017	As at 01 April 2016	For the year	Deductions	Disposals	As at 31 March 2017	Impairment provision as at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Toll collection rights	25,047.56	388.00	1,753.31	–	23,682.25	1,662.38	441.29	35.50	–	2,068.17	20.00	21,594.08	23,202.95
Specialised software	9.32	0.11	1.53	5.30	2.60	6.18	0.33	1.54	2.93	2.04	–	0.56	3.13
Total	25,056.88	388.11	1,754.84	5.30	23,684.85	1,668.56	441.62	37.04	2.93	2,070.21	20.00	21,594.64	23,206.08
Add: Intangible assets under development												2,285.94	10,793.11
Total												23,880.58	33,999.19

Notes:

a) Toll collection rights include amounts accrued towards negative grant payable and additional concession fee payable in respect of certain projects, the details of which are given in note Q(15).

b) Toll collection rights include amounts receivable in the form of annuity payments of ₹ 302.30 crore (previous year: ₹ 345.46 crore). The amount of annuity income recognised in the Statement of profit and loss for the year ended 31 March 2017 is ₹ 86.42 Crore (previous year: ₹ 86.42 crore).

c) The Group has made an adjustment aggregating to ₹ 636.20 crore (previous year : ₹ 597.49 crore) to the carrying value of Toll collection rights as at 31 March 2017 in order to ensure alignment in the method of amortisation followed by all entities in the Group. These amounts have been accounted for in the consolidated financial statements based on a certificate provided by a Chartered Accountant.

d) Intangible assets under development include ₹ 121.92 crore (previous year ₹ 721.30 crore) and intangible assets include ₹ Nil crore (previous year ₹ 40.47 crore), being borrowing cost capitalised during the year in accordance with Accounting Standard (AS) 16 “Borrowing Costs”

e) The carrying amount of Intangible assets under development as at 31 March 2017 is net of Viability Gap Fund amounting to ₹ Nil crore (previous year : ₹ 661.23 crore).

f) Consequent to the termination of the concession agreements of two subsidiaries PNG Tollway Limited(PNG) and L&T Chennai Tada Tollway Limited (LTCTTL), the toll collection rights recognised as intangible assets pertaining to PNG and the intangible assets under development pertaining to LTCTTL have been de-recognised and compensation receivable on account of termination in terms of the concession agreements is accounted as receivable and included in Loans and advances. Also Refer Note G(I).

g) Claims for compensation/concession extension with NHAI represents, compensation receivable for loss of revenue under the concession agreements entered into with National Highways Authority of India (NHAI) by the Group, by way of extension of the concession agreement by certain number of days based on the actual loss incurred due to non-collection/partial collection of toll revenue during the period of force majeure. The group has recognised the extension of the concession period by increasing the value of Toll collection rights in accordance with the accounting policy of the Group. Also refer note K(i) under Revenue from operations.

h) On commercial operations date (COD), three subsidiaries that had entered into concession agreements with Gujarat State Road Development Corporation Limited (GSRDC), the Group had recognised provisions to the tune of ₹ 57.38 crore for balance civil works to be done under the terms of the concession agreement. Pursuant to the supplementary agreements entered into with GSRDC and their letter dated 07 February 2017, the net amount payable to GSRDC for not carrying out the said civil works was determined as ₹ 27.97 crore. Consequently the carrying amount of toll collection rights in respect of the three subsidiaries is adjusted by ₹ 27.85 crore (net of accumulated amortisation amounting to ₹ 1.56 crore) as at 31 March 2017.

E(III) GOODWILL ON CONSOLIDATION (Current year)

(₹ crore)

Particulars	COST				ACCUMULATED AMORTISATION					BOOK VALUE	
	As at 01 April 2017	Additions	Deletions	**As at 31 March 2018**	As at 01 April 2017	For the year	Deductions	**As at 31 March 2018**	**Impairment provision as at 31 March 2018**	**As at 31 March 2018**	As at 31 March 2017
Goodwill on consolidation	115.46	–	–	**115.46**	28.48	–	–	**28.48**	**86.98**	**–**	–
Total	115.46	–	–	**115.46**	28.48	–	–	28.48	86.98	–	–

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Depreciation, amortisation and impairment charged to the statement of profit and loss:

Particulars	Depreciation	Amortisation	Impairment	Total
As per note E(I), E(II) and E(III) above	68.76	627.76	118.30	814.82
Charged to the statement of profit and loss	**68.76**	**627.76**	**118.30**	**814.82**
Less : Classified under profit/(loss) from discontinued operations. [Refer note G(II)(a)]	7.60	176.07		183.66
Classified under - Depreciation, amortisation and Impairment	61.16	451.69	–	512.86
Classified under - Exceptional items			118.30	118.30

E(III) GOODWILL ON CONSOLIDATION (Previous year)

(₹ crore)

Particulars	COST				ACCUMULATED AMORTISATION					BOOK VALUE	
	As at 01 April 2016	*Additions*	*Deletions*	*As at 31 March 2017*	*As at 01 April 2016*	*For the year*	*Deductions*	*As at 31 March 2017*	*Impairment provision as at 31 March 2018*	*As at 31 March 2017*	*As at 31 March 2016*
Goodwill on consolidation	*115.46*	–	–	*115.46*	*28.48*	–	–	*28.48*	*86.98*	–	–
Total	*115.46*	–	–	*115.46*	*28.48*	–	–	*28.48*	*86.98*	–	–

Depreciation, amortisation and impairment charged to the statement of profit and loss:

Particulars	Depreciation	Amortisation	Impairment	Total
As per note E(I), E(II) and E(III) above	*50.12*	*441.62*	*86.98*	*578.72*
Less : Included under Capital work-in-progress/Intangible assets under development	*0.34*	–	–	*0.34*
Charged to the statement of profit and loss	*49.78*	*441.62*	*86.98*	*578.38*
Less : Classified under profit/(loss) from discontinued operations. [Refer note G(II)(a)]	*6.12*	*168.73*		*174.85*
Classified under - Depreciation, amortisation and Impairment	*43.66*	*272.89*		*316.55*
Classified under - Exceptional items			*86.98*	*86.98*

F NON-CURRENT INVESTMENTS (at cost unless otherwise specified)

Particulars	**As at 31 March 2018**		*As at 31 March 2017*	
	₹ crore	**₹ crore**	*₹ crore*	*₹ crore*
Trade investments, unquoted [Refer Note H(I)]				
Investment in associates				
Fully paid equity shares of associate company	–		*9.83*	
Add/(deduct):				
Accumulated share in profit/(loss) at the beginning of the year	–		*4.84*	
	–		*14.67*	
Add/(deduct):				
Share in profit/(loss) during the year	–		*1.62*	
Dividend received	–		*(1.47)*	
	–		*0.15*	
		–		*14.82*
Investment in others				
Other fully paid equity shares - unquoted				
SICAL Iron Ore Terminals Limited [Refer Note C(II)(a)]		**14.30**		*14.30*
Indian Highway Management Company Limited		**0.56**		*0.56*
TOTAL		**14.86**		*29.68*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

G (I) LOANS AND ADVANCES

Particulars	As at 31 March 2018			*As at 31 March 2017*		
	Non-current	**Current**	**Total**	*Non-current*	*Current*	*Total*
	₹ Crore	**₹ Crore**	**₹ Crore**	*₹ Crore*	*₹ Crore*	*₹ Crore*
Unsecured considered good						
Capital advances						
Related parties :						
Holding company	**–**	**–**	**–**	*16.50*	*–*	*16.50*
Others	**0.56**	**–**	**0.56**	*1.73*	*–*	*1.73*
Security deposits	**1.89**	**0.37**	**2.26**	*2.90*	*2.14*	*5.04*
Income tax receivable (net of provisions) (inclusive of MAT credit)	**79.17**	**41.35**	**120.52**	*50.25*	*102.71*	*152.96*
Excise duty recoverable	**36.79**	**–**	**36.79**	*51.05*	*–*	*51.05*
Service tax receivable	**–**	**–**	**–**	*–*	*0.57*	*0.57*
GST Receivable	**–**	**1.80**	**1.80**	*–*	*–*	*–*
VAT receivable	**–**	**8.58**	**8.58**	*2.47*	*10.35*	*12.82*
Interest receivable	**–**	**0.01**	**0.01**	*–*	*13.78*	*13.78*
Other receivable	**–**	**1,615.97**	**1,615.97**	*–*	*1,548.76*	*1,548.76*
TOTAL	**118.41**	**1,668.08**	**1,786.49**	*124.90*	*1,678.31*	*1,803.21*

Note – Other receivable includes an amount of ₹ 1,141.29 Crore (previous year : ₹ 1038.47 crore) and ₹ 406.67 crore (previous year : ₹ 417.75 crore) being the net compensation receivable from National Highways Authority of India (NHAI) on account of termination of the concession agreements of two subsidiaries of the Company, PNG Tollway Limited and L&T Chennai Tada Tollway Limited respectively. The amounts due to lenders in respect of these subsidiaries in disclosed in Note D(III) Other current liabilities. Also refer note Q(25) and Q(26).

G (II) OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	As at 31 March 2018			*As at 31 March 2017*		
	Non-current	**Current**	**Total**	*Non-current*	*Current*	*Total*
	₹ Crore	**₹ Crore**	**₹ Crore**	*₹ Crore*	*₹ Crore*	*₹ Crore*
Interest accrued on investments	**–**	**–**	**–**	*–*	*–*	*–*
Fixed deposits including interest accrued thereon (maturity more than 12 months)	**0.07**	**–**	**0.07**	*–*	*–*	*–*
Unamortized ancillary borrowing costs	**8.40**	**9.37**	**17.77**	*19.64*	*2.24*	*21.88*
Unamortised discount on letter of credit	**–**	**–**	**–**	*–*	*2.95*	*2.95*
Assets - Held for Sale (net) [Refer Note G(II)(a)]	**–**	**1,145.49**	**1,145.49**	*–*	*0.09*	*0.09*
TOTAL	**8.47**	**1,154.86**	**1,163.33**	*19.64*	*5.28*	*24.92*

Note G(II)(a)- The Company obtained approval from the Securities and Exchange Board of India (SEBI) for the establishment of an Infrastructure Investment Trust (InvIT) under the provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014. The Certificate of Registration (CoR) as an InvIT was issued by SEBI to Indinfravit Trust on 15 March 2018. Subsequent to the year end, the Preliminary Placement Memorandum has been filed with SEBI on 25 April 2018. The Board of Directors in their meeting held on 16 March 2018, approved transfer of the Company's interest in five of its road subsidiaries to Indinfravit Trust. Accordingly the net assets of the five subsidiaries amounting to ₹ 1,145.40 crores have been reclassified as held for sale. Also Refer Note Q(19).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

H (I) CURRENT INVESTMENTS (Quoted, at cost unless otherwise stated)

Particulars	As at 31 March 2018 ₹ Crore	*As at 31 March 2017 ₹ Crore*
Investment in mutual funds	**2,048.47**	*1,120.41*
Investments – Held for sale [Refer note below]	**13.78**	*–*
TOTAL	**2,062.25**	*1,120.41*
Aggregate book value of quoted investments	**2,048.47**	*1,120.41*
Aggregate market value of quoted investments	**2,241.04**	*1,129.98*

Note : The Board of Directors of the Company in its meeting held on 22 January 2018 have approved the transfer of 98,30,000 equity shares of ₹10 each in its associate, International Seaports (Haldia) Private Limited to one of its subsidiaries, L&T Transportation Infrastructure Limited (LTTIL). Accordingly the carrying amount of investment in the associate has been reclassified as held for sale.

H (II) TRADE RECEIVABLES

Particulars	As at 31 March 2018 ₹ Crore	*As at 31 March 2017 ₹ Crore*
Unsecured considered good		
Outstanding for a period exceeding 6 months	**41.85**	*4.83*
Others	**24.26**	*53.17*
Unsecured considered doubtful		
Outstanding for a period exceeding 6 months	**–**	*0.94*
Allowance for doubtful debts	**–**	*(0.94)*
TOTAL	**66.11**	*58.00*

H (III) CASH AND BANK BALANCES

Particulars	As at 31 March 2018 ₹ Crore	*As at 31 March 2017 ₹ Crore*
Cash and cash equivalents (As per cash flow statement)		
Cash on hand	**7.95**	*13.53*
Cheques and drafts on hand	**0.12**	*–*
Balance with banks	**–**	
in current accounts	**7.17**	*471.79*
in Trust retention and escrow accounts	**12.43**	*144.62*
Fixed deposits including interest accrued thereon (maturity less than 3 months)	**117.13**	*993.35*
	144.80	*1,623.29*
Other bank balances		
Fixed deposits including interest accrued thereon (maturity more than 3 months)	**434.17**	*300.16*
Cash and bank balances not available for immediate use [Refer note below]	**–**	*1,008.29*
Margin money deposits including interest accrued thereon	**64.65**	*0.11*
	498.82	*1,308.56*
TOTAL	**643.62**	*2,931.85*

Notes:

The Trust Retention and Escrow (“”TRA””) accounts carry a first charge to the extent of amounts payable as per the waterfall mechanism as defined in the Concession agreement / Common loan agreement. As at 31 March 2018, ₹ 0.46 crore (previous year : ₹ Nil crore) is included in this which are restricted/earmarked for any specific purposes by virtue of the said waterfall mechanism.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

I. CONTINGENT LIABILITIES

	Particulars	As at 31 March 2018 ₹ Crore	*As at 31 March 2017 ₹ Crore*
(a)	Claims against the Group not acknowledged as debt [Refer Note Q(26) and Q(22)]	**813.99**	*151.26*
(b)	Income tax liability (including penalty) that may arise in respect of which the Group is in appeal.	**12.00**	*24.40*
(c)	Service tax liability (including penalty) that may arise in respect of which the Group is in appeal.	**1.33**	*1.33*
(d)	Guarantees given	**318.42**	*329.00*
(e)	Group's share in contingent liabilities of associate company	**112.67**	*112.67*

Notes :

(i) The Group expects reimbursements of ₹ 27.09 crore (previous year:₹ 27.09 crore) in respect of the above contingent liabilities.

(ii) Future cash outflows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/ authorities.

J. COMMITMENTS

(i) Commitments quantifiable

(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2018 is ₹ 120.76 crore (previous year : ₹ 446.38 crore).

(b) Estimated amount of additional concession fee payable in terms of the Concession agreement being ₹ Nil crore where Commercial Operations Date ("COD") has not been achieved (previous year :₹ 3,274.82 crore).

(ii) Commitments not quantifiable

(i) The group has given undertakings to the term lenders of the following subsidiaries to meet the cost overrun to the extent of 5% of

(a) L&T Deccan Tollways Limited

(b) L&T Sambalpur - Rourkela Tollway Limited

(c) Krishnagiri Walajahpet Tollway Limited

(ii) The group has given an undertaking jointly with Larsen & Toubro Limited (holding company) to the term lenders of the L&T Samakhiali Gandhidham Tollway Limited to meet the cost overrun to the extent of 5% of the project cost.

(iii) The group has given, inter alia, the following commitments to the term lenders of L&T Chennai – Tada Tollway Limited, to meet the cost overrun of the project, in future if any to bring in an amount upto ₹ 178.74 crore on a need basis in the form of Mezzanine debt, after drawl of loan of ₹ 475 crore in full in order to meet the reduction in the quantum of loan by the lenders and increase in the project cost as reduced by increase in internal accruals. Also Refer Notes Q(23), Q(25) and Q(26).

(iv) The group has given, inter alia, the following commitments in respect of its investments:

(a) Jointly with Larsen & Toubro Limited (holding company), to the term lenders of L&T Transportation Infrastructure Limited (LTTIL) to jointly meet the shortfall in the working capital requirements of LTTIL until the financial assistance received from the term lenders is repaid in full by LTTIL.

(b) To the term lenders of L&T BPP Tollway Limited to meet shortfall as provided in the base case revenue projections for the first two years post COD.

(c) To the term lenders of L&T Sambalpur - Rourkela Tollway Limited to meet the cost overrun in excess of 5% of the Project Cost in such a manner that the Debt-Equity of 1.86 times is not exceeded and to fund equity as per the revised financial model in case additional funds are to be raised by way of debt to meet the cost overrun in excess of 5 % of Project Cost. The group has also given a commitment to infuse/provide temporary funds to the Borrower during construction and operation period to meet shortfall in case of delay in receipt of Grant subject to repayment on receipt of the Grant.

(d) To the term lenders of L&T Deccan Tollways Limited (LTDTL) to meet shortfall in major maintenance and Debt Service Reserve (DSR) Account and to maintain minimum year to year Debt Service Coverage Ratio of 1.2 times in a manner satisfactory to Senior Debt Tranche A Lenders (Facility amounting to ₹ 1,080.92 crore) in line with base case revenue projections. The Company has also given an undertaking to Senior Debt Tranche B Lenders (Facility amounting to ₹ 154.42 crore) for servicing the obligation in the event of failure of repayment by LTDTL.

(e) Jointly with Ashoka Buildcon Limited, to the term lenders of PNG Tollway Limited (PNGTL) to meet the shortfall proportionate to

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

share holding in payment of interest in respect of loans in accordance with the terms of the Common Loan Agreement during the period between partial COD till the commencement of full tolling for the entire project highway. Also Refer Note Q(23) and Q(26)

(f) To the lenders of Krishnagiri Walajahpet Tollway Limited (KWTL), to provide to promptly and timely service the debt service obligations of the borrower under the subordinate facility (facility amounting to ₹ 54.00 crore) to the satisfaction of subordinate lenders, without recourse to the project assets in the event internal cash accruals are insufficient to meet debt service obligations under the subordinate facility.

(g) The group has given an undertaking to the debenture trustee of L&T Interstate Road Corridor Limited(LTIRCL) to make payment of the Termination Shortfall amount due to Concessionaire event of default in the event that LTIRCL fails to make payment of the same within 5 business days from the due date of deposit of the Termination Payments by NHAI into the Escrow Account and also to make payment of the Operation & Maintenance(O&M) expenses shortfall amounts caused due to increase in O&M Expenses beyond the limits set out in Base Case O&M Expenses Schedule and resulting in shortfall in amounts available for debt servicing and/or DSR Amount and/or the Major Maintenance Reserve, without utilizing the surplus amounts within a period of 30 (thirty) Business days from the date of demand therefore issued by the Debenture Trustee.

(h) The group has given a commitment to the debenture trustees of Kudgi Transmission Limited under Sponsor Support and Put Option Agreements dated 29 May 2015 to fund the coupon shortfall in accordance with the terms of the agreement. The Company has also given a commitment to purchase the debentures in accordance with the terms of the put option mentioned in the agreement.

(i) The group has given a commitment to the debenture trustees of Vadodara Bharuch Tollway Limited (VBTL) vide a Sponsor Support Agreement dated 30 September 2016 wherein the Company has undertaken/guaranteed that in the event of shortage of funds for repayment of the debentures to the debenture trustees, the Company shall immediately arrange for the repayment of the advances/loans given by L&T VBTL to the Company or its subsidiaries.

(j) The group has given a commitment to the debenture trustees of Ahmedabad Maliya Tollway Limited (AMTL) vide a Sponsor Support Agreement dated 28 August 2017 wherein the Company has undertaken that in the event of shortage of funds for coupon payment and repayment of the debentures to the debenture trustees, the Company shall fund such shortfall. Also the Company has undertaken to fund the rail over bridge expenses of AMTL.

(k) During the previous year ended 31 March 2017, one of the subsidiaries of the Company, L&T Halol Shamalji Tollway Limited (LTHSTL), pursuant to its withdrawal of the termination letter issued to Gujarat State Road Development Corporation (GSRDC) has entered into a Master Restructuring Agreement with its lenders under the Strategic Restructuring package of the Reserve Bank of India. Pursuant to the same:

(a) the lenders have acquired about 51% stake in LTHSTL. However the Company continues to retain Management control over LTHSTL.

(b) the Company has entered into a sponsor undertaking in favour of the lenders wherein the Company has sub-ordinated its rights to receive any amounts from LTHSTL in whatever form unless all obligations of the lenders including the equity portion of their debt is repaid with an agreed IRR.

(v) Management's assessment

The amounts shown under contingent liabilities and commitments represent the best possible estimate arrived at on the basis of the available information. Further, various government authorities/other stakeholders raise issues/clarifications in the normal course of business and the Management has provided its responses in respect of the same and no formal demands/claims have been raised in respect of the same other than those disclosed above. The obligations and possible reimbursements in respect of the above are dependent on the outcome of the various discussions/proceedings that are ongoing and, therefore, cannot be predicted accurately except those disclosed above. The Group does not expect any financial exposure in respect of these as at 31 March 2018.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

K REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2018		*Year Ended 31 March 2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Operating income				
Construction and project related activity [Refer Notes Q(6) and Q(16)]	**316.74**		*497.75*	
Annuity income	**290.90**		*197.96*	
Income from financing activity	**55.44**		*0.44*	
Toll collection and related activity [Net of revenue share payable of ₹ 72.62 crore (previous year: ₹ 100.10 crore)]	**989.57**		*769.96*	
Income from wind power generation	**8.81**		*8.37*	
		1,661.46		*1,474.48*
Other operational revenue				
Lease rental income	**0.96**		*0.04*	
Business support services	**1.07**		*2.24*	
Claims for compensation/ concession extension with NHAI [Refer Note K(i)]	**–**		*5.39*	
Miscellaneous income	**1.77**		*–*	
		3.80		*7.67*
TOTAL		**1,665.26**		*1,482.15*

Note K(i):

Claims for compensation/concession extension with NHAI represents, compensation receivable for loss of revenue under the concession agreements entered into with National Highways Authority of India (NHAI) by the Group, by way of extension of the concession agreement by certain number of days based on the actual loss incurred due to non-collection/partial collection of toll revenue during the previous period of force majeure, accounted for in accordance with the accounting policy of the Group. Also Refer Notes E(II) and G(II)a.

L OTHER INCOME

Particulars	Year ended 31 March 2018 ₹ Crore	*Year Ended 31 March 2017 ₹ Crore*
Interest income		
From banks	**4.82**	*0.82*
From others	**2.33**	*4.38*
Dividend income from mutual funds	**–**	*6.07*
Gain on sale of current investments(net)	**84.43**	*10.25*
Profit on sale of fixed assets (net)	**–**	*0.08*
Liabilities/provisions no longer required written back	**0.64**	*2.32*
Other miscellaneous income	**1.72**	*11.99*
TOTAL	**93.94**	*35.91*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

M OTHER CONSTRUCTION AND RELATED OPERATING EXPENSES

Particulars	**Year ended 31 March 2018** ₹ **Crore**	*Year Ended 31 March 2017* ₹ *Crore*
Power and fuel	**11.64**	*9.82*
Engineering, professional, technical and consultancy fees	**20.65**	*13.02*
Insurance	**6.08**	*5.64*
Rent, rates and taxes	**9.01**	*0.09*
Vehicle running and maintenance	**3.49**	*3.76*
Repairs to plant and equipment	**9.72**	*8.91*
Repairs to buildings	**0.73**	*0.91*
Provision for periodic major maintenance [Refer Note Q(13)]	**114.17**	*133.92*
General repairs and maintenance	**87.99**	*61.72*
Miscellaneous expenses	**1.28**	*0.65*
TOTAL	**264.76**	*238.44*

Note M(i) :

Other construction and related operating expenses is net of ₹ Nil crore (previous year: ₹ 10.85 crore), being reimbursement of expenses pursuant to the terms of the concession agreement due to non-collection of toll revenue pursuant to the direction from NHAI during the period from 09 November 2016 to 02 December 2016 on account of demonetisation.

N EMPLOYEE BENEFITS EXPENSE

Particulars	**Year ended 31 March 2018**		*Year Ended 31 March 2017*	
	₹ **crore**	₹ **crore**	₹ *crore*	₹ *crore*
Salaries, wages and bonus		**40.64**		*38.22*
Contribution to and provision for: [Refer Note Q(7)]				
Provident and pension funds	**1.84**		*1.68*	
Superannuation/employee pension schemes	**0.12**		*0.14*	
Gratuity funds	**1.33**		*0.80*	
		3.29		*2.62*
Staff welfare expenses		**5.21**		*5.81*
TOTAL		**49.14**		*46.65*

Note N(i) :

Employee benefits expense is net of ₹ Nil crore (previous year : ₹ 1.39 crore), being reimbursement of expenses pursuant to the terms of the concession agreement due to non-collection of toll revenue pursuant to the direction from NHAI during the period from 09 November 2016 to 02 December 2016 on account of demonetisation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

O ADMINISTRATION AND OTHER EXPENSES

Particulars	Year ended 31 March 2018 ₹ Crore	*Year Ended 31 March 2017 ₹ Crore*
Power and fuel	**0.05**	*0.12*
Insurance	**0.41**	*0.14*
Rent, rates and taxes	**5.81**	*9.01*
Travelling and conveyance	**6.58**	*5.41*
General repairs and maintenance	**7.82**	*5.80*
Professional fees	**26.80**	*16.63*
Telephone, postage and telegram	**1.68**	*1.28*
Advertising and publicity	**0.70**	*0.64*
Stationery and printing	**0.96**	*0.79*
Bank charges	**3.62**	*2.52*
Premium and exchange loss on derivative contracts (net)	**–**	*17.64*
Loss on sale of fixed assets (net)	**0.02**	*–*
Corporate social responsibility [Refer Note Q(14)]	**0.38**	*0.47*
Miscellaneous expenses	**7.39**	*5.32*
TOTAL	**62.22**	*65.77*

Note O(i) :

Professional fees includes Auditor's remuneration as follows (including taxes wherever applicable)

Particulars	2017-18 ₹ Crore	*2016-17 ₹ Crore*
(i) As auditor	**0.87**	*0.57*
(ii) For Company law matters	**0.64**	*0.64*
(iii) For taxation matters	**0.08**	*0.09*
(iv) For other services	**0.14**	*0.15*
(v) Reimbursement of expenses	**0.04**	*0.03*
Total	**1.77**	*1.48*

Note O(ii) :

Administration and other expenses is net of ₹ Nil crore (previous year: ₹ 0.94 crore), being reimbursement of expenses pursuant to the terms of the concession agreement due to non-collection of toll revenue pursuant to the direction from NHAI during the period from 09 November 2016 to 02 December 2016 on account of demonetisation.

P FINANCE COSTS

Particulars	Year ended 31 March 2018 ₹ Crore	*Year Ended 31 March 2017 ₹ Crore*
Interest expense on term loans	**394.72**	*472.68*
Interest expense on debentures	**264.88**	*123.98*
Interest expense on other borrowings	**–**	*19.31*
Other borrowing costs	**45.66**	*42.26*
TOTAL	**705.26**	*658.23*

Note P(i):

Finance costs is net of ₹ Nil crore (previous year : ₹ 36.11 crore), being reimbursement of interest expenses pursuant to the terms of the concession agreement due to non-collection of toll revenue pursuant to the direction from NHAI during the period from 09 November 2016 to 02 December 2016 on account of demonetisation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q. OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Q(1) Corporate Information

L&T Infrastructure Development Projects Limited ("L&T IDPL") is a public company domiciled in India. L&T IDPL is a Systemically Important Non-Deposit taking Core Investment Company ("CIC-ND-SI"), in terms of the Certificate of Registration ("CoR") received from Reserve Bank of India ("RBI"). L&T IDPL is also involved in the business of development, operation and maintenance of infrastructure projects under the Public Private Partnership ("PPP") route through its subsidiaries. The subsidiaries enter into concession agreements with National Highways Authority of India ("NHAI") / State authorities for the development, operation and maintenance of infrastructure projects under Design-Build-Finance-Operate-Transfer(DBFOT)/Build-Operate-Transfer (BOT) mode with concession periods ranging from 15 to 35 years. At the end of the said concession period, the entire facilities are transferred to the concerned government authorities.

Q(2) Additional information pursuant to Schedule III to the Companies Act, 2013

S.No.	Name of the entity	Country of Incorporation	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
			As % of consolidated net assets	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore
	Parent					
	L&T Infrastructure Development Projects Limited	India	141.80%	5,675.53	(31.21%)	76.36
	Indian Subsidiaries					
1	L&T Transportation Infrastructure Limited	India	2.28%	91.25	(3.50%)	8.56
2	L&T Interstate Road Corridor Limited	India	0.06%	2.40	(2.46%)	6.03
3	Krishnagiri Thopur Toll Road Limited*	India	3.98%	159.44	(15.39%)	37.64
4	Panipat Elevated Corridor Limited	India	(7.04%)	(281.86)	52.97%	(129.59)
5	Vadodara Bharuch Tollway Limited	India	(0.19%)	(7.42)	(20.88%)	51.08
6	Western Andhra Tollways Limited*	India	0.56%	22.35	(4.24%)	10.37
7	Devihalli Hassan Tollway Limited*	India	3.26%	130.63	4.89%	(11.97)
8	Krishnagiri Walajahpet Tollway Limited*	India	0.38%	15.04	(8.18%)	20.01
9	Ahmedabad Maliya Tollway Limited	India	(9.40%)	(376.26)	16.60%	(40.62)
10	L&T Halol Shamlaji Tollway Limited	India	(6.11%)	(244.37)	7.66%	(18.74)
11	L&T Samakhali Gandhidham Tollway Limited	India	(2.37%)	(95.01)	19.36%	(47.37)
12	L&T Rajkot Vadinar Tollway Limited	India	(9.09%)	(363.97)	15.91%	(38.92)
13	L&T BPP Tollway Limited*	India	(3.56%)	(142.39)	17.32%	(42.37)
14	L&T Deccan Tollways Limited	India	(3.05%)	(122.10)	48.88%	(119.58)
15	LTIDPL INDVIT Services Limited (formerly L&T Western India Toll Bridge Limited)	India	0.49%	19.79	(0.03%)	0.08
16	L&T Chennai Tada Tollway Limited	India	(0.13%)	(5.36)	0.12%	(0.30)
17	PNG Tollway Limited	India	(11.21%)	(448.78)	0.34%	(0.84)
18	L&T Sambalpur-Rourkela Tollway Limited	India	4.78%	191.25	3.55%	(8.69)
19	Kudgi Transmission Limited	India	0.88%	35.36	(1.75%)	4.29
	Foreign Subsidiaries					
1	L&T IDPL Trustee Manager Pte. Limited	Singapore	0.00%	–	0.03%	(0.07)
	Associate Companies					
1	International Seaports haldia (Private) Limited	India	0.34%	13.78	(0.98%)	2.40
	Minority interest in all subsidiaries and eliminations		(6.66%)	(266.93)	0.99%	(2.39)
	TOTAL		**100.00%**	**4,002.37**	**100.00%**	**(244.63)**

* Refer Note G(II)(a)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q(3) Reserves and Surplus shown in the Consolidated Balance Sheet includes the Group's share in the respective reserves of subsidiaries. Reserves attributable to minority shareholders is reported as part of minority interest in the Consolidated Balance Sheet. Movement in minority interest is given below

Particulars	**2017-18**	*2016-17*
	(₹ crore)	*(₹ crore)*
Balance as at beginning of the year	**144.82**	*5.58*
Add : Net increase on acquisition by lenders pursuant to SDR scheme	**–**	*176.11*
Less : Share in profit/(loss) during the year (net)	**(17.06)**	*(14.00)*
Less : Derecognition pursuant to disposal of subsidiaries(net)	**–**	*22.87*
Balance as at end of the year	**127.76**	*144.82*

Q(4) (a) Pursuant to the Share Purchase Agreement entered into by the Company with its Holding Company, Larsen & Toubro Limited dated 29 March 2017, the Company had sold its entire investment in one of the subsidiaries, L&T Metro Rail (Hyderabad) Limited (LTMRHL) to Larsen & Toubro Limited at cost . Consequent to the disposal, a net gain of ₹ Nil Crore (previous year :₹ 14.55 crore) is accounted for in the Consolidated statement of profit and loss and is included under Exceptional items.

(b) Pursuant to the Share Purchase Agreement entered into by the Company dated 04 April 2016 for the disposal of its investment in one of the subsidiaries, L&T Infrastructure Development Projects Lanka (Private) Limited (L&T IDP Lanka), a net gain of ₹ Nil Crore (previous year :₹ 4.85 crore) is accounted in the Consolidated statement of profit and loss and is included under Exceptional items."

Q(5) (a) Provision for current tax includes ₹ 0.71 crore (previous year: ₹ 0.56) being additional provision for income tax made during the year in respect of earlier years.

(b) MAT credit entitlement represents an amount of ₹ 3.86 crore (previous year: ₹ 77.12 crore),recognised in the consolidated statement of profit and loss in line with Group's accounting policy [Refer Note R(19)], based on Management's assessment of future projections as at 31 March 2018.

Q(6) Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts":

Particulars		**2017-18**	*2016-17*
		₹ crore	*₹ crore*
i)	Contract revenue recognised for the year	**316.74**	*497.75*
ii)	Aggregate amounts of contract costs incurred and recognised profits (less: recognised losses) as at the end of the financial year for all contracts in progress as at that date	**1,165.15**	*1,995.76*
iii)	Amount of customer advances outstanding for contracts in progress as at end of the financial year	**–**	–
iv)	Retention amounts by customers for contracts in progress as at end of the financial year	**–**	–

Q(7) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits"

(A) Defined contribution plans:

An amount of ₹ 1.59 crore (previous year: ₹ 1.43 crore) is recognised as an expense and included in "employee benefits expense" in the Statement of Profit and loss and an amount of ₹ Nil crore (previous year : ₹ 0.31 crore) , ₹ Nil crore (previous year : ₹ 0.05 crore) and ₹ 0.29 crore (previous year : Nil) is included in "Intangible assets under development" , "Capital Work–in–progress" and " Intangible assets" respectively. Refer Note G(II)(a)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(B) Defined benefit plans:

(i) The amounts recognised in balance sheet are as follows:

₹ Crore

Particulars	Gratuity plan		Trust–managed provident fund plan	
	As at 31 March 2018	*As at 31 March 2017*	**As at 31 March 2018**	*As at 31 March 2017*
A) Present value of defined benefit obligation				
– Wholly funded	**6.82**	*6.06*	**18.43**	*16.08*
– Wholly unfunded	**–**	–	**–**	–
	6.82	*6.06*	**18.43**	*16.08*
Less : Fair value of plan assets	**4.77**	*4.73*	**18.24**	*15.90*
Add : Unrecognised asset	**–**	–	**–**	–
Amount to be recognised as liability or (asset)	**2.05**	*1.33*	**0.19**	*0.18*
B) Amounts reflected in the Balance Sheet				
Liabilities	**2.05**	*1.33*	**0.19**	*0.18*
Net liability/(asset)	**2.05**	*1.33*	**0.19**	*0.18*
Net liability/(asset) – current	**2.05**	*1.33*	**0.19**	*0.18*
Net liability/(asset) – non current	**–**	–	**–**	–

(ii) The amounts recognised in the statement of profit and loss are as follows:

₹ Crore

Particulars	Gratuity plan		Trust–managed provident fund plan	
	2017-18	*2016-17*	**2017-18**	*2016-17*
1 Current service cost	**0.82**	*0.79*	**0.84**	*0.91*
2 Interest on defined benefit obligation	**0.38**	*0.39*	**1.38**	*1.29*
3 Expected return on plan assets	**(0.32)**	*(0.26)*	**(1.38)**	*(1.29)*
4 Actuarial losses/(gains)	**0.75**	*0.18*	**0.11**	–
5 Past service cost	**–**	–	**–**	–
6 Actuarial gain/(loss) not recognised in books	**0.01**	–	**(0.11)**	
7 Adjustment for earlier years	**–**	–	**0.00**	–
8 Amount capitalised out of the above	**0.01**	*(0.11)*	**–**	–
Total (1 to 8)	**1.65**	*0.99*	**0.84**	*0.91*
I Amount included in “employee benefit expenses”	**1.65**	*0.99*	**0.84**	*0.91*
II Amount included as part of “finance costs”	**–**	–	**–**	–
Total (I + II)	**1.65**	*0.99*	**0.84**	*0.91*
Actual return on plan assets	**0.32**	*0.26*	**1.38**	*1.29*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

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

₹ Crore

Particulars	**Gratuity plan**		**Trust–managed provident fund plan**	
	2017-18	*2016-17*	**2017-18**	*2016-17*
Opening balance of the present value of defined benefit obligation	**6.04**	*7.40*	**16.08**	*15.80*
Add: Current service cost	**0.82**	*0.79*	**0.84**	*0.91*
Add: Interest cost	**0.39**	*0.39*	**1.38**	*1.29*
Add: Contribution by plan participants				
i) Employee	**(0.01)**	–	**1.36**	*1.51*
Add/(less): Actuarial losses/(gains)	**0.77**	*0.09*		–
Less: Benefits paid	**(1.19)**	*(0.57)*	**(1.22)**	*(3.04)*
Add: Past service cost	**–**	–	**–**	–
Add/(less) : Business combination/disposal(net)	**–**	*(2.04)*	**–**	–
Add/(less) : Liabilities assumed on transfer of employees	**–**	–	**0.12**	*(0.42)*
Add/(less) : Adjustment for earlier years	**–**	–	**(0.12)**	*0.03*
Closing balance of the present value of defined benefit obligation	**6.82**	*6.06*	**18.44**	*16.08*

(iv) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ Crore

Particulars	**Gratuity plan**		**Trust-managed provident fund plan**	
	2017-18	*2016-17*	**2017-18**	*2016-17*
Opening balance of fair value of plan assets	**4.72**	*3.81*	**15.91**	*15.63*
Add: Expected return on plan assets	**0.32**	*0.26*	**1.38**	*1.29*
Add/(less): Actuarial (losses)/gains	**–**	*(0.08)*	**(0.11)**	*0.08*
Add: Contribution by employer	**0.93**	*2.52*	**0.83**	*0.91*
Add: Contribution by plan participants	**–**	–	**1.36**	*1.51*
Less: Benefits paid	**(1.19)**	*(0.42)*	**(1.22)**	*(3.04)*
Add/(less) : Transfer in/(out)	**–**	–	**0.12**	*(0.42)*
Add/(less) : Business combination/disposal(net)	**–**	*(1.37)*	**–**	–
Add: Adjustment for earlier years	**–**	–	**–**	*(0.04)*
Closing balance of fair value of plan assets	**4.78**	*4.72*	**18.27**	*15.92*

(v) The major categories of plan assets as a percentage of total plan assets are as follows :

Particulars	**Gratuity plan**		**Trust-managed provident fund plan**	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Government of India securities	–	–	23.00%	20.00%
State government securities	–	–	20.00%	21.00%
Special deposit schemes	–	–	6.00%	8.00%
Public sector unit bonds	–	–	29.00%	33.00%
Corporate bonds	–	–	17.00%	15.00%
Insurer managed funds	100.00%	100.00%	3.00%	3.00%
Others	–	–	2.00%	–
Total	100.00%	100.00%	100.00%	100.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(vi) Principal actuarial assumptions at the balance sheet date:

Particulars	**As at 31 March 2018**	*As at 31 March 2017*
1) Discount rate:		
a) Gratuity plan	**7.30%**	*6.95% - 7.19%*
b) Trust–managed provident fund plan	**7.19%**	*7.19%*
2) Expected return on plan assets:		
a) Gratuity plan	**7.30%**	*6.95% - 7.19%*
b) Trust managed provident fund plan	**8.87%**	*8.87%*
3) Future salary increase	**6.00%**	*6.00%*
4) Mortality rate	**Indian Assured Lives Mortality (2006-08) Table**	*Indian Assured Lives Mortality (2006-08) Table*

5) The attrition rate for gratuity plan varies from 3% to 15% (previous year: 3% to 15%) for various age groups.

6) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

7) The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and loss as actuarial losses.

8) The expected contribution towards gratuity to be made in the next financial year is ₹ 1.82 crore (previous year : ₹ 1.33 crore).

(vii) The amounts pertaining to defined benefit plans are as follows:

₹ crore

Particulars	**As at 31 March 2018**	*As at 31 March 2017*	*As at 31 March 2016*	*As at 31 March 2015*	*As at 31 March 2014*
a) Gratuity plan (funded)					
Defined benefit obligation	**6.82**	*6.06*	*7.40*	*5.62*	*4.64*
Plan assets	**4.77**	*4.73*	*3.81*	*3.41*	*2.66*
Surplus/(deficit)	**(2.05)**	*(1.33)*	*(3.59)*	*(2.21)*	*(1.98)*
b) Trust-managed provident fund plan (funded)					
Defined benefit obligation	**18.43**	*16.08*	*15.76*	*12.61*	*10.35*
Plan assets	**18.24**	*15.90*	*15.63*	*12.55*	*9.92*
Surplus/(deficit)	**(0.19)**	*(0.18)*	*(0.13)*	*(0.06)*	*(0.43)*
c) Experience adjustments				*Refer Note below**	
Experience adjustments on plan liabilities	**0.91**	*(0.24)*	*0.53*		
Experience adjustments on plan assets	**–**	*0.08*	*(0.31)*		

*Due to non availability of information, experience adjustments of plan liabilities and assets for the respective years have not been disclosed.

(viii) General descriptions of defined benefit plans:

(A) Gratuity plan:

The Group operates gratuity plan through LIC's Group Gratuity scheme where every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

(B) Trust managed provident fund plan:

The Company manages provident fund plan through the Holding Company's provident fund trust for its employees which is permitted under The Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by employer and employees

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

and guarantees interest at the rate notified by the provident fund authority. The contribution by employer and employee together with interest is payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

(C) Compensated absences:

The significant assumptions considered by the independent actuary in carrying out the actuarial valuation of compensated absences are given below:

Particulars	As at 31 March 2018	*As at 31 March 2017*
1) Discount rate	**7.30%**	*6.95% - 7.19%*
2) Future salary increase	**6.00%**	*6.00%*
3) Attrition rate		
Age band		
25 and below	**15.00%**	*15.00%*
26 to 35	**12.00%**	*12.00%*
36 to 45	**9.00%**	*9.00%*
46 to 55	**6.00%**	*6.00%*
56 and above	**3.00%**	*3.00%*
4) Mortality rate	**Indian Assured Lives Mortality (2006-08) Table**	*Indian Assured Lives Mortality (2006-08) Table*

(D) Retention pay:

The significant assumptions considered by the independent actuary in carrying out the actuarial valuation of Retention Pay are given below:

Particulars	As at 31 March 2018	*As at 31 March 2017*
1) Discount rate	**7.30%**	*6.95%*
2) Mortality Rate	**Indian Assured Lives Mortality (2006-08) Table**	*Indian Assured Lives Mortality (2006-08) Table*

Q(8) Disclosure pursuant to Accounting Standard (AS) 17 "Segment Reporting"

a) Primary segments (business segments):

₹ Crore

Particulars	Financing activity		Infrastructure development		Total	
	2017-18	*2016-17*	**2017-18**	*2016-17*	**2017-18**	*2016-17*
Segment revenue	**55.44**	*0.44*	**1,609.82**	*1,481.71*	**1,665.26**	*1,482.15*
Segment result	**17.57**	*(28.81)*	**(212.58)**	*(268.17)*	**(195.01)**	*(296.97)*
Unallocable corporate income/expenditure (net)	**–**	–	**–**	–	**–**	*(51.01)*
Unallocable depreciation	**–**	–	**–**	–	**–**	*(1.40)*
Operating profit		–	**(212.58)**	*(268.17)*	**(195.01)**	*(349.38)*
Interest and other income	**–**	–	**93.94**	*35.91*	**93.94**	*35.91*
Interest expense		–	**705.26**	*658.23*	**705.26**	*658.23*
Profit/(loss) before exceptional items and tax		–	**(101.07)**	*(261.06)*	**(101.07)**	*(261.06)*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

₹ Crore

Particulars	Financing activity		Infrastructure development		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Exceptional items	–	–	118.30	69.47	118.30	69.47
Profit/(loss) before tax		–	(219.37)	(330.53)	(219.37)	(330.53)
Provision for current tax [net of MAT Credit]		–	72.71	(58.63)	72.71	(58.63)
Provision for deferred tax		–	(0.11)	(3.29)	(0.11)	(3.29)
Profit/(loss) after tax		–	(291.97)	(268.61)	(291.97)	(268.61)
Share of profit/(loss) in associate		–	2.40	1.62	2.40	1.62
Adjustment for minority interests in subsidiaries		–	(17.06)	(14.00)	(17.06)	(14.00)
(Loss) for the period from continuing operations		–	(272.51)	(252.99)	(272.51)	(252.99)
Profit/(loss) for the year from discontinuing operations		–	40.94	(4.92)	40.94	(4.92)
Tax expense of discontinuing operations		–	13.06	1.09	13.06	1.09
Profit/(loss) from discontinuing operations (after tax)		–	27.88	(6.01)	27.88	(6.01)
(Loss) for the period		–	(244.63)	(259.00)	(244.63)	(259.00)
Segment assets	1,797.99	1,887.19	19,291.56	29,444.34	21,089.55	31,331.53
Un allocable assets	–	–	–	–	39.07	41.24
Total Assets	1,797.99	1,887.19	19,291.56	29,444.34	21,128.62	31,372.77
Segment liabilities	429.84	553.26	14,953.74	20,813.23	15,383.58	21,366.49
Un allocable liabilities	–	–	–	–	5,745.04	10,006.28
Total Liabilities	429.84	553.26	14,953.74	20,813.23	21,128.62	31,372.77
Other Information			–			
Capital expenditure (allocable)	–	–	531.25	862.43	–	862.43
Depreciation, amortisation and impairment included in Segment expense			(512.86)	(315.15)	(512.86)	(315.15)

b) The Company caters mainly to the domestic market and hence there are no reportable secondary/geographical segments.

c) Segment reporting, segment identification, reportable segments and definition of each reportable segment:

(i) Primary segment reporting format

The risk-return profile of the Company is determined predominantly by the nature of its services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.

(ii) Segment identification

Business segments have been identified on the basis of the nature of services, the risk-return profile of individual business, the organisational structure and internal reporting system of the Company.

(iii) Reportable segments

Reportable segments have been identified as per the criteria specified in Accounting Standard (AS) 17 “Segment Reporting”.

d) Segment Composition:

Infrastructure development segment comprises construction, development, operation and maintenance of toll projects including annuity based projects, development and operation of power transmission projects, development and operation of metro rail and providing related advisory services.

Financing activity segment comprises the investment and related activities undertaken as Core Investment Company (CIC - ND - SI).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q(9) Disclosure of related parties / related party transactions pursuant to Accounting Standard (AS) 18 "Related Party Disclosures"

(i) Name of Related Parties and Nature of Relationships

Nature of Relationship	Year Ended 31 March 2018	Year Ended 31 March 2017
Holding Company	Larsen & Toubro Limited	Larsen & Toubro Limited
Entity exercising Significant Influence	CPP Investment Board Singaporean Holdings 1 Pte. Limited	CPP Investment Board Singaporean Holdings 1 Pte. Limited
Fellow subsidiaries	Larsen & Toubro Infotech Limited	Larsen & Toubro Infotech Limited
	L&T General Insurance Company Limited	L&T General Insurance Company Limited
	L&T Marketing Networks Limited	L&T Marketing Networks Limited
	L&T Finance Holdings Limited	L&T Finance Holdings Limited
	L&T Metro Rail (Hyderabad) Limited (w.e.f. 29 March 2017)	L&T Metro Rail (Hyderabad) Limited (w.e.f. 29 March 2017)
Associate	International Seaports Haldia (Private) Limited [Refer Note H(l)]	International Seaports Haldia (Private) Limited [Refer Note H(l)]
Key Managerial Personnel	Mr. K. Venkatesh – Chief Executive and Managing Director (Upto 7 April 2018) [Refer note Q(9)(iv)]	Mr. K. Venkatesh - Chief Executive and Managing Director

(ii) Details of transactions with related parties: (including taxes wherever applicable)

		₹ Crore
Nature of Relationship/Name/Nature of transaction	**2017-18**	*2016-17*
i. Holding Company		
Larsen & Toubro Limited		
Purchase of goods and services	**463.09**	*1,633.87*
Sale of goods and services	**8.57**	*7.29*
Intercorporate deposits/loans/mezzanine debt given	**–**	*–*
Reimbursement of expenses from	**4.94**	*16.27*
Reimbursement of expenses to	**0.63**	*1.91*
Rent paid	**2.67**	*2.28*
Interest received	**33.06**	*–*
Transfer of loans and advances to	**–**	*0.08*
Sale of equity shares	**–**	*2,041.57*
Advance against share capital	**–**	*6.35*
Subscription to equity shares	**–**	*0.32*
ii. Fellow Subsidiaries		
Larsen &Toubro Infotech Limited		
Purchase of goods and services incl. taxes	**1.72**	*4.09*
L&T Infrastructure Engineering Limited		
Availment of services	**1.15**	*–*
L&T Metro Rail (Hyderabad) Limited		
Rent received	**0.10**	*–*
L&T General Insurance Company Limited		
Insurance premium paid	**–**	*1.43*
L&T Marketing Networks Limited		
Reimbursement of expenses to	**–**	*0.03*
L&T Finance Holdings Limited		
Availment of services	**0.15**	*0.01*
iv. Associate Company		
International Seaports Haldia (Private) Limited		
Dividend received	**3.44**	*1.47*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

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

					₹ crore
Particulars		**2017-18**		*2016-17*	
		Due to	**Due from**	*Due to*	*Due from*
i.	**Holding company**				
1.	Larsen & Toubro Limited	**81.51**	**14.78**	*26.32*	–
ii.	**Fellow subsidiaries**				
1.	Larsen &Toubro Infotech Limited	**0.19**	**–**	–	–
2.	L&T Infrastructure Engineering Limited	**0.03**	**–**	–	–
3.	L&T Shipbuilding Limited	**–**	**–**	–	*1.28*
4.	L&T Hydrocarbon Engineering Limited	**–**	**–**	–	*0.04*

(iv) Note : Mr. K. Venkatesh retired from the Company on 7 April 2018. Subsequent to the year end, on 28 April 2018 Mr. Shailesh Kumar Pathak has been appointed as the Chief Executive Officer and Whole-time Director and Mr. T. S. Venkatesan has been appointed as the Whole-time Director to the Company.

(v) No amounts have been written off/ written back during the current year and previous year in respect of related parties.

Q(10) Disclosure pursuant to Accounting standard (AS) 19 'Leases' :

The Group has taken various office premises, guest houses and residential premises on cancellable operating lease. These agreements are normally renewed on expiry. Lease rental expenses of ₹ 0.28 Crore (previous year : ₹ 0.19 crore) has been charged to the statement of profit and loss and ₹ 0.20 crore (previous year : ₹ 0.27 crore) has been included in Intangible assets under development.

Q(11) Basic and Diluted Earnings per Share ('EPS') computed in accordance with Accounting Standard (AS) 20 'Earnings per Share':

Particulars		**2017-18**	*2016-17*
Continuing Operations			
Basic earnings per equity share			
Loss after tax as per accounts (₹ crore)	**A**	**(272.51)**	*(252.99)*
Weighted average number of equity shares outstanding	**B**	**321,049,196**	*321,049,196*
Basic EPS (₹)	**A/B**	**(8.49)**	*(7.88)*
Diluted earnings per equity share			
Loss after tax as per accounts (₹ crore)	**A**	**(272.51)**	*(252.99)*
Weighted average number of equity shares outstanding	**B**	**321,049,196**	*321,049,196*
Add : Weighted average number of potential equity shares on account of CCPS ^ ^	**C**	**412,190,331**	*412,190,331*
Weighted average number of shares outstanding for diluted EPS	**D=B+C**	**733,239,527**	*733,239,527*
Diluted EPS (₹) ^ ^ ^	**A/D**	**(8.49)**	*(7.88)*
Total Operations			
Basic earnings per equity share			
Profit/(loss) after tax as per accounts (₹ crore)	**A**	**(244.63)**	*(259.00)*
Weighted average number of equity shares outstanding	**B**	**321,049,196**	*321,049,196*
Basic EPS (₹)	**A/B**	**(7.62)**	*(8.07)*
Diluted earnings per equity share			
Loss after tax as per accounts (₹ crore)	**A**	**(244.63)**	*(259.00)*
Weighted average number of equity shares outstanding	**B**	**321,049,196**	*321,049,196*
Add : Weighted average number of potential equity shares on account of CCPS ^ ^	**C**	**412,190,331**	*412,190,331*
Weighted average number of shares outstanding for diluted EPS	**D=B+C**	**733,239,527**	*733,239,527*
Diluted EPS (₹) ^ ^ ^	**A/D**	**(7.62)**	*(8.07)*
Face value per share (₹)		**10.00**	*10.00*

^ ^ Pursuant to the Investment agreement dated 21 June 2014, signed between the Company, the Holding Company, Larsen & Toubro Limited,

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Old lane Mauritius III Limited and CPP Investment Board Singaporean Holdings 1 Pte. Limited, the Company had allotted 1800 Compulsorily Convertible Preference Shares Series 1 of ₹ 1 Crore each and 200 Compulsorily Convertible Preference Shares Series 1 of ₹ 1 Crore each to CPP Investment Board Singaporean Holdings 1 Pte. Limited. In terms of clause 8.1.3 of the said agreement, the CCPS Series 1 comprising 1800 compulsorily convertible preference shares of face value ₹ 1,00,00,000 each and CCPS Series 2 comprising 200 compulsorily convertible preference shares of face value ₹ 1,00,00,000 each are convertible into equity shares of face value ₹ 10 each based on a Valuation process set out in Schedule 9 of the said agreement on or before 31 March 2019 and 31 March 2021 respectively.

In order to compute the Diluted earnings per share and to determine the number of potential equity shares, the Company has undertaken an internal valuation based on management's projections and estimated the number of equity shares that would be allotted upon conversion of these CCPS Series 1 and CCPS Series 2. However the actual number of equity shares that would be allotted upon conversion may significantly differ from the above if the valuation of the Company as envisaged in the Investment agreement at the time of conversion is materially different.

^ ^ ^ As the potential equity shares turn anti-dilutive, the same is ignored in the computation of diluted earnings. The Company has 10,000 Special Equity Shares of ₹ 10 each outstanding which do not have any right to receive dividend/other distributions of the Company or otherwise carry any economic rights. Consequently, earnings per share is not applicable for such special equity shares. Also Refer Note A(III) and A(VIII)

Q(12) Disclosure pursuant to Accounting Standard (AS) 22 " Accounting for Taxes on Income":

			₹ crore
Particulars	**Deferred tax liabilities/ (assets) as at 01 April 2017**	**Charge/(credit) to Statement of Profit and Loss**	**Deferred tax liabilities/ (assets) as at 31 March 2018**
Deferred tax liabilities			
Difference between book and tax depreciation	207.28	(19.68)	187.60
Total	**207.28**	**(19.68)**	**187.60**
Deferred tax assets			
Unpaid statutory liabilities/ Provision for employee benefits			
	1.77	(0.15)	1.92
Unabsorbed depreciation/brought forward business losses/losses under the head capital gains	188.01	19.29	168.72
Other items giving rise to timing differences	0.43	0.43	–
Total	**190.21**	**19.57**	**170.64**
Net deferred tax liability/ (asset)	**17.07**	**(0.11)**	**16.96**

Notes:

(i) The Group has availed tax holiday u/s 80-IA of the Income-tax Act, 1961 for some of its subsidiaries. Deferred tax assets/liabilities in such cases are not recognised to the extent they reverse within the tax holiday period.

(ii) Deferred tax assets in respect of tax losses and unabsorbed depreciation in the case of some of the subsidiaries are recognised only to the extent of deferred tax liabilities.

Q(13) Disclosure pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets"

a) Movement in provision

Description	**Balance as at 01 April 2017**	**Additional provision during the year**	**Provision used/ reversed during the year**	**Balance as at 31 March 2018**
	₹ crore	₹ crore	₹ crore	₹ crore
Provision for periodic major maintenance	584.40	200.76	(11.94)	773.22
	(381.32)	*(220.52)*	*17.44*	*(584.40)*

b) Periodic major maintenance represents provision made for resurfacing obligations in accordance with the terms of concession agreement with National Highways Authority of India (NHAI) and is expected to be settled/utilised over a period of one to seven years.

c) Previous year figures are given in brackets. Also refer Note G(II)(a) and Q(19).

Q(14) Disclosure on Corporate Social Responsibility expenditure

a) The amount required to be spent by the Group on Corporate Social Responsibility (CSR) related activities during the year is ₹ 0.88 crore (previous year : ₹ 0.47 crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

b) The amount recognised as expense in the consolidated statement of profit and loss on CSR activities is ₹ 0.38 crore , which comprises of:

			₹ crore
Particulars	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	0.10	–	0.10
(ii) On purposes other than (i) above	0.28	–	0.28
Total	**0.38**	**–**	**0.38**
Previous year	*0.43*	*0.04*	*0.47*

Q(15) Deferred payment liability of ₹ 13,730.86 crore (previous year: ₹ 10,919.02 crore) represents:

a) Negative grant of ₹ 3396.97 crore (previous year: ₹ 443.69 crore) payable to National Highways Authority of India (NHAI), in terms of the Concession agreement entered into with NHAI. Out of this an amount of ₹ 105.44 crore (previous year : ₹ 91.67 crore) is payable within one year. Also refer note G(II)(a) and Q(19).

b) Additional concession fee of ₹ 10,215.54 crore (previous year: ₹10,475.33 crore) payable to National Highways Authority of India (NHAI), in terms of the Concession agreement entered into with NHAI. Out of this an amount of ₹ 118.36 crore (previous year : ₹ 135.26 crore) is payable within one year. Also refer note G(II)(a) and Q(19).

Q(16) The aggregate amounts of revenues and profit after tax (net) recognised during the year in respect of construction services is ₹ 316.74 crore (previous year : ₹ 497.75 crore) and ₹ 79.99 crore (previous year: ₹ 71.64 crore).

Q(17) The Company received a notice on 20 April 2015, from Maharashtra Airport Development Company Limited (MADC), wherein they have instructed the Company to handover the possession of 50.85 acres of vacant land taken on 99 year lease at Nagpur, within a period of 15 days from the said date, as the Company had not commenced commercial operations by 20 June 2013. Consequently, the carrying amount of premium paid to MADC as at 31 March 2018 of ₹ 14.20 crore (previous year : ₹ 14.20 crore), has been reclassified and included in Other receivable – Loans and advances. The Management is confident of realising the said amount in terms of the Co-Developers Agreement entered into with MADC dated 20 June 2008.

Q(18) Exceptional items disclosed in the Consolidated statement of profit and loss represents the following :

		₹ crore
Particulars	**2017-18**	*2016-17*
Impairment of Toll collection rights [Refer Note E(II)]	**118.30**	*20.00*
Net gain on disposal of subsidiaries	**–**	*(19.40)*
Provision for doubtful receivable from NHAI for terminated projects [Refer Note Q(26)]	**–**	*68.87*
TOTAL	**118.30**	*69.47*

Q(19) The Company obtained approval from the Securities and Exchange Board of India (SEBI) for the establishment of an Infrastructure Investment Trust (InvIT) under the provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014. The Certificate of Registration (CoR) as an InvIT was issued by SEBI to Indinfravit Trust on 15 March 2018. Subsequent to the year end, the Preliminary Placement Memorandum has been filed with SEBI on 25 April 2018. The Board of Directors in their meeting held on 16 March 2018, approved transfer of the Company's interest in five of its road subsidiaries to Indinfravit Trust. Accordingly the net income of the five subsidiaries represent the following :

Particulars	**2017-18**	*2016-17*
Revenue from operations	**780.10**	*683.40*
Other income	**9.03**	*16.36*
Total revenue	**789.13**	*699.76*
Operating expenses	**167.51**	*153.44*
Employee benefits expense	**11.86**	*9.31*
Administration and other expenses	**12.32**	*11.28*
Depreciation, amortisation, impairment and obsolescence	**183.66**	*174.84*
Finance costs	**372.84**	*355.81*
Total expenditure	**748.19**	*704.68*
Profit/ (loss) before tax from discontinuing operations	**40.94**	*(4.92)*
Tax expense	**13.06**	*1.09*
Profit/ (loss) tax from discontinuing operations (after tax)	**27.88**	*(6.01)*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Assets held for sale in Note G(II) represents :

Particulars	**2017-18**
Assets	
Tangible assets *	**18.73**
intangible assets	**12,812.72**
Intangible assets under development	**–**
Long term loans and advances	**41.00**
Current investments	**179.85**
Short term loans and advances	**62.04**
Cash and cash equivalents	**37.46**
Other current assets	**6.40**
Total Assets	**13,158.20**
Long term borrowings	**3,221.48**
Other non - current liabilities	**7,795.35**
Long term provisions	**299.85**
Other current liabilities	**637.08**
Trade payables	**56.63**
Short term provisions	**2.32**
Total Liabilities	**12,012.71**
Net assets held for sale	**1,145.49**

* includes ₹ 0.09 crore of one of the subsidiaries, PNG Tollway Limited which has terminated its concession with NHAI.

The net cash flows attributable to the discontinuing operations are given below :

Particulars	**2017-18**
Operating activities	**710.30**
Investing activities	**(175.24)**
Financing activities	**(461.78)**
Net cash inflows / (outflows)	**73.28**

Q(20) One of the subsidiaries, L&T Transportation Infrastructure Limited, which has been awarded a Build-Operate-Transfer (BOT) project for construction of a bypass toll road and a bridge over the River Noyyal in Coimbatore District of Tamil Nadu State, under the Concession Agreement dated 03 October 1997, had received a termination notice from the Ministry of Road Transport and Highways (MoRTH), Government of India. The ground of termination was Government of India's subsequent intention to go for four-laning of the existing two lane road. The subsidiary has obtained injunction from the Delhi High Court against the said termination notice of the Government and is accordingly continuing to collect toll. The tolling rights of the subsidiary are protected under the aforesaid concession agreement.

The subsidiary had also filed an application opting for arbitration for resolution of disputes and an Arbitral Tribunal had been constituted as provided in the concession agreement. The Arbitral Tribunal has pronounced the award on 12 December 2014 in favour of the Company. The Tribunal has also awarded, interalia, 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 12 March 2015 seeking stay of the aforesaid tribunal award before the Hon'ble Delhi High Court. The case is transferred to Commercial Appeliate Court of the Delhi High Court during the year. During the previous financial year, the Ministry of Road Transport and Highways had taken initiatives to revive the Infrastructure sector through NITI Aayog. The proposals approved include transfer of arbitration cases existing under the old act, to the amended act and also to provide relief to the concessionaires in the form of interim payment of 75% of the Arbitral award in cases where the tribunal had granted the award, which were challenged by the implementation agencies. The subsidiary had executed the relevant agreements and undertaking as required and has received 75% of the arbitral award amounting to ₹ 117.28 Crore during the year which is accounted under other current liabilities, pending ultimate conclusion on the matter.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Q(21) One of the subsidiaries, L&T Western India Tollbridge Limited, had claimed for loss of revenue during the concession period due to riots, strikes, closures and compensation for execution of variances to project facilities beyond the scope of concession agreement envisaged at the time of tendering. Since the claims could not be settled amicably, they were referred to the Arbitral Tribunal constituted as per the terms of the Concession agreement. The Arbitral tribunal unanimously passed the award in favour of the Company against which the Government of India ("GOI") / Government of Gujarat (GOG) had appealed to the District Court of Kheda at Nadiad (Gujarat) . The matters were listed for a number of times and finally on 04 April 2015, the Honourable Court dismissed the appeals on account of non-persuasion by GOI/GOG. Subsequently the subsidiary had filed an execution petition against GOI before the Honourable High Court of Delhi. The same was heard on 17 March 2016 where the subsidiary had emphasized and demanded execution of the tribunal's award by GOI. During the previous financial year, the Ministry of Road Transport and Highways had taken initiatives to revive the Infrastructure sector through NITI Aayog. The proposals approved include transfer of arbitration cases existing under the old act, to the amended act and also to provide relief to the concessionaires in the form of interim payment of 75% of the Arbitral award in cases where the tribunal had granted the award, which were challenged by the implementation agencies. The subsidiary had executed the relevant agreements and undertaking as required and has received 75% of the arbitral award amounting to ₹ 69.77 Crore during the previous year which is accounted under other current liabilities, pending ultimate conclusion on the matter.

Q(22) One of the subsidiaries , Ahmedabad Maliya Tollway Limited ("AMTL") entered into concession agreement with Gujarat state road development corporation ("GSRDC") has received a letter from GSRDC seeking compensation of ₹ 72.20 crore for delay in construction of Rail Over Bridge. The subsidiary has refuted the demand vide letter dated 22 March 2018 and is accordingly disclosed in Note I - Contingent Liabilities.

Q(23) An amount of ₹ 183.96 crore (previous year : ₹ 134.16 crore), is carried as the net amount recoverable towards termination compensation by two subsidiaries of the Group, engaged in infrastructure projects, which have terminated concession agreements entered into with the National Highway Authorities of India (NHAI). The nature of default and termination amount claimed has not been accepted by NHAI and arbitration proceedings have been initiated in respect of the disputes relating to the termination payments/claims.

The Management has carried out an assessment of its exposure in these projects duly considering the expected payments arising out of the aforesaid termination and the likely outcome of the arbitration proceedings, contractual stipulations/ interpretation of the relevant clauses including the possible obligations to lenders, legal advice, etc. and believes that the net amount of recoverable carried in the books is good for recovery and no additional provision/adjustment to the same is considered necessary as at 31 March 2018. Also Refer Notes Q(25) and Q(26).

Q(24) The Group is carrying toll collection rights (net of amortisation/impairment) aggregating to ₹ 4,361.07 crore (previous year : ₹ 5,687.19 crore pertaining to 7 operating subsidiaries) in 5 operating subsidiaries, engaged in infrastructure projects, whose net worth is fully eroded as at 31 March 2018/undergoing restructuring due to continuous losses, as per the audited financial statements of these entities as at 31 March 2018.

Considering the gestation period required for break even for such infrastructure investments, restructuring/refinancing arrangements carried out / proposed, expected higher cash flows based on future business projections and the strategic nature of the investments etc., no additional impairment / adjustment to the carrying value of the said toll collection rights is considered necessary by the Management as at 31 March 2018.

Q(25) L&T Chennai Tada Tollway Limited, a subsidiary had entered into a concession agreement with National Highways Authority of India ("NHAI") on 03 June 2008 for the six laning of Chennai-Tada Section of National Highway 5 in the State of Tamil Nadu. Pursuant to the default of NHAI of the various conditions specified in the concession agreement, a notice was served on NHAI vide letter dated 18 March 2015. Due to the inaction of NHAI on the said matter, the subsidiary had filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended), before the High Court of Delhi. On the direction of the Honourable High Court, NHAI took over the toll operations on 23 June 2016. The Court had also directed NHAI to deposit toll collections in the escrow account of the subsidiary till the completion of arbitration with respect to the termination of the project and the finalisation of the proceeds. The arbitration/judicial proceedings in respect of this matter is currently ongoing. During the year, the senior lenders have approached the Debt recovery Tribunal for recovery of the outstanding term loans. Also refer Note Q(23).

Q(26) During the year ended 31 March 2016, PNG Tollway Limited, a subsidiary, had submitted intent to terminate the project and accordingly issued the notice of termination on 25 February 2016. The same was accepted by NHAI vide its minutes of meeting dated 7 April 2016 and conveyed that the date of termination shall be 29 March 2016. Consequently, the toll operations were taken over by the authority on 13 April 2016 and the maintenance operations were taken over on 31 July 2016. The subsidiary was engaged in various meetings with the authority with regard to finalization of termination proceeds and its settlement during the year. On 30 August 2016, NHAI released an adhoc payment of ₹ 100 Crore. Further on 21 February 2017, NHAI issued a termination notice, alleging Concessionaire's Event of Default and arbitrarily released an amount of ₹ 323.06 Crore on 26 March 2017 based on termination payment computed for the project after adjusting the adhoc payment and other recoveries, unilaterally, without granting an opportunity of being heard to the subsidiary on the above matter.

The subsidiary on 3 April 2017 replied to the notice of termination by NHAI and on 4 April 2017 replied to the termination Payment advice of NHAI, stating the facts on how termination payment calculated by NHAI is not in conformity with the stated provisions of the Concession Agreement, and justifying its eligibility for termination payments as claimed by the Company certain contractual claims that are accepted and payable as per provisions of concession agreement. The subsidiary had invoked arbitration proceedings against NHAI on the said matter and the statement of claims was filed and the first sitting of the Tribunal was held on 18 July 2017. The Tribunal posted the matter to be heard on 27 October 2017 for further proceedings with timelines for completion of pleadings. However at the instance of NHAI, a Conciliation Committee has been set up to amicably resolve the disputes. The Conciliation Committee comprising of 3 independent members held 5 meetings at

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

NHAI during the year and the outcome of the Conciliation is awaited. Meanwhile, the lender has sent a notice to the subsidiary on 15 July 2017 for settlement of the outstanding principal and interest dues to which the Company had responded on 31 July 2017. Depending on the outcome of the meeting of the conciliation committee, the arbitration and recovery proceedings would be dealt with appropriately.

Ashoka Buildcon Limited, one of the EPC contractors engaged by the subsidiary had raised a claim of about ₹ 550 Crore on account of additional work done and idling costs. The same has been rejected by the subsidiary, as being frivolous and without any basis. Consequent to this, the sub-contractor has invoked arbitration proceedings against the subsidiary for resolving this dispute. The Arbitral Tribunal has been constituted and the first meeting is scheduled on 19 August 2018. Also Refer Note I and Q(23).

Q(27) Subsequent to the year end, the Board of Directors in its meeting held on April 28, 2018 have proposed buy back of 920 fully paid up Compulsorily Convertible Preference Shares Series I (CCPS) of ₹ 1 crore each of nominal value at a premium of ₹ 21,73,913 per CCPS for an aggregating value not exceeding ₹ 1,120 crore, subject to shareholders approval.

Q(28) One of the subsidiaries, Devihalli Hassan Tollway Limited ("DHTL") had raised various claims with NHAI seeking compensation for financial losses incurred in terms of the concession agreement due to delay in handing over Right of Way, delay in providing provisional completion certificate among other things. In the absence of appropriate response from NHAI on this matter, the subsidiary had invoked arbitration proceedings against NHAI, as provided in Article 44 of the Concession Agreement.Both parties have appointed representative arbitrators, who are in the process of identifying the presiding arbitrator for commencement of arbitration proceedings.

Q(29) Two of the subsidiaries entered into concession agreements with GSRDC have applied for revenue share deferment and have received approval for the same. Accordingly, the deferred revenue share will be payable aloong with interest at RBI bank rate plus 2% in terms of the supplementary agreement signed by the subsidiary with GSRDC.

Q(30) Pursuant to the Strategic Debt Restructuring (SDR) scheme entered by one of the subsidiaries, L&T Halol Shamlaji Tollway Limited ("LTHSTL") with the lenders, the subsidiary has calculated interest on full senior debt till 31 July 2016. From 1 August 2016, interest has been calculated on debt of ₹ 597.24 crore i.e after reducing the portion of debt of ₹ 405.83 crore that had been converted into equity. However, different banks have given effect to SDR scheme in different manner in their books of account resulting in unreconciled balances of term loans with banks as follows :

Name of the bank	Balance as per Books	Balance as per Bank Statement	Difference
Allahabad Bank	92.35	92.48	(0.13)
UCO Bank	86.52	87.28	(0.76)
Oriental bank of Commerce	79.46	79.64	(0.18)
Syndicate Bank	67.16	71.97	(4.81)
Indian Bank	50.88	46.77	4.11
HDFC Bank Limited	37.94	38.29	(0.35)
IndusInd Bank	51.26	51.85	(0.59)
India Infrastructure Financial Corporation Limited	122.85	111.41	11.44
TOTAL	**588.42**	**579.69**	**8.73**

The subsidiary has discussed with the lenders independently as well in JLF meeting and the reconciliation of the balances is in progress. Few banks have reversed unrealised interest from the term loan account of the subsidiary as per Income Recognition and Asset Classification (IRAC) norms of RBI. However, as the liability of the subsidiary to pay this interest continues, the reversal has not been considered in the books of the subsidiary.

Q(31) Figures for the previous year have been regrouped/reclassified wherever necessary.

R. SIGNIFICANT ACCOUNTING POLICIES

1 Statement of Compliance

The Group maintains its accounts on accrual basis following the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India ("GAAP") in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 and Notification dated March 30/2016 read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the Circular No. 07/2014 dated 01 April 2014 issued by the Ministry of Corporate Affairs.

Further, L&T Infrastructure Development Projects Limited ("the Company") has been issued a certificate of registration from the Reserve Bank of India (RBI), to commence/carry on the business of non-banking financial institution without accepting public deposits subject to certain conditions as mentioned by the RBI and is covered as a systemically important non-deposit taking core investment company (CIC-ND-SI). Since the Company is covered as a CIC-ND-SI effective 01 April 2015, based on the letter dated 12 January 2015 acknowledged by the RBI the presentation and accounting in these financial statements has been done duly considering the same and the directions issued by the (RBI) for CIC-ND-SI, as applicable.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

The accounts of Indian subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 and Notification dated 30 March 2016 read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the Circular No. 07/2014 dated 01 April 2014 issued by the Ministry of Corporate Affairs and those of the foreign subsidiaries have been prepared in compliance with the local laws and applicable Accounting Standards. Necessary adjustments for differences in the accounting policies, wherever applicable, have been made in the Consolidated Financial Statements.

2 Principles of consolidation

The consolidated financial statements relate to L&T Infrastructure Development Projects Limited ("The Company"), its subsidiary companies and the Group's share of profit/(loss) in it's associate. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances and the unrealized profits/(losses) on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

b) As the intangible assets recognised under service concession arrangements are acquired in exchange for infrastructure construction/upgrading services, gains/(losses) on intra-group transactions are treated as realized and not eliminated on consolidation.

c) Investment in associate company has been accounted for, using equity method as per Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of the associate (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment of the associate. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

d) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.

e) Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / (loss) for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit/(loss) after tax of the Group in order to arrive at the profit/(loss) attributable to shareholders of the Company.

f) Following subsidiary companies and associates have been considered in the preparation of the consolidated financial statements:

Name of the entity	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at	
		31 March 2018	*31 March 2017*
1. Subsidiaries			
L&T Transportation Infrastructure Limited	India	**73.76**	*73.76*
L&T Interstate Road Corridor Limited	India	**99.99**	*99.99*
Krishnagiri Thopur Tollroad Limited [Refer Note G(II)(a)]	India	**100.00**	*99.99*
Panipat Elevated Corridor Limited	India	**99.99**	*99.99*
Vadodara Bharuch Tollway Limited	India	**99.99**	*99.99*
Western Andhra Tollways Limited [Refer Note G(II)(a)]	India	**100.00**	*99.99*
Devihalli Hassan Tollway Limited[Refer Note G(II)(a)]	India	**100.00**	*99.99*
Krishnagiri Walajahpet Tollway Limited[Refer Note G(II)(a)]	India	**100.00**	*99.99*
Ahmedabad Maliya Tollway Limited	India	**99.99**	*99.99*
L&T Halol Shamlaji Tollway Limited**	India	**48.97**	*49.04*
L&T Samakhiali Gandhidham Tollway Limited	India	**99.98**	*99.98*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Name of the entity	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at	
		31 March 2018	*31 March 2017*
L&T Rajkot Vadinar Tollway Limited	India	**99.99**	*99.99*
L&T BPP Tollway Limited[Refer Note G(II)(a)]	India	**100.00**	*99.99*
L&T Deccan Tollways Limited	India	**99.99**	*99.99*
L&T Sambalpur Rourkela Tollway Limited	India	**99.99**	*99.99*
PNG Tollway Limited#	India	**60.74**	*60.74*
Kudgi Transmission Limited	India	**99.99**	*99.99*
L&T Chennai Tada Tollway Limited	India	**99.99**	*99.99*
LTIDPL INDVIT Services Limited (formerly L&T Western India Toll Bridge Limited)	India	**100.00**	*99.99*
L&T Port Kachchigarh Limited*	India	**–**	*99.99*
L&T IDPL Trustee Manager Pte. Limited^	Singapore	**100.00**	*100.00*
2. Associate			
International Seaports Haldia (Private) Limited@	India	**22.31**	*22.31*

*the subsidiary was merged with the holding company in the current year.

#Considering substance over form, the subsidiary is consolidated @ 74% in the consolidated financial statements.

@Consolidated based on Unaudited Financial Statements certified by the Management of the Associate.

** Management control continues to be with the Company. Also Refer Note [J].

^ Refer note H(I)

g) The gains/losses in respect of part dilution of stake in subsidiary companies are recognised directly in capital reserve in Balance Sheet. The gains/ losses in respect of disposal of subsidiary companies are recognised in consolidated statement of profit and loss.

3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. 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 tangible and intangible fixed assets, provisions for resurfacing obligations, employee benefit plans, provision for income taxes and provision for diminution in the value of investments.

The financial statements of the Company have been prepared in accordance with the significant accounting policies duly considering Management's assessment of various matters relating to arbitration/termination proceedings, future projections etc., which are significant to the Company and the final outcome of these matters, including legal/contractual interpretations, where applicable, could have a significant impact on the financial statements and the Management's evaluation of the same is very critical and fundamental to the preparation of these financial statements.

4 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 Accounting Standard (AS) 3 "Cash Flow Statements". 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.

Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.

5 Cash and bank balances

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

6 Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flows from operating activities are reported using indirect method. Under the indirect method, the net profit / (loss) before extraordinary items and tax is adjusted for the effects of :

a. Transactions of non-cash nature

b. Any deferrals or accruals of past or future cash receipts or payments.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

7 Amortisation

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.

8 Revenue recognition

a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

b) Toll collections from the users of the infrastructure facility constructed by the Group under the Service Concession Arrangements are recognised in the period of collection of toll/user fee which coincides with the usage of infrastructure facility , net of revenue share payable under the Concession agreements wherever applicable. Revenue from sale of smart cards is accounted on cash basis.

c) 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.

d) License fees for way-side amenities are accounted on accrual basis.

e) Project facilitation and advisory fees are recognised using proportionate completion method based on the agreement / arrangement with customers.

f) Revenue from windmill operations is recognised based on contractual agreements with the holding company and the state electricity board.

g) Contract revenue from construction activity on fixed price contracts is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using percentage of completion method.

Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost. Expected loss, if any, on the construction activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

h) Profit/(loss) on sale of investments is recognised at the time of actual sale/redemption.

i) Dividend income is recognised when the right to receive the same is established by the reporting date.

j) Other items of income are recognised as and when the right to receive arises.

k) Claims/compensation from NHAI/state authorities are accounted for when the right to receive the same arises and when there is no uncertainty in realising the same. Wherever such claims/compensation is granted by way of extension of concession period, such eligible amounts are accounted for as income by a corresponding increase in toll collection rights.

9 Property , Plant and Equipment (PPE)

Property, Plant and Equipment is recognised when it is probable that future economic benefits associated with the item will flow to

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

the Company and the cost of the item can measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Property, plant and equipment acquired on hire purchase basis are stated at their cash values. For qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalised as a part of the cost of the PPE. Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation on property, plant and equipment has been provided on straight-line basis as per useful lives specified in the Schedule II of the Companies Act, 2013 except In respect of the following categories of assets.

Category of Assets	**Revised useful life adopted based on Technical evaluation (years)**
Vehicles – Motor cars	5 to 7
Office equipment	
Multifunctional devices, printers, switches, projectors	4
Split AC and Window AC	4
Plant and Machinery	
Toll equipment	5 to 7
DG sets	12
Air conditioning and refrigeration equipment	12
Building - Residential	50
Wind power generating plant	21

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

The Group has carried out an assessment of the useful lives of these assets and based on technical evaluation, different useful lives have been arrived at in respect of above assets.

The justification for adopting different useful life compared to the useful life of assets provided in Schedule II is based on the consumption pattern of the assets, past performance of similar assets and peer industry comparison duly supported by technical assessment from internal technical personnel.

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. Assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold land

Land acquired under long term lease is classified under "Property, Plant and equipment" and is depreciated over the period of lease.

10 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.

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

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

The Viability Gap Funding (VGF) in the form of capital grant in connection with project construction has been reduced from the carrying amount of intangible assets under development.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

b) Other intangible assets

Specialized software is amortized over a period of three to six years on straight line basis from the month in which the addition is made.

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”.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets’ revised carrying amount over its remaining useful life.

11 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.

   (b) recognised as income or expense in the period in which they arise.

d) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.

e) The exchange differences relating to non-integral foreign operations are accumulated in a “Foreign currency translation reserve” until disposal of the operation, in which case the accumulated balance in “Foreign currency translation reserve” is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

f) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

g) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

12 Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. Government grants in the nature of promoters’ contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

13 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 long term investments.

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Investment properties are carried in accordance with Cost Model individually at cost less accumulated depreciation and cumulative impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for property, plant and equipment. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Investment in associate company is accounted using "equity method". Purchase and sale of investments are recognised based on trade date accounting. Refer Note H(I).

14 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

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 consolidated Statement of Profit and Loss.

(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.

15 Borrowing costs

Borrowing costs include interest, 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. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for 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. Capitalization of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

16 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 in line with the accounting policies of the Group. 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.

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'.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

17 Leases

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

18 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.

19 Taxes on income

Tax on income for the current year is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of the Income-tax Act, 1961 and based on the expected outcome of assessments/ appeals.

Deferred Tax is recognised on timing differences between income accounted in financial statements and taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets relating to unabsorbed depreciation/carry forward business loss are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available which such deferred assets can be realised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

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 in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

20 Impairment of assets

As at each Balance Sheet date , the carrying amount of assets is tested for impairment so as to determine :

a. Provision for impairment loss, if any, and

b. Reversal of impairment loss recognised in previous years, if any.

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.

Impairment loss is recognised when the carrying amount of an asset exceeds it's recoverable amount.

Recoverable amount is determined :

a. In the case of an individual asset, at the higher of the net selling price and value in use;

b. In the case of a cash generating unit (a group of assets that generates identifiable, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

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"

21 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of a past event 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. Provisions (excluding decommissioning, restoration and other liabilities recognised as a cost of PPE) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in Note [I] to the consolidated financial statements. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

22 Derivative contracts

The Group enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked–to-market and losses are recognised in the Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised, until realized, on grounds of prudence.

23 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.

24 Service tax/Goods and Services Tax input credit

Service tax/Goods and Services Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

25 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.

26 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. Also Refer Note (I) to the Balance sheet for details.

27 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 associate company 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.

For and on behalf of the Board of Directors

SHAILESH K. PATHAK *Chief Executive Officer and Whole-time Director* *(DIN: 01748959)*	**T. S. VENKATESAN** *Whole-time Director* *(DIN: 01443165)*	**KARTHIKEYAN T. V** *Chief Financial Officer*	**K. C. RAMAN** *Company Secretary*

Place : Chennai
Date : 28 April 2018