LARSEN & TOUBRO

Larsen & Toubro Limited
Secretarial Department
L&T House, Ballard Estate
Narottam Morarjee Marg
Mumbai - 400 001, INDIA
Tel: +91 22 6752 5656
Fax: +91 22 6752 5893
www.Larsentoubro.com

SEC/PAM/AR/ 2018

August 27, 2018

The Secretary BSE Limited Phiroze Jejeebhoy Towers, Dalal Street, MUMBAI - 400 001 Stock Code : 500510	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Stock Code: LT

Dear Sir,

Sub : **Filing of Annual Report of the Company for the year ended 31st March 2018**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith soft copy of our Annual Report and Accounts of the Company for the year ended 31st March 2018 alongwith Notice dated May 28, 2018 and Particulars of Employees as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which was approved and adopted in the AGM of the shareholders held on 23rd August 2018.

We request you to take the same on your records.

Yours faithfully,
for **LARSEN & TOUBRO LIMITED**

N. HARIHARAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY
(ACS 3471)

Encl.: as above.

CIN : L99999MH1946PLC004768

ISO 9001 REGISTERED
DNV
MGMT SYS
RvA C 024
DNV Certification B.V., The Netherlands

73rd ANNUAL REPORT 2017-2018

LARSEN & TOUBRO



Eight Decades of

Leading the Change



VISION

L&T shall be a professionally-managed
Indian multinational,
committed to total customer satisfaction
and enhancing shareholder value.

L&T-ites shall be an innovative,
entrepreneurial and empowered team
constantly creating value
and attaining global benchmarks.

L&T shall foster a culture of caring,
trust and continuous learning
while meeting expectations of
employees, stakeholders and society.

LARSEN & TOUBRO

Chairman's Statement – Annual Report 2017-18

Dear Shareholders



Across the last eight decades, L&T has kept pace with technological developments as well as the evolving needs of the nation. Your Company is, in every sense, leading the change.



My greetings and good wishes to you on the 80th anniversary of the formation of L&T.

The tiny partnership firm set up on May 1, 1938 is now a leading engineering & construction conglomerate, operating at the upper end of the technology spectrum. Across the last eight decades, we have kept pace with technological developments as well as the evolving needs of the nation. Your Company is, in every sense, leading the change.

Economic Scenario

In the last fiscal, the Indian economy has emerged after grappling boldly with multiple challenges. Structural reforms, by their very nature, are initially disruptive because they unsettle the existing ways of doing business, and can often impact public perceptions negatively. However, their long-term benefits outweigh the early tremors. The GST regime and other reforms such as Insolvency & Bankruptcy Code, Demonetisation and RERA are the building blocks of a healthier, more wholesome economic environment.

In addition to the volatility sparked by reform-led change, industry encountered a host of other challenges, viz., muted private sector capex, reduced investment opportunities in Middle East markets and the increasing unpredictability of geo-political developments.

On the other hand, some areas of public sector infrastructure capex have seen strong investment momentum and several large investment programs have been initiated. We are also beginning to glimpse the green shoots of private sector capex revival in the industrial space. It is expected that the economic reforms initiated by the Government will expand the tax base, enhance revenues and in turn spur GDP growth and infrastructure allocations.

With private sector participation in roads, airports, power, real estate and industrial capex remaining subdued, the needle of increased investment has largely shifted towards the public sector. The Government has also been focusing on development of infrastructure and energy facilities to drive strong, sustainable economic growth. Rural reform is receiving the attention it deserves. Larger allocations towards irrigation, measures to insulate farmers against the vagaries of the monsoon, rural road connectivity, and the proverbial last mile in rural electrification are heartening.

Positive markers at the national level include a wider tax base, increased allocation of share of revenues to states, strong Balance Sheets of some PSUs and larger quantum of funding from international development agencies such as JICA and World Bank. All of them have provided a robust financial platform for building infrastructure facilities in the country.

On the global front, the signals are mixed. Major governments are being lured into populist measures such as protectionism. Geo-political re-alignments are impacting traditional trade flows and commodity prices and currencies experience never-before volatility. Amid all this, we see encouraging signs of global growth revival.

Performance Overview

Your Company has turned in a commendable performance on key financial parameters in 2017-18. Even though awarding of infrastructure projects continued to be unpredictable in terms of timelines, we registered a 7% growth in fresh order inflows of ₹ 152,908 crores over inflows in the previous year. The unexecuted Order Book at the end of 2017-18 stands at ₹ 263,107 crores which provides good revenue visibility in 2018-19. While execution was impacted in 2017-18 due to disruptions caused by implementation of GST as well as bottlenecks in some projects due to tardy customer payments, delayed clearances, and land acquisition / right of way issue, your Company clocked revenues of ₹ 119,862 crores. This translates to a growth of 9.5% on a like-to-like basis over the previous year after adjusting for Excise Duties which were subsumed in GST from 1st July 2017 onwards. Profit after Tax recorded an all-time high of ₹ 7,370 crore – representing a 22% increase over PAT of 2016-17.

It gives me great pleasure to inform you that the Board of Directors has recommended a Dividend of ₹ 16.00 per share. Corresponding dividend in the previous year was ₹ 14.00 per share.

International Business

The thrust on international business initiated almost two decades ago has contributed to your Company being recognized as a marquee player in the Middle East in the hydrocarbon and infrastructure sectors. This has ensured that despite fiscal contraction in oil producing countries, we continued to enjoy business traction throughout 2017-18. The recent spurt in oil prices could trigger an increased round of investments in the region, opening possibilities for resurgent growth.

In line with our aim of diversifying the spread of our international business beyond the Middle East, we are also actively pursuing opportunities in East and North Africa Region (including Algeria and Egypt) and other 'near shore' geographies of East Asia (Bangladesh, Myanmar, Thailand, Vietnam and Sri Lanka). The unexecuted Order Book from international markets stood at ₹ 62,500 crore, which translates to 24% of the total Order Book. Of the total international Order Book, non-GCC business now accounts for 31% of the Book size.

Digital Future

Leveraging technology across all operations is a prime focus area. While our digitalization journey will extend far into the future, some operational benefits are already visible - better asset utilization, improved labour productivity and sourcing efficiencies though the use of IoT (Internet of Things) and other digital solutions. L&T Infotech and L&T Technology Services are our partners in this initiative,

and your Company expects to continue harvesting the wide-ranging benefits of digitalization in the years ahead.

Talent Management and Succession Planning

Our Human Resources policies and practices centre around moulding our employees into leaders in their areas of work. Your Company's structured 7-step Leadership Development Programme plays a key role in helping build a robust leadership and succession pipeline. A comprehensive programme for monetary and non-monetary rewards incentivises excellence.

While I have handed over the reins of day-to-day operational management to the CEO & MD, I am focusing on business portfolio rationalisation, mentoring the next generation of leaders and expanding the outreach of your Company's CSR initiatives.

Sustainable Development

The sustainability of business pivots on the quality of the ecosystem within which it operates. It is therefore a moral imperative for responsible corporates to actively implement measures to improve business performance, reduce social disparities, and mitigate the environmental impact of industrial development. Our sustainability focus is on reduction of our carbon footprint and introduction of green technologies, while improving the lives of the communities around us through health, education, water & sanitation and skill-building initiatives.

Total spends on CSR initiatives in 2017-18 by your Company amounted to ₹ 101 crore under eligible items, as defined in the Companies Act. This translates to 2% of the average annual net profits of the Company over the last three years.

Outlook

India is witnessing the increasing 'formalisation' of an economy which for decades had sections operating below the radar. Structural reforms such as Demonetisation, GST and the Insolvency & Bankruptcy Code have resulted in a larger pool of assessees and growth in the volume of tax collection. The increase in tax revenues should enable the Government to invest in essential infrastructure on a sustained basis.

While international business opportunities continue to remain reasonably healthy, 2018-19 is also expected to witness strong domestic growth, aided by supportive fiscal policies and the focused development agenda being adopted by the Government. Business prospects in different sectors provide a large canvas of opportunity which could be tapped in 2018-19. Segments which hold promise in the current year include:

1) Infrastructure

a) Roads – The Government has committed sizeable budgetary allocation to augmenting road infrastructure. We expect this momentum to continue, aided by increased investments in expressway programs.

b) Railways – A thrust on railway electrification and track augmentation is paving the way for increased opportunities in your Company's railways business. We are geared to tap these prospects as they develop.

c) Metro Rail – We have been participating in Metro Rail programs in multiple cities in India and in two projects in the Middle East. The investment flow continues to gather pace as more cities adopt mass rapid transit as an effective and eco-friendly solution to urban traffic congestion. Continued growth is expected in this business segment.

d) Urban Infrastructure – Your Company is a leader in providing building solutions across the urban spectrum - residential real estate, commercial buildings, affordable housing, hospitals, educational institutions, hotels and convention centres. While residential buildings have seen a lull over the last few years, other prospects in this vertical continue to hold promise. The new frontier in urban infrastructure is Smart Cities. A growing number of cities are adopting elements of smart city infrastructure such as intelligent traffic management and surveillance systems, smart electric grids & lighting, fibre optic cabling and transport & logistics systems. Your Company has the unique advantage of in-house domain expertise to provide end-to-end offerings to customers. This enables us to play the role of a Master System Integrator for the Smart Cities of the future.

e) Water Infrastructure – The water sector has seen sub-optimal investment levels in the past. This could change for the better, thanks to the growing realization that ground water is being overexploited and that better irrigation facilities are essential to provide a sustainable livelihood for our farmers. Your Company's diverse range of offerings in the water sector will benefit from the Government's programmes to clean the country's major rivers as well as from bulk transmission and water treatment for municipalities, sewage & effluent treatment plants, lift irrigation and inland waterways infrastructure.

2) Thermal Power Generation – A slowdown in the thermal power generation sector across the last few years has led to aggressive bidding, as competitors vie for the limited opportunities on offer. Your Company looks forward to prospects aggregating 6 GW which are likely to be awarded in the current year, and these constitute targeted business. We have successfully constructed gas-fired power plants in Bangladesh and will continue to tap similar prospects likely to come up in the neighbouring country in the current year. We also continue to engage with our joint venture partners for increased international business in our efforts to increase manufacturing capacity utilisation.

3) Power Transmission & Distribution (PT&D) – We have built strong business foundations in the PT&D space in India and the Middle East. Inroads have also been made into parts of East Africa, Algeria and Egypt. This is in line with our objective of creating an international PT&D business covering dispersed geographies. On the domestic front, the thrust by the Government on strengthening power grids through Central and State utilities, as well as intensive electrification of rural households is expected to yield good business in the current year. We also continue to see good traction in international business prospects.

4) Hydrocarbon – Oil prices are rebounding from their historic low points. This will brighten prospects for your Company's hydrocarbon business in the Middle East region which had seen contraction of spends over the last two years. We have adopted a policy of judicious bidding for projects with selected customers in the GCC region. Projects are selected based on a strong customer connect and the predictable prospects of streamlined execution. Countries being targeted include Saudi Arabia, UAE, Kuwait, Oman, Algeria and a few in East Asia. On the domestic front, prospects in offshore production, onshore refinery capex, fertiliser plants and pipeline projects are a cause for cheer.

The Company has built up a good order book and possesses proven capabilities to harness upcoming prospects.

5) Heavy Engineering – The Heavy Engineering business faced hurdles over the last few years due to shrinking global spends on hydrocarbon equipment compounded by the slow pace of revival of the nuclear power industry. Prospects for the current year are reasonably strong with some signs of a higher level of ordering for hydrocarbon equipment. The Nuclear Power Corporation of India Ltd. has also progressed in its plan to build ten new nuclear power plants using its 700 MW indigenous design. The commencement of awarding orders for equipment is encouraging news for the Heavy Engineering business.

6) Electrical & Automation (E&A) – The Electrical & Automation business continued to record stable operational indicators in 2017-18. It remains a market leader in many segments within its wide range of low voltage switchgear. The range includes Air Circuit Breakers, Moulded Case Circuit Breakers, Switch Disconnector Fuses and other electric protection devices for application in industry, agriculture and segments such as buildings. Its expanding product spectrum covers building automation systems including smart meters and energy management systems, and a range of customised energy distribution solutions. Business opportunities for the current year are positive, and likely to stimulate growth.

In line with its strategic plan to exit non-core businesses, your Company signed an agreement with Schneider Electric to divest this business, subject to regulatory approvals. We envisage that these approvals could be forthcoming in timelines in excess of a year.

7) Realty – This sector has been impacted by Demonetisation, RERA and the increased financialization of savings where individuals shift their investments from

real estate or gold to financial assets. While the industry continues to be weighed down by excess inventory and low absorption rates, business is gradually improving and we expect 2018-19 to be better than the last two years in terms of order inflows and offtake. Your Company intends to continue with monetisation of its properties in Mumbai, Bangalore and Chennai, subject to Government approvals.

8) Information Technology and Technology Services (IT and TS) – After listing of L&T Infotech Ltd (LTI) and L&T Technology Services (LTTS) in mid-2016-17, the businesses have recorded above average growth while maintaining margins and returns on capital. Markets have responded positively, and have rewarded the IPO shareholders through capital appreciation. At the heart of the success of both these subsidiaries is the customer-focused lineage of Larsen & Toubro. While drawing extensively on the domain knowledge and operational expertise of their parent company, they have also leveraged its international client base which includes global majors.
The focus of the businesses is on increased digital offerings, with special emphasis on client mining, talent management, enhanced utilisation of resources and superior service offering. These listed subsidiaries are well equipped to address and overcome global challenges including increasing protectionist policies while maintaining healthy shareholder returns.

9) Financial Services – This business, which was listed in 2011, continues to perform well, and had a loan book of ₹ 83,654 crore at the end of 2017-18, representing a strong Year-on-Year growth of 26%. Its growth momentum continues in both lending and investment management where the average AUM has risen to ₹ 66,000 crore in 2017-18. Digital and data analytics have facilitated operations even as growth in focused businesses, asset quality, fee income and operational excellence measures are enabling the business to increase returns on capital. Equity capital was raised in end-2017-18, and your Company subscribed to the equity issue in order to maintain its equity stakes since it believes that growth capital infusion will be return accretive.

10) Development Projects – Your Company owns a portfolio of concession assets comprising roads, a transmission line, power generation, a container port and a metro rail. The metro rail project and some hydel plant projects are currently under construction. In the current year, we have divested five road concessions to an Investment Trust, and will continue to evaluate options for monetisation of value created in the remaining concession assets.

Strategic Plan

Your Company formulated its 5-year strategic plan – LAKSHYA - spanning the years from 2016-17 to 2020-21 (both years inclusive), and has largely been on track in execution of this plan. The overarching goal is to enhance Return on Equity (RoE). Levers to achieve this include maintaining steady growth in revenues with improvement in margins, control on working capital, divestment of non-core businesses, endeavouring to turn around under-utilised facilities, minimising capital expenditure, avoiding investment in long gestation or asset heavy businesses and higher pay-outs to shareholders. Both 2016-17 and 2017-18 have shown that our efforts are yielding positive results. Your Company is confident of continuing its RoE enhancement journey during the current year as well.

I would like to conclude by thanking Team L&T as well as our customers, vendors and other stakeholders who have made it possible for your Company to maintain its trajectory of growth during a challenging phase of the Indian economy. I also wish to thank my fellow Board members for their invaluable support.

Thank You.

A. M. Naik
Group Chairman

Contents

Company Information 7

Organisation Structure 8-9

Leadership Team 10

L&T Nationwide Network & Global Presence 12-13

Corporate Social Responsibility 14-18

Annual Business Responsibility Report (ABRR) 2017-18 19-38

Standalone Financials - 10 Year Highlights 40

Consolidated Financials - 10 Year Highlights 41

Graphs 42-43

Route Map to the AGM Venue 44

AGM Notice 45-52

Directors' Report 53-146

Management Discussion & Analysis 148-234

Auditors' Report 235-241

Balance Sheet 242-243

Statement of Profit and Loss 244-245

Statement of Changes in Equity 246

Cash Flow Statement 247-248

Notes Forming Part of the Financial Statements 249-345

Auditors' Report on Consolidated Financial Statements 347-351

Consolidated Balance Sheet 352-353

Consolidated Statement of Profit and Loss 354-355

Consolidated Statement of Changes in Equity 356-357

Consolidated Cash Flow Statement 358-359

Notes Forming Part of the Consolidated Financial Statements 360-462

Information Regarding Subsidiary Companies 463-472

Proxy Form 473-474

SEBI Notification-Amendment to Regulation 40 of SEBI LODR Regulations 2015 475

Circular for PAN & Bank Details updation 477-478

Shareholder's Satisfaction Survey Form – 2018 479-480

Company information

Board of Directors

MR. A. M. NAIK
Group Chairman

MR. S. N. SUBRAHMANYAN
Chief Executive Officer and Managing Director

MR. R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer

MR. SHAILENDRA NARAIN ROY
Whole-time Director & Sr. Executive Vice President (Power, Heavy Engg. & Nuclear)

MR. D. K. SEN
Whole-time Director & Sr. Executive Vice President (Infrastructure)

MR. M. V. SATISH
Whole-time Director & Sr. Executive Vice President (Buildings, Minerals and Metals)

MR. JAYANT DAMODAR PATIL
Whole-Time Director & Sr. Executive Vice President (Defence Business)

MR. M. M. CHITALE
Independent Director

MR. SUBODH BHARGAVA
Independent Director

MR. M. DAMODARAN
Independent Director

MR. VIKRAM SINGH MEHTA
Independent Director

MR. ADIL SIRAJ ZAINULBHAI
Independent Director

MR. AKHILESH KRISHNA GUPTA
Independent Director

MRS. SUNITA SHARMA
Nominee of Life Insurance Corporation of India

MR. THOMAS MATHEW T.
Independent Director

MR. AJAY SHANKAR
Independent Director

MR. SUBRAMANIAN SARMA
Non-Executive Director

MRS. NAINA LAL KIDWAI
Independent Director

MR. SANJEEV AGA
Independent Director

MR. NARAYANAN KUMAR
Independent Director

MR. ARVIND GUPTA
Nominee of SUUTI

MR. HEMANT BHARGAVA
Nominee of Life Insurance Corporation of India

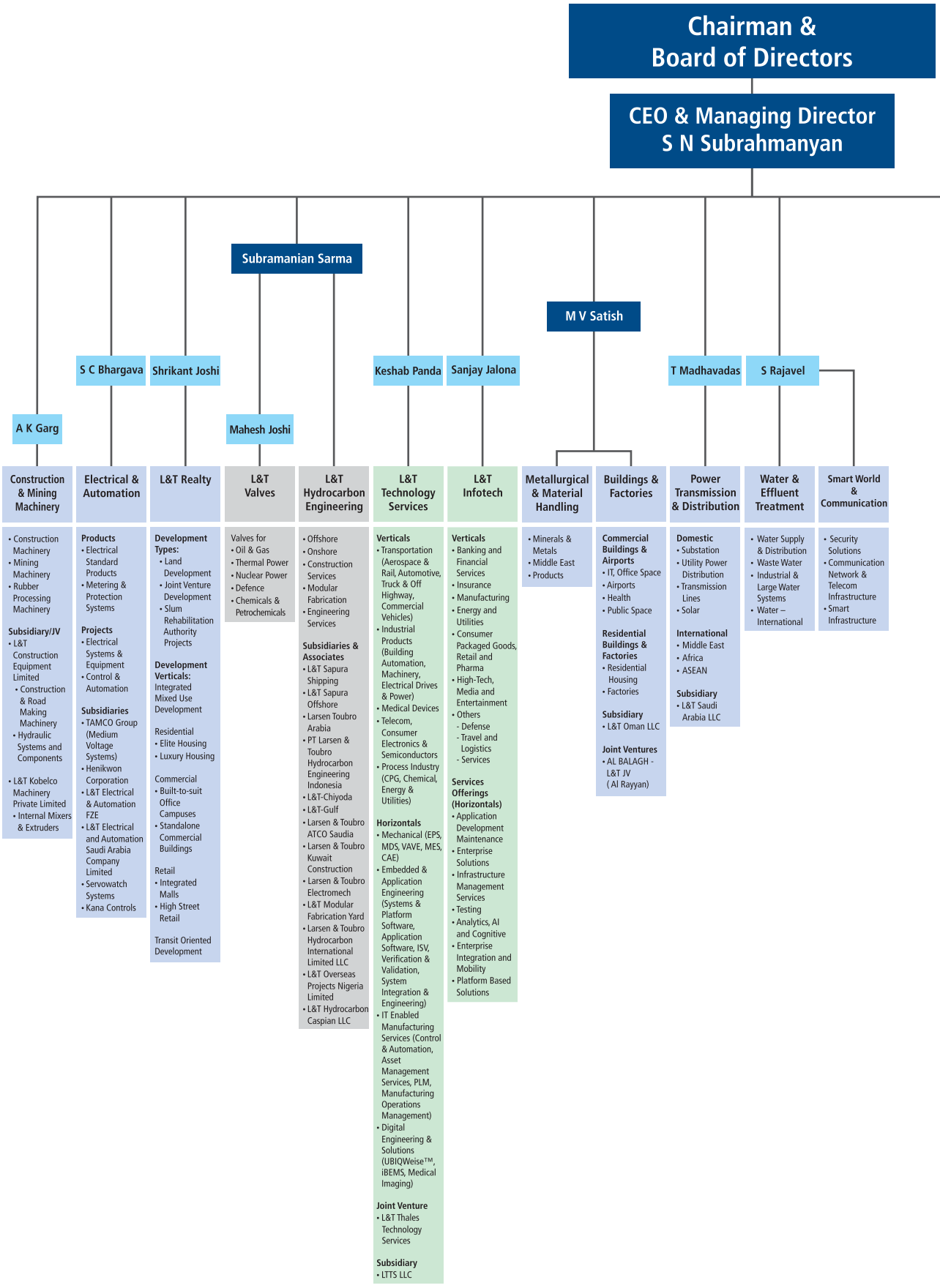
Company Secretary
Mr. N. Hariharan

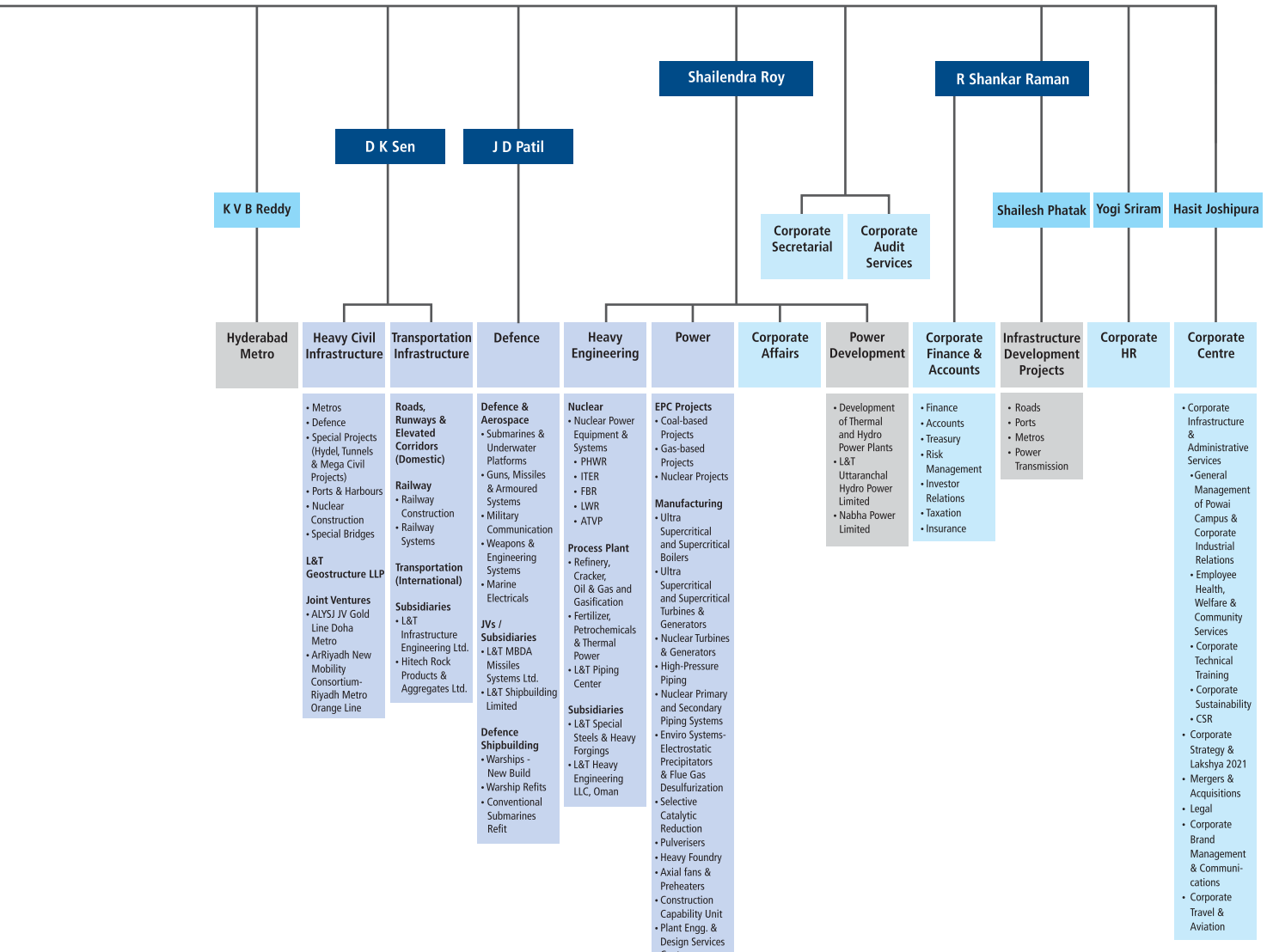
Registered Office
L&T House, Ballard Estate, Mumbai - 400 001

Auditors
M/s.Deloitte Haskins & Sells LLP

Registrar & Share Transfer Agents
Karvy Computershare Private Limited

73rd Annual General Meeting at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020. on Thursday, 23rd August, 2018 at 3.00 p.m.


Chairman &
Board of Directors
CEO & Managing Director
S N Subrahmanyan
A K Garg
S C Bhargava
Shrikant Joshi
Subramanian Sarma
Mahesh Joshi
Keshab Panda
Sanjay Jalona
M V Satish
T Madhavadas
S Rajavel
Construction & Mining Machinery
• Construction Machinery
• Mining Machinery
• Rubber Processing Machinery
Subsidiary/JV
• L&T Construction Equipment Limited
• Construction & Road Making Machinery
• Hydraulic Systems and Components
• L&T Kobelco Machinery Private Limited
• Internal Mixers & Extruders
Electrical & Automation
Products
• Electrical Standard Products
• Metering & Protection Systems
Projects
• Electrical Systems & Equipment
• Control & Automation
Subsidiaries
• TAMCO Group (Medium Voltage Systems)
• Henikwon Corporation
• L&T Electrical & Automation FZE
• L&T Electrical and Automation Saudi Arabia Company Limited
• Servowatch Systems
• Kana Controls
L&T Realty
Development Types:
• Land Development
• Joint Venture Development
• Slum Rehabilitation Authority Projects
Development Verticals:
Integrated Mixed Use Development
Residential
• Elite Housing
• Luxury Housing
Commercial
• Built-to-suit Office Campuses
• Standalone Commercial Buildings
Retail
• Integrated Malls
• High Street Retail
Transit Oriented Development
L&T Valves
Valves for
• Oil & Gas
• Thermal Power
• Nuclear Power
• Defence
• Chemicals & Petrochemicals
L&T Hydrocarbon Engineering
• Offshore
• Onshore
• Construction Services
• Modular Fabrication
• Engineering Services
Subsidiaries & Associates
• L&T Sapura Shipping
• L&T Sapura Offshore
• Larsen Toubro Arabia
• PT Larsen & Toubro Hydrocarbon Engineering Indonesia
• L&T-Chiyoda
• L&T-Gulf
• Larsen & Toubro ATCO Saudia
• Larsen & Toubro Kuwait Construction
• Larsen & Toubro Electromech
• L&T Modular Fabrication Yard
• Larsen & Toubro Hydrocarbon International Limited LLC
• L&T Overseas Projects Nigeria Limited
• L&T Hydrocarbon Caspian LLC
L&T Technology Services
Verticals
• Transportation (Aerospace & Rail, Automotive, Truck & Off Highway, Commercial Vehicles)
• Industrial Products (Building Automation, Machinery, Electrical Drives & Power)
• Medical Devices
• Telecom, Consumer Electronics & Semiconductors
• Process Industry (CPG, Chemical, Energy & Utilities)
Horizontals
• Mechanical (EPS, MDS, VAVE, MES, CAE)
• Embedded & Application Engineering (Systems & Platform Software, Application Software, ISV, Verification & Validation, System Integration & Engineering)
• IT Enabled Manufacturing Services (Control & Automation, Asset Management Services, PLM, Manufacturing Operations Management)
• Digital Engineering & Solutions (UBIQWeise™, iBEMS, Medical Imaging)
Joint Venture
• L&T Thales Technology Services
Subsidiary
• LTTS LLC
L&T Infotech
Verticals
• Banking and Financial Services
• Insurance
• Manufacturing
• Energy and Utilities
• Consumer Packaged Goods, Retail and Pharma
• High-Tech, Media and Entertainment
• Others
- Defense
- Travel and Logistics
- Services
Services Offerings (Horizontals)
• Application Development Maintenance
• Enterprise Solutions
• Infrastructure Management Services
• Testing
• Analytics, AI and Cognitive
• Enterprise Integration and Mobility
• Platform Based Solutions
Metallurgical & Material Handling
• Minerals & Metals
• Middle East
• Products
Buildings & Factories
Commercial Buildings & Airports
• IT, Office Space
• Airports
• Health
• Public Space
Residential Buildings & Factories
• Residential Housing
• Factories
Subsidiary
• L&T Oman LLC
Joint Ventures
• AL BALAGH - L&T JV (Al Rayyan)
Power Transmission & Distribution
Domestic
• Substation
• Utility Power Distribution
• Transmission Lines
• Solar
International
• Middle East
• Africa
• ASEAN
Subsidiary
• L&T Saudi Arabia LLC
Water & Effluent Treatment
• Water Supply & Distribution
• Waste Water
• Industrial & Large Water Systems
• Water – International
Smart World & Communication
• Security Solutions
• Communication Network & Telecom Infrastructure
• Smart Infrastructure



Subsidiary Companies

Corporate Functions

Listed Companies

As on 1st July, 2018

Leadership Team



A. M. Naik
Group Chairman



S. N. Subrahmanyan
CEO & Managing Director



R. Shankar Raman
Whole-time Director &
Chief Financial Officer



Subramanian Sarma
Non-Executive Director, L&T
CEO & Managing Director
(L&T Hydrocarbon Engineering)



S. N. Roy
Whole-time Director &
Sr. Executive Vice President
(Power, Heavy Engineering & Nuclear)



D. K. Sen
Whole-time Director &
Sr. Executive Vice President
(Infrastructure)



M. V. Satish
Whole-time Director &
Sr. Executive Vice President
(Buildings, Minerals & Metals)



J. D. Patil
Whole-time Director &
Sr. Executive Vice President
(Defence)



Hasit Joshipura
Sr. Vice President & Head
Electrical & Automation

As on 5th July, 2018



At Larsen & Toubro, we know what it take to change the game. We draw on our rich engineering heritage. We cultivate the finest minds. And we partner nations, to build a newer, brighter future for all.

Over 80 years of engineering excellence

Smart Cities | Construction | Infrastructure | Defence & Aerospace
Special Steels & Forgings | EPC for Steel and Power Plants | Equipment for Oil & Gas
Technology, IT and Financial Services | Realty

For more information about L&T's capabilities, please email: infodesk@Larsentoubro.com

Regd. Office:
Larsen & Toubro Limited, L&T House, N. M. Marg
Ballard Estate, Mumbai - 400 001, INDIA
CIN: L99999MH1946PLC004768

LARSEN & TOUBRO

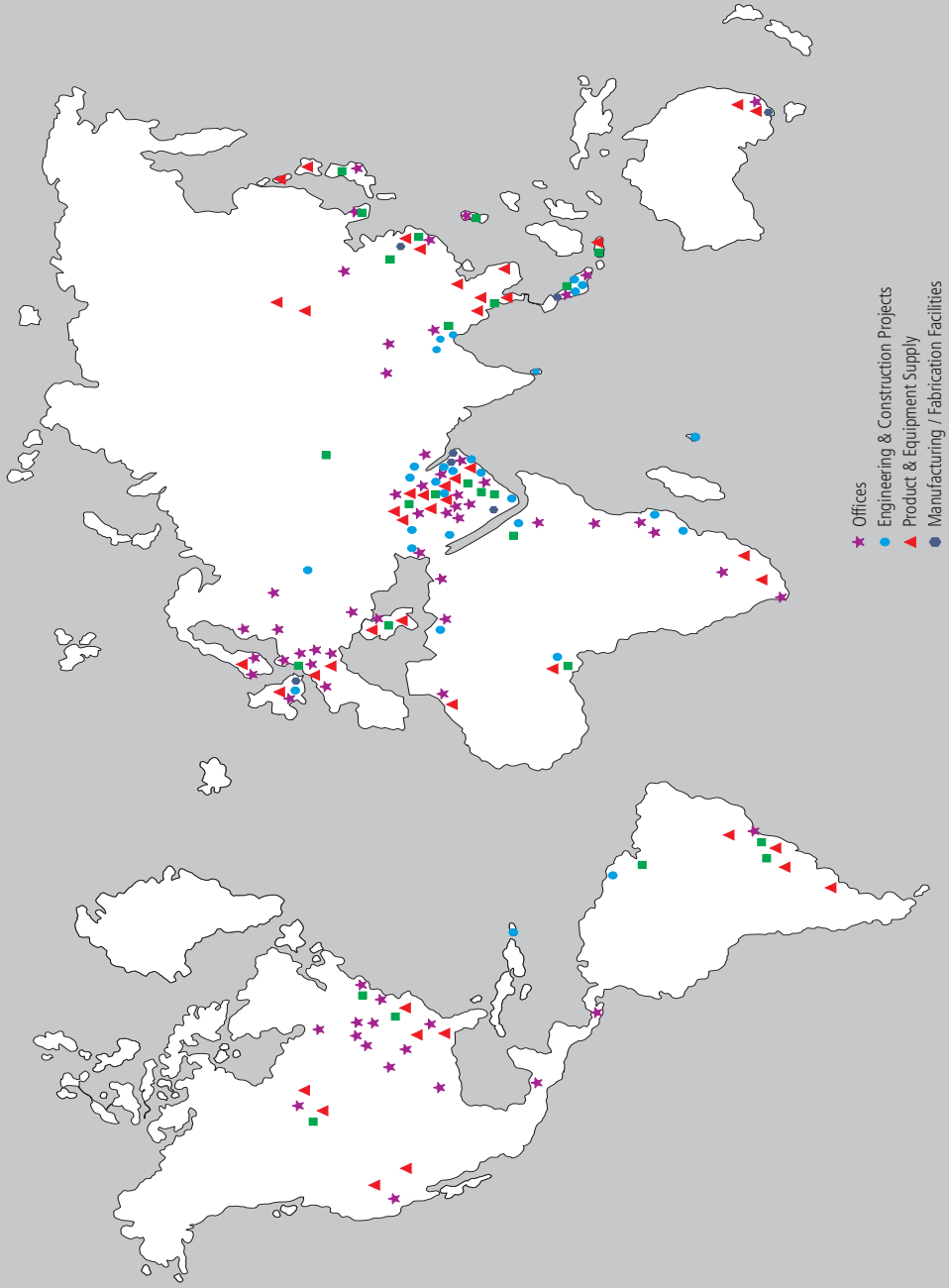
Nationwide Network



+ 'Campus' denotes facilities for design and manufacture
* Part of L&T's Corporate Social Initiatives

This pictorial reprsentation does not purport to be the political map of India.

Global Presence



Note: Map is broadly representative of L&T's presence in markets worldwide.
For details of establishments within India, please refer to 'Nationwide Network'.

Corporate Social Responsibility

Contributing towards Social Development and Growth

L&T is an engineering and construction conglomerate with a concern for the community. Building on many decades of social responsibility activities, the company contributes to inclusive growth by empowering communities and accelerating development through interventions in water & sanitation, health, education and skill development. L&T-eering, a structured volunteering programme, inspires and empowers employee volunteers or L&T-eers to contribute their time to community development programmes supported by the Company, thereby enhancing social impact even further. The employees' wives and female employees power the Prayas Trust, driving CSR initiatives in their own capacity and reaching out to remote communities.

Even before the CSR section was introduced in the Companies Act 2013, L&T had been interacting with the community around L&T facilities and providing health, education and skills development services to those who needed it most.

In 2014 we consolidated our CSR programmes with a focus on certain development areas that align with the national development agenda and the global sustainable development goals. Through the CSR theme 'Building India's Social Infrastructure' we are pleased to contribute to the social change in India. Here is a snapshot of our CSR interventions across four key thrust areas.

Water & Sanitation
- meeting the bare necessities

The Integrated Community Development Program of L&T started in 2014-15, focused on making water – the very 'necessity of life' – available to four water stressed districts in Rajasthan, Maharashtra and Tamil Nadu, covering 11006 households across an area of 9337 hectares. With an agenda focused on community empowerment through Integrated Community Development, we have ensured water availability for drinking, sanitation and agriculture

Interventions

- The water and soil conservation structures like check dams, anicuts, contour trenches, farm bunds and farm ponds constructed with the participation and contribution of the community, helped in increasing the water level in the water bodies in these villages and retain soil moisture.

Water conservation structures built to meet domestic needs, Chettipalayam, Tamil Nadu.





- The community groups like Village Development Committees (VDCs) with 50 per cent participation from women and Self Help Groups (SHGs) were created. They assumed the responsibility to maintain the structures created through the project

- Farmers were trained in agricultural practices with optimal use of water and use of zero budget natural fertilisers to retain the fertility of the land.
  The community members also devised methods that improve the arability of land.

Sanitation drives
The Swachha Bharat Program of GOI, gave the necessary impetus to initiate the sanitation drive in villages.
L&T trained local youth in masonry skills and used local materials to achieve the following:
- Construction of over than 970 well-designed toilet-cum -bathrooms
- Community-based monitoring committees to deter open defecation
- L&T received ISC-FICCI sanitation award for Best Corporate Initiative in Sanitation this year.

Impact
- Access to water for drinking, sanitation, irrigation, cultivation of fodder and extra crops
- Two revenue villages and 13 hamlets are open defecation free, benefitting 1100 households
- Improved economies, for 11000 households, raising the aspirations of the people.
- Chettipalayam watershed project, South Coimbatore, enabled water holding of 47 lakh litres in one year and made 18 hectares of barren land cultivable

Education
- the mainstay of progress

We commit ourselves to make quality education accessible to each and every child by introducing relevant curriculum, improving teaching methods and ensuring parent and community participation in creating learning environment.

Interventions
Basic Infrastructural support includes construction or repair of the classrooms, toilet blocks and water stations for basic hygiene facilities, midday meal kitchens and sports ground.

Educational support: Supplies such as uniforms, textbooks, notebooks and sports kits are provided to under privileged students in government and unaided low-income schools in rural and tribal villages.

Balwadi program: L&T strengthens early childhood development program by improving the quality of *balwadis* and *anganwadis* in urban slums and rural areas, ensuring entry into the mainstream education system and improved enrolment in the primary schools.
- Supplementary food is provided in tribal *balwadis*.
- Toy vans visiting *anganwadis* provide necessary childhood development activities
- Training of Trainers for Balwadi teachers for capacity building.

Field Bund at Okkipalayam, Tamilnadu



Toilet Blocks at Lasadiya, Bhim, Rajasthan



Afterschool community study centres offer supplementary education and reach out to the first-generation learners and children from weaker sections.

- Efforts are directed towards designing a curriculum for easy learning that is aligned with the school curriculum.

Focus on Science Innovation and Technology:

- L&T has supported Government initiatives and sponsored Mini Science Centres in rural schools, simplifying complex scientific concepts
- A Science on Wheels program reaches out to 3293 children in 17 schools, encouraging students to develop interest in science and technology-related subjects.
- To facilitate the access of e-learning technology to rural and tribal students, L&T has provided computer labs and digital classrooms in several rural schools.

Capacity building: Teacher Training Programmes are conducted to enhance the quality of education being imparted to students studying in Government schools and low-income trust run schools.

Overall development of children:

- Children are also given inputs on life-skills and extra-curricular activities such as dance, music and drawing.
- Educational and recreational outings are organised
- Specialised health camps are organised for children for eye check-up, early detection and treatment of anaemia, malnutrition and other childhood diseases.
- Education sessions on health and hygiene with children and adolescents are conducted for preventive care and for promoting healthy sanitation practices.

Creating learning environment: The community level School Management Committee (SMC) and parents are invited for a dialogue to encourage students to continue their education, as well as for sustaining L&T's efforts in future.

Impact

- 250 schools gained better facilities that increased enrolment and retention of students.
- 1,56,168 students covered through our education projects this year.

Health
- the wellspring of joy

L&T's CSR programme in the health sector aims at making quality healthcare services accessible and affordable without anyone having to face financial hardship. L&T focuses on strengthening the Government's health programmes like family welfare, mother and child health, HIV-AIDS, Tuberculosis, Blindness control, Diabetes detection and treatment and reproductive health services. It also provides services related to lifestyle diseases like hypertension and cardiac problems.

Jai Ramakrishna Institution English Medium School, Navagam, Gujarat, supported by L&T



Interventions

Health Centres: A team around ninety well-qualified medical rehabilitation consultants and 12 professionally-staffed, well-equipped multi-speciality centres provide the following services:

Physical health: Health Centre offers tertiary health services including Family Planning surgeries, Day Care General Surgeries, Endoscopy Procedures and Dental Procedures. It also provides eye checks, mother and child health care, physiotherapy and occupational therapy, infertility treatment, hearing-speech services and a skin clinic focusing on leprosy treatment and communicable diseases.

Psychological health: Psychiatric OPDs and family counselling services address mental health and stress related issues, while a Child Guidance Clinic helps younger members of the community.

Health Camps:

- Mobile health vans visit the communities around the centre.
- Specialised health camps covering Eye care, dental, Paediatric and Gynaecological care.
- Specialised health promotion programme with focus on hygiene, reproductive health and family life education for children and adolescents in Government remand and corrective homes and homes for neglected children

HIV and AIDS Management Programme: L&T's state-of-the-art Anti-Retroviral Treatment (ART) centre provides diagnostic, medical and counselling services in association with National AIDS Control Organisation (NACO).

TB related services: Comprehensive TB related treatment in Mumbai including individualised treatment OPD, check-up, diagnostics, medicines and nutrition, support, home visits and counselling.

L&T runs an exclusive TB clinic in Koldongri, in the suburbs of Mumbai, in partnership with the Municipal Corporation of Greater Mumbai (MCGM) providing CAT I, II and IV treatment to the patients, with a cure rate of 85-90%.

Dialysis centres: 2384 dialysis sessions have been conducted at the L&T-run kidney dialysis centre at Thane.

Cancer detection camps: Targeted at women, L&T promotes preventive education and early diagnosis of cervical and breast cancer through cancer detection camps.

Impact

350076 Lives touched through various health services

L&T T. B. Clinic, koldongri-Andheri, Mumbai



Skill Development
- creating a world of possibilities

Skill development has emerged as a key strategy to realize the potential of demographic advantage of having the youngest workforce with an average age of 29 years in India. L&T's skill building initiative aims to create human resources for improving the country's competitiveness and growth, especially in the field of Construction skills by training the youth.

Interventions
Construction Skills Training Institutes (CSTIs):
L&T runs 9 CSTIs in 9 states, providing.
free training in construction skills for the large unorganised workforce in the sector, making them employable.

Employable skills training for women:
At many L&T sites, local women, young girls and physically-challenged persons are trained in various employable skills as per their interests and aptitude. The courses include Tailoring, Embroidery, Beautician Course, Food Processing, Home Management, Computer Skills, Basic Education and Basic Health.

Impact:
- 7365 youth completed various courses at CSTIs this year
- 15338 people have been trained in employable vocational skills this year.

2000 women become self-reliant!
The objective of the programme run by L&T Kolkata, was to empower women in the slums of Kolkata and neighbouring villages, by providing them with alternative paid employment by manufacturing products for the local and overseas markets, and to improve the status of women and girls in the society.

More than 2000 women are engaged in small enterprise such as tailoring of garments, beauty culture, home furnishing, spices, jam, pickle, crochet, weaving, knitting, block printing and Kantha stitch, etc. This programme is not only empowering the women economically but also helping instil self-confidence. Their monthly average income is between ₹ 5000 and ₹ 8000.

Solar Photo Voltage Technician training at Pilkhuwa CSTI, Uttar Pradesh



CSTI-trained Electrician working at Dindigul project



ANNUAL BUSINESS RESPONSIBILITY REPORT 2017-18

Larsen & Toubro believes that sound sustainability practices are important for retaining and enhancing investors' and stakeholders' trust in the organization. L&T always ensures that natural resources utilized by the Company are managed in an efficient way, and maintains a good relationship with the communities around its facilities. As a part of its Sustainability Roadmap 2021, L&T has embraced a digital culture to improve its triple bottom-line performance.

In accordance with regulations 34(2) (f) of the Securities Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015, this Business Responsibility Report (BRR) has been prepared and is in alignment with the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVG - SEE) released by Ministry of Corporate Affairs, Government of India. This BRR provides an overview of the activities carried out by L&T against the nine principles outlined in the NVG. After 10 years of Sustainability Reporting in the public domain, disclosures on sustainability parameters will now be made in the form of an Integrated Report (<IR>. The IR will be in accordance with the Global Reporting Initiative (GRI) Standard 'Comprehensive' option. It will cover the environment, economic and social performance of the Company and will be externally assured.

The Sustainability Reports are accessible at **www.Lntsustainability.com**

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L99999MH1946PLC004768**
2. Name of the Company: **Larsen & Toubro Limited**
3. Registered address: **L&T House, Ballard Estate, Mumbai, 400 001, India**
4. Website: **www.Larsentoubro.com**
5. E-mail id: **sustainability-ehs@Larsentoubro.com**
6. Financial Year reported: **1st April 2017 - 31st March 2018**
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Group	Class	Sub-Class	Description
271	2710		Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
282	2824	28246	Manufacture of parts and accessories for machinery / equipment used by construction and mining industries.
		30112	Building of warships and scientific investigation ships, etc.
		30114	Construction of floating or submersible drilling platforms.
410	4100	41001	Construction of buildings carried out on own-account basis or on a fee or contract basis.
421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways.
		42102	Construction and maintenance of railways and rail-bridges.
421	4210	42103	Construction and maintenance of airfield runways
422	4220	42201	Construction and maintenance of power plants
		42202	Construction / erection and maintenance of power, telecommunication and transmission lines.
		42901	Construction and maintenance of industrial facilities such as refineries, chemical plants, etc.
465	4659	46594	Wholesale construction and civil engineering machinery and equipment.
681	6810	68100	Real estate activities with own or leased property.
252	2520		Manufacture of weapons and ammunition
711	7110	71100	Architectural and engineering activities and related technical consultancy.

8. List three key products/services that the Company manufactures/provides (as in The Balance Sheet)
   1. **Construction and project related activity.**
   2. **Manufacturing and trading activity.**
   3. **Engineering services.**

9. Total number of locations where business activity is undertaken by the Company
   i. **Number of International Locations : 35**
   ii. **Number of National Locations : 100**

10. Markets served by the Company – Local/State/National/International/: **All**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹ 280.27 crore

2. Total Turnover (INR): ₹ 74611.65 crore

3. Total profit after taxes (INR): ₹ 5387.30 crore

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%): 1.87%
   As per the Section 135 of The Companies Act 2013, the CSR spend is 2.07% of average Net Profit of the previous three financial years

5. List of activities in which expenditure in 4 above has been incurred: Our focus areas in Corporate Social Responsibility are as follows:
   i. Health
   ii. Education
   iii. Water & Sanitation
   iv. Skill Building

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?
   Yes

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):
   Yes. The Business Responsibility (BR) initiatives of the Company are extended to the Subsidiary/Associate Companies and they are also encouraged to participate in BR Initiatives of the parent organization. In addition, companies like L&T Finance Holdings, Larsen & Toubro Infotech, L&T Technology Services (listed entities) will have their separate BR Report (BRR) as a part of their Annual Reports. L&T Hydrocarbon Engineering and other subsidiary companies participate in our BR initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:
   Yes. The suppliers are critical to the organization's operation and supply chain sustainability issues can impact its operations. The Company promotes BR initiatives in its value chain. At present, less than 30% of its suppliers/distributors participate in BR initiatives.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

a) Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number: **00274288**
- Name: **Dr. Hasit Joshipura**
- Designation: **Member - Executive Committee, Senior Vice President & Head - Electrical & Automation (Formerly Head - Corporate Centre)**

b) Details of the BR head

S. No	Particulars	Details
1	DIN Number (If applicable)	**Not Applicable**
2	Name	**Major General Gautam Kar (Retd.)**
3	Designation	**Head Corporate Infrastructure & Administrative Services**
4	Telephone Number	**+91-22-67052447**
5	Email ID	**Sustainability-ehs@Larsentoubro.com**

2a. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

Name of principles:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3 – Businesses should promote the well-being of all employees
P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5 – Businesses should respect and promote human rights
P6 – Businesses should respect, protect, and make efforts to restore the environment
P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8 – Businesses should support inclusive growth and equitable development
P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stake-holders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	**Yes. The policies are aligned with the principles of NVG guidelines and conform to international standards of ISO 9001, ISO 14001, OHSAS 18001 and ILO principles.**								

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy being approved by the Board? **Yes.** If yes, has it been signed by MD/owner/CEO/appropriate Board Director? Signed by the **Group Chairman**	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? **Yes.**	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	**www.Lntsustainability.com**								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2b. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)
Not Applicable

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	**Not Applicable**								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	**Not Applicable**								
3.	The company does not have financial or manpower resources available for the task	**Not Applicable**								
4.	It is planned to be done within next 6 months	**Not Applicable**								
5.	It is planned to be done within the next 1 year	**Not Applicable**								
6.	Any other reason (please specify)	**Not Applicable**								

3. **Governance related to BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes, the Company has been publishing its Sustainability Report annually as per the Global Reporting Initiative (GRI) framework since 2008. The sustainability reports are externally assured. We are following GRI Standard and 2017 report was 'In Accordance – Comprehensive' report. The reports can be accessed at www.Lntsustainability.com and sustainabilityreport.Larsentoubro.com

SECTION E

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

L&T's rich legacy of a transparent and just governance system, disclosure practices and integrity are the bedrock of the Company's business philosophy. Larsen & Toubro is a professionally managed Indian multinational with a focus on enhancing stakeholder's value through committed customer satisfaction. The vision and corporate polices of the company are extended to all subsidiaries and associate companies.

L&T has adopted the Code of Conduct (CoC) for employees, including board members, to remain consistently vigilant and ensure ethical conduct of its operations. All employees are required to comply with the CoC and are required to provide an annual declaration of their adherence to it. This enhances the understanding of CoC amongst employees as well as infuses in them a sense of ownership for their actions. Employees and relevant stakeholders are trained and otherwise made aware of the CoC as well as amendments to it.

The CEO & MD makes an annual declaration to the shareholders regarding the senior management's compliance with the CoC. It is available on the Company's website – www.Larsentoubro.com.
All new joinees are made aware of the CoC as a part of their induction program. An online mode is also available on L&T's 'Any Time Learning' application. The key aspects of the CoC are covered in L&T's HR orientation training modules – SWAGAT and PRAYAG for Graduate Engineer Trainee (GETs) / Post Graduate Engineer Trainee (PGET).

An Apex Committee is responsible for ensuring implementation of the CoC across the Company. The Committee handles non-compliance instances as well as guides the unit-level CoC committee. The Apex committee also acts, interacts and coordinates with the Executive Committee (E Com) on all issues pertaining to the CoC. The Apex Committee comprises a minimum of five senior members. The Compliance Officer also acts as the Ex-Officio of the Apex Committee.



Codified policies publicly affirm the organisation's commitment, govern actions and provide clarity of direction

The unit-level CoC Committee comprises four members from HR, Operations and Accounts, and is supervised by the Unit Head. This Committee meets at least once a quarter. The role of the Unit Committee is to create awareness amongst employees, motivate them to adhere to the CoC, monitor the compliance, investigate instances of non-compliance and report to the Apex body. Good corporate governance practices are imbibed by the employees and have become a way of life. It ultimately enhances the brand value of Larsen & Toubro.

A vigilance mechanism is in place for directors and employees to report their concerns about actual or suspected fraud, unethical behaviour or violation of the Company's CoC. This is ensured through the Whistle-Blower policy – an effective tool available for employees to report, without fear, instances related to non-compliance, any wrong practice, unethical behaviour

or improper practice which may have an adverse impact on the Company or cause financial loss to the Company.

The Whistle-Blower Investigation Committee and the management maintain anonymity of the whistle-blower at all times. During 2017-18, a total of 32 complaints were received, 75% of these were investigated and dealt with in accordance with the Company's protocol and 25% are under review. Details relating to stakeholder complaints are included in the Director's Report Section of this Annual Report.

There is a Combined CoC for suppliers which covers specific aspects of environmental management and compliance, labour practices, human rights, freedom of association and collective bargaining, prohibition of child labour, prohibition of forced and compulsory labour, impact on society, ethics, transparency and business processes.

Every new supplier / vendor must sign this CoC before doing any business with L&T. Since 2016, more than 18,000 suppliers have signed this Combined CoC. Capacity-building programmes for vendors and sub-contractors are conducted by the company and the programme provides training on EHS, business process improvement and sustainability.

The Company also ensures compliance by its vendors and contractors through periodical assessment, quality inspection and EHS audits.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE-CYCLE

L&T ensures that environment, health and safety aspects are taken into consideration at the design stage itself, while manufacturing products or providing services to customers. It is our endeavour to provide safe and sustainable goods and services to our clients. Our business portfolio consists of infrastructure, energy (oil & gas / power), defence, heavy engineering, electrical & automation products, hydrocarbon projects, IT, technological services and financial services. Sustainability aspects, including lower emissions and resource conservation, are integrated into our engineering and design. The Company also provides training to customers and customers' personnel in the safe use and handling of products.

L&T offers conservation-based products and projects, such as Green Buildings, wastewater treatment and recycling plants and solar-PV-based power plants. These help our clients prevent pollution and conserve resources.

At our own campuses, we have 17 certified Green buildings including one green factory. Our 24 campuses have adopted the zero-wastewater discharge approach and continue to ensure water positive status. Energy efficiency programs and climate change mitigation

From world-class airports to metro systems, L&T's sustainable infrastructure helps people travel with ease





measures are extensively implemented across L&T, contributing towards greener campuses and project sites. Renewable energy is harnessed at campuses and project sites as well.

Our green product and services portfolio consists of metro rail projects, efficient power transmission and distribution systems, small hydro-electric power stations, solar-PV-based power plants, green buildings, energy efficient equipment (power management systems, AC drives, smart metering), water treatment & distribution infrastructure, supercritical and ultra-supercritical thermal power plants and equipment and coal gasifiers. Our green portfolio is focused on minimising environmental impact, e.g. reduced water consumption, carbon emissions and material consumption and reduced waste-generation. These help our clients to move on the low-carbon economy path.

The Company extensively participates in the 'Make in India' programme and promotes local sourcing of products and services. The transportation of material at the project sites is optimized based on the project execution stage. Many of our infrastructure projects are at remote locations, and therefore goods and services are procured from local producers and surrounding areas as far as possible.

L&T has adopted the 3R (Reduce, Recycle & Recover) principle for material conservation. Material recycling and use of alternative material (in place of natural material) is extensively practiced by our infrastructure business. The Sustainability Roadmap 2021 targets increasing recycling / use of recycled material by 5%.

Fly ash substitutes cement, crushed sand is used in place of natural sand, and blast furnace slag is used. These are some of the conservation methods extensively practiced at project sites. However, since most of our products are 'engineered to order' and based on customer-specific requirement, the use of recycled material for products is limited.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE WELL-BEING OF EMPLOYEES

The Company's growth truly depends upon the growth of employees within the organization. The commitment of employees, their enthusiasm and dedication helps L&T to become a truly global conglomerate. The Company nurtures its talent through its leadership program, training, motivation and rewarding performance. The Corporate Human Resources Policy has set up a strong framework for workforce management. Fostering a culture of caring and trust are other corporate policies like the Environment, Health & Safety (EHS) Policy, Whistle-Blower policy, Protection of Women's Rights at Workplace and the CoC.

L&T does not discriminate against employees based on caste, religion, region, gender or physical disability and merit of candidates is always accorded top priority for selection and promotion. L&T adheres to be UNGC (United Nation Global Compact) principles which includes Human Rights clauses. These causes are part of our contracts with suppliers, partners, NGOs and extended across our supply chain.

A training programme in progress at L&T's Project Management Institute at Vadodara



The Company recognizes the employees' right to form unions and associations affiliated with trade unions at it manufacturing campuses 6.78% of permanent employees are covered under the unionized employee category. L&T has provided direct employment to 104 Persons With Disabilities (PWDs) and the supply chain has employed 43 Persons With Disabilities. In 2017-18, no complaint was registered in respect of child labour, forced / involuntary labour or about sexual harassment at the workplace.

Total Workforce

L&T employees	**Refer "Standalone financials – 10-year Highlights" section of Annual Report**
Number of permanent women employees	**2145**
Average number of contract workmen	**264,589**

Training and skill-building are the pillars which support L&T's skill development agenda. Regular training and exposure to the challenges of the future are vital parts of an employee's career progress. L&T trains employees in new skills in emerging fields in addition to continual training on functional and behavioural areas.
Employees are given opportunities for higher education through sponsorship in reputed colleges and by way of corporate tie-ups.

L&T's e-learning portal – Any Time Learning (ATL) – is available for employees anytime and at any place. The training modules are diverse. They are prepared by subject experts and culled from various knowledge sources. ATL courses are interactive, engaging and user-friendly. This year, ATLNext, a learning process automation and analytical platform, has been introduced. This intelligent and adaptive learning platform makes learning personal and compelling.

The Leadership Development Academy (LDA) at Lonavala has been identified as a unique corporate university in India. It is a symbol of value for L&T as it helps people develop and grow by providing the right infrastructure, ambience and services to aid and enhance learning.
The LDA has been recognized as a 'Research Centre' by Symbiosis International University. It enables employees to pursue their Ph. D. programmes. In addition, various functional, technical and managerial training programmes are provided to employees through technical training centres from Mumbai (Madh and Mahape), Mysore and Project Management Institutes (Vadodara and Chennai).

Safety of the workforce is given top-most priority in all activities across facilities and project sites. Every task, job or assignment must be performed in a safe manner only. This is the basis of our work execution. We have a structured approach towards safety, with assigned individual objectives. Management commitment to safety is demonstrated through our approach and is visible while taking business decisions.

Our focus area is effective implementation of health and safety practices in line with our 'Zero Accident Vision'.

Aerial view of L&T's 22-acre Leadership Development Academy at Lonavala



It aims to create a safer work environment for our employees, contractors and customers through rigorous systems, procedures and firm implementation. This is also extended to our supply chain partners as well. Our Corporate Environment, Health & Safety (EHS) policy articulates our commitment towards building a safe workplace and defines protocols to be followed by each business across India and abroad. The safety performance of the Company is reviewed on a quarterly basis by the Company's Board.

Regular safety training is undertaken, including Tool Box Talks, emergency mock drills and specific safety interventions. New employees are introduced to the aspects of safety and all contract workmen receive mandatory safety training before commencement of work. L&T is the first corporate organization in India to be accredited as 'Course Provider' by National Examination Board in Occupational Safety & Health (NEBOSH), United Kingdom (UK) for delivering International General Certificate and by Institution of Occupational Safety & Health (IOSH), UK for delivering their course.

More than 3.8 million man-hours of safety training were provided in FY 2017-18 to our workforce. Our wellness program 'Working on Wellness' is a unique initiative undertaken by Corporate Health and Welfare Department, which conducts counselling, awareness sessions, health programs, diagnostics camps and health workshop activities aimed at enhance employees' wellness and well-being at office. These health interventions are grouped into six critical areas like, cancer, diabetes, cardiac disease, obesity, ergonomic issues and stress.

PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

Our responsibility to stakeholders is reflected in the way we do our business. The contribution of shareholders and investors to the growth of the Company is deeply valued, and we work hard to ensure that we deliver positive returns to the shareholders.

L&T maps both internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This enables us to understand that our stakeholders comprise a large and mixed community with varied and extended expectations, and L&T always strives to match their expectations.

L&T engages regularly with stakeholders through various programmes as they are a central part of L&T's decision-making process. Being a professionally managed organization, our constant quest is to create value for all stakeholders and at the same time, serve the wider interests of society. Our dedicated Corporate Brand Management & Communication (CBMC) department facilitates the continuous dialogue between stakeholders and the Company.

L&T is a pioneer in providing an anti-depression help-line for its employees in India in collaboration with Tata Institute of Social Science (TISS).

Our Corporate Social Responsibility (CSR) department runs specific programmes focused on providing livelihood opportunities to vulnerable and marginalized stakeholders, both near and away from our campuses and project sites to ensure that the benefits reach the maximum number of beneficiaries.

One of our flagship CSR programmes is 'Integrated Community Development (ICD)' which focuses on improving the quality of life of communities living in the 'water-stressed' regions of India. The ICD programme works towards providing access to clean drinking water, sanitation facilities and water for agriculture in water-stressed regions. It is followed up with CSR interventions in health, education and skill-building.

We use the following communication channels to engage with various stakeholders:

External Stakeholders	
Stakeholders	**Engagement Modes**
Shareholders and investors	Press Releases, Info desk – an online service, dedicated email id for investor grievances, Quarterly Results, Annual Reports, Sustainability Reports, Corporate Social Responsibility (CSR) Report, Integrated Report, AGM (Shareholder interaction), Investors meet and shareholder visit to works, corporate website.
Suppliers/ Contractors	Regular supplier, dealer and stockist meets
Media	Press Releases, Quarterly Results, Annual Reports, Sustainability Reports, AGM (Shareholders interaction), Access to information and responses to queries
Community	Periodic feedback mechanism
Customers	Regular business interactions, Client satisfaction surveys
Government	Press Releases, Quarterly Results, Annual Reports, Sustainability Reports

For Internal Stakeholders	
Employees	Employee satisfaction surveys
	Employee engagement surveys for further improvement in employees' engagement process
	Circulars, Messages from Corporate and Line Management
	Corporate Social initiatives
	Welfare initiatives for employees and their families
	Online news bulletins to convey topical developments
	A large bouquet of print and on-line in-house magazines - Some location-specific, some business-specific, a CSR program newsletter.
	L&T Helpdesk, toll-free number

L&T's education initiatives benefitted over 3 lakh children



L&T has been publishing its Sustainability Report for 10 years in a row



Principle 5: Business should respect and promote Human Rights

L&T is an Indian Multi-national Company (MNC) with a presence in over 30 countries, and is exposed to human rights issues. L&T publishes an annual Communication On Progress (COP) as part of its compliance to UN Global Compact (UNGC) and being a member of Global Compact Network India (GCNI). The policies and practices related to human rights are extended to subsidiary and associate companies as well. L&T's Human Resource Policy covers human rights aspects and ILO conventions.

Prohibition of child labour, prohibition of forced and compulsory labour, non-discrimination, freedom of collective bargaining etc. are covered in our Code of Conduct for employees and Human Resource Policy. The Policy for Protection of Women's Rights at Workplace is implemented to address sexual harassment at the workplace. We conduct periodical training to employees on various aspects on human rights. Different training media are used for classroom sessions, policy manual presentations, intranet and posters. The Company complies with applicable regulatory requirements such as the Factories Act 1948, Building & Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996, Industrial Disputes Act 1947 and amendments thereof. Two complaints of sexual harassment at work place were received, investigated and resolved as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with its Rules. There are no pending complaints with the Company.

Our Combined CoC for suppliers and vendors covers Human Rights clauses, and all new suppliers must confirm their adherence to these clauses before they can commence business with L&T.

Principle 6: Business should respect, protect and make efforts to restore the environment

Environment protection and the conservation of natural resources are part of L&T's business philosophy. Our Corporate Environment, Health & Safety (EHS) Policy lays emphasis on incorporating environmental consideration into all business processes. As a part of our Sustainability programme, we set quantifiable targets with a timeline and action plan to achieve them since 2009. Our Sustainability Roadmap 2021 is aligned with our business plan, LAKSHYA 2021, which consists of measurable targets and key initiatives. The Sustainability Roadmap is extended to S&A companies and they are encouraged to set similar targets for themselves. Periodically, environmental risks and opportunities are identified from operations and addressed at the business level. We take our sustainability practices to our supply chain to create awareness and bring them abreast with current environmental issues (at regional and global level) and how these can adversely impact their operations. We also

Our water conservation efforts have resulted in all 24 of L&T's campuses being water positive



share with our vendors, opportunities made available by following sustainability practices and its benefit to them. More than 18,000 suppliers have signed our combined CoC, which is the first step towards following a structured sustainability programme in our supply chain.

We continue to conduct water assessment surveys at our major campuses. All 24 campuses maintained their 'Water Positive' status in 2017-18. Water conservation and rain water harvesting are practiced within our premises; additionally our community interventions consist of rain water harvesting, check dam construction, creation of farm ponds, soil moisture conservation programmes, etc. The results are very encouraging. Our 24 campuses have been maintaining zero wastewater discharge status since 2014, and our community intervention programmes have helped us to conserve more than 2800 million litres of water annually.

Our climate change interventions programme focuses on climate change mitigation and abatement. We focus on reducing the energy consumption intensity (GJ/billion turnover), implementing energy conservation projects and increasing the use of renewable energy at our operations. We also intend to reduce our GHG intensity (tonnes of GHG emissions/billion turnover).

This year, we achieved Carbon Neutrality for two of our Campuses, i.e. Powai (Mumbai) and Chennai.

We have aligned our practices with Government of India's National Action Plan on Climate Change (NAPCC) and its eight Missions, and its annual progress is published in our Sustainability Report. Increased energy efficiency, developing low emission technologies, building sustainable infrastructure, increasing green cover and dissemination of sustainability knowledge are adopted by the organization. We invest in lower emission and cleaner programmes, thus promoting sustainable growth. Our green product and services portfolio helps our clients to reduce their carbon footprint.

We comply with applicable environmental regulatory requirements from the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB). Quarterly compliance is submitted by each business and checked by the Corporate Secretarial department. In addition, annual sustainability assurance by an independent assurance agency covers compliance to environmental regulations, including submission of the compliance report to the regulatory agency. During 2017-18, there were no pending or unresolved show cause / legal notices from CPCB / SPCB.

Renewable energy at manufacturing campuses is utilized, wherever feasible. Currently, six campuses are sourcing renewable energy (wind and solar) from external sources, and all 24 campuses are generating renewable energy onsite.

Fully-grown trees are natural carbon sinks, and biodiversity plays an important role in sustenance of human lives on this planet. L&T undertakes tree plantation both within and outside its premises (as part of our CSR programme) and we engage with agencies / NGOs to conduct plantation at public places, national parks and on Government land. During Tree Plantation Week (1st July - 7th July 2017), we planted more than

Tree plantation initiatives across L&T campuses help create natural carbon sinks





36,000 trees in Maharashtra alone. We have planted more than 5 lakh trees in last five years across India and we continue to nurture a self-sustaining forest at two locations in India through the Miyakwaki technique.

PRINCIPLE 7: RESPONSIBLE PUBLIC ADVOCACY

L&T engages with multiple business and trade organizations and professional bodies. Our senior executives participate through active dialogues, be it new policy consultations or presenting views of the stakeholders to the Government. They provide their expertise and business acumen during public policy consultations and present the industrial institution's view. Industrial forums and institutes where L&T participates actively include:

- Association of Business Communicators of India
- Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Bombay Chamber of Commerce & Industry (BCCI)
- Bureau of Indian Standards
- Construction Industry Development Council (CIDC)
- Confederation of Indian Industry (CII), Centre of Excel lence for Sustainable Development (CESD)
- CII – Green Business Centre (GBC)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Electrical and Electronics Manufacturers Association
- Indian Institute of Chemical Engineers (IIChE)
- National Safety Council
- National Fire Protection Institution

The Company interacts regularly with the Confederation of Indian Industry – Centre of Excellence for Sustainable Development (CII - CESD) on Sustainability and Integrated Reporting <IR> policies, regulations and L&T is member of <IR> lab India. The Federation of Indian Chambers of Commerce and Industry (FICCI) engages with L&T for CSR and India Sanitation Coalition. L&T regularly interacts with the Indian Institute of Corporate Affairs (IICA) on CSR-re-lated aspects as well. L&T is also an active member of committees such as Environment & Recycling Council by CII – Green Business Centre (GBC), CII EHS Council (Western Region), Corporate Social Responsibility (CSR) etc.

PRINCIPLES 8: SUPPORT INCLUSIVE GROWTH

The following corporate policies of L&T lay emphasis on inclusive growth by empowering communities and accelerating development.

- Corporate Social Responsibility Policy
- Corporate Human Resource Policy
- Corporate Environment, Health & Safety (EHS) Policy
- Sustainability Policy

The Company's CSR programmes are based on the theme 'Building India's Social Infrastructure'. The objective is to contribute positively to society, improve the quality of life, provide sustainable solutions and make a meaningful im-pact. The CSR interventions of the Company are based on its CSR Policy and in line with the Companies Act 2013 and CSR Rule 2014. The CSR Committee of the Board oversees

One of L&T's Artificial Kidney Dialysis centres



Nurturing dreams at one of L&T's Construction Skills Training Institutes



the implementation of CSR programmes on a project mode through CSR team at the corporate level. They are ably supported by Sustainability and CSR coordinators from all businesses. L&T's CSR interventions are focused on four thrust areas: Water & sanitation, education, health and skill-development, as detailed below.

Water & Sanitation:

- Implementation of Integrated Community Development (ICD) Programme, with the objective of making safe drinking water available to communities in the water-stressed regions of Maharashtra, Tamil Nadu and Rajasthan
- Creating access to sanitation facilities for disadvantaged communities by building toilets and bathrooms
- Implementing soil and moisture conservation pro grammes, building water harvesting structures, check dams, field bunds and other agricultural techniques
- Tree plantation in and around our operational areas and at ICD locations

  Number of beneficiaries: 154,127

Education

- Pre-primary and primary education
- Infrastructure development in schools
- 'Science on Wheels' vans
- Introduction of innovative teaching and learning techniques in English and Science, computer labs, providing teaching aids and capacity-building programmes for teachers
- Urban and rural community learning centres to provide after-school academic support to children from disadvantaged communities to help them to cope with their curriculum and prevent their dropping out
- L&T Employee volunteering 'L&T-eers' to augment the running of urban community learning centres
- Conducting workshops on life skills and awareness on social issues
- Conducting summer camps, sports activities and conducting extracurricular activities to help children expand their horizons

  Number of beneficiaries: 311,746

Health

- Providing health and welfare facilities for the underprivileged across L&T's locations in India
- Conducting camps to combat malnutrition and anemia
- Conducting eye check-ups, blood donation camps and health awareness programmes
- Providing health services in remote locations through mobile health vans
- Dedicated health centres at 12 locations across India, providing services in reproductive health, diagnostic and clinical camps, maternal and child health care, immunization and health education
- Treating and supporting HIV / AIDS affected patients through Anti-Retroviral Therapy (ART) centre at Mumbai
- Artificial kidney dialysis centres

  Number of beneficiaries: 1,650,076

Skill Development

- Providing free training in construction skills like bar bending, formwork carpentry, masonry, scaffolding, welding, electric wiring etc. through Construction Skills Training Institutes (CSTIs) to rural and urban youth to enhance their employability
- Vocational training programmes for women: Tailoring, beautician, home nursing and food processing courses
- Imparting skills and development of self-help groups at ICD locations

Employee volunteers (L&T-eers) enhancing children's educational quotient



L&T has built over 200 check dams in water-stressed areas



- Collaboration with state-run technical institutes (ITIs)
  Number of beneficiaries: 36,327
  Total beneficiaries: 21,52,276

The Company contributed ₹ 100.92 crore in 2017-18 towards CSR activities as per the Companies Act 2013

PRINCIPLE 9: ENGAGE WITH AND PROVIDE VALUE TO CUSTOMERS

L&T offers products and services in diverse fields, keeping in mind changing customer demands and market trends in india and select geographies. Such changes are also incorporated into training, R&D, design and testing, manufacturing, construction process and customer interaction. Various digitalization initiatives are under way to help in project monitoring to enhance efficiencies. L&T has identified digitalization as a key driver to enhance its global competitiveness. The Company is building its capabilities to harness the true power of digital assets and incorporate digital strategies into business model.

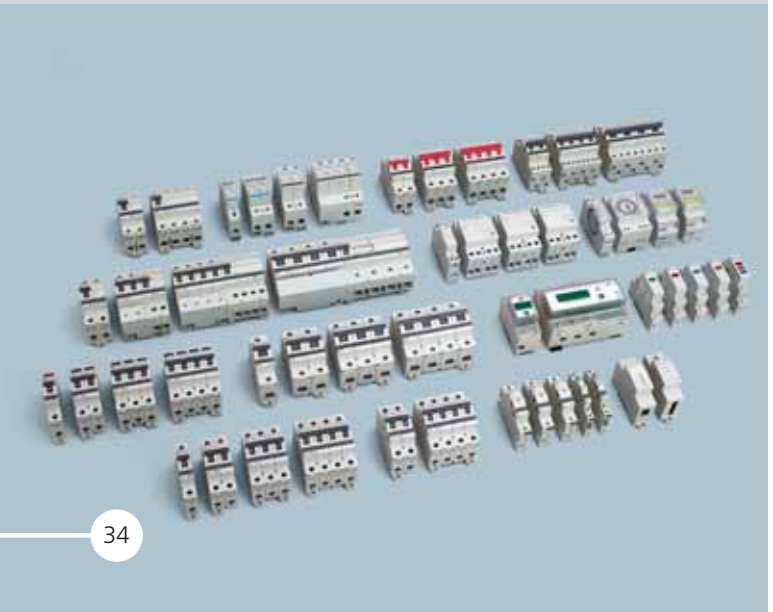
We have a robust EHS management framework complemented by active involvement from our vendors and contractors working at our campuses and project sites. In addition, health and safety impacts and concerns throughout the lifecycle are addressed while designing products or offering services.

Our products carry adequate labelling and are supported by operation and maintenance manuals incorporating related specifications and codes, thereby providing adequate information. L&T customizes the design and delivery of its products to fulfill the various needs of the customers. Our products are tested against stringent national and international standards such as Indian Standard, International Organization of Standardization (ISO), RoHS (Restriction of Hazardous Substances – for relevant products) and International Electro Technical Commission. Training our product user / client is an integral part of our services, and includes training in preventive maintenance. Adequate signs are affixed on the products for ease of understanding during transportation and use.

L&T's green product and services portfolio helps its clients to reduce their energy, water and material footprint and helps them to follow a low-carbon economy path. L&T engages with its customers through regular customer meets, customer satisfaction surveys, market based research including training and capacity-building programmes for customers. Inputs from customer feedback sessions are incorporated into our operations. Senior management actively gets engaged in customer feedback reviews and suggest corrective and preventive action.

L&T's communication conforms to the recommended guidelines. L&T does not engage in the sale of banned or disputed products. During the reporting period, no complaints were received from any of our stakeholders about incorrect or misleading marketing communication or anti-competitive behaviour or irresponsible advertising. L&T adheres to all the statutory regulations and voluntary codes related to its products and services.

AU range of energy-efficient switchgear



'Green' building at L&T's Talegaon campus



ANNEXURE: MAPPING TO THE SEBI FRAMEWORK

Question	Reference	
	Section	Page Number
Section A : General Information about the Company		
1. Corporate Identity Number (CIN) of the Company	AR	19
2. Name of the Company	AR	19
3. Registered Address	AR	19
4. Website	AR	19
5. Email Id.	AR	19
6. Financial Year Reported		
7. Sector(s) that the Company is engaged in (industrial activity code-wise)		
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	AR	20
9. Total number of locations where business activity is undertaken by the Company		
i. Number of International Locations (Provide details of major 5	AR	20
ii. Number of National Locations	AR	20
10. Markets served by the Company – Local/State/National/International	AR	20
Section B: Financial Details of the Company		
1. Paid up Capital (INR)	AR	20
2. Total Turnover (INR)	AR	20
3. Total profit after taxes (INR)		
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	AR	20
5. List of activities in which expenditure in 4 above has been incurred: -	AR	20
Section C : Other Details		
1. Does the Company have any Subsidiary Company / Companies?	AR	20
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	AR	20
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	AR	20

Question	Reference	
	Section	Page Number
Section D: BR Information		
1. Details of Director/Directors responsible for BR a) Details of the Director/Director the BR policy/policies • DIN Number • Name • Designation b) Details of the BR head • DIN Number (if applicable) • Name • Designation • Telephone number • Email Id	AR	21
3. Governance Related to BR Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	AR	23
Does the Company publish a BR or a Sustainability Report? What is the Hyperlink for viewing this report? How frequently it is published?	AR	23
Section E : Principle-wise Performance		
Principle1: Ethics, Transparency and Accountability		
Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	AR	24-25
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	The details related to stakeholder complaints are included in the Director's Report Section of this Annual Report.	
Principle 2 : Sustainable Products and Services		
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	AR	25-26
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	AR	25-26
Does the company have procedures in place for sustainable sourcing (including transportation)?	AR	25-26
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	AR	25-26
If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	AR	25-26

Question	Reference	
	Section	Page Number
Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company is a leading EPC solutions provider for Solar Photo Voltaic (PV) based power plants helping customers save on energy bills and contributing to reduction of GHG emissions from consumption of indirect energy.	25-26
Principle 3: Employee Well Being		
Total number of employees. Total number of employees hired on temporary/contractual/casual basis. Number of permanent women employees.	AR	26-28
Number of permanent employees with disabilities Do you have an employee association that is recognized by management? What percentage of your permanent employees is members of this recognized employee association?	AR	26-28
Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	AR	26-28
What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?	AR	26-28
Principle 4: Valuing Marginalized Stakeholders		
Has the company mapped its internal and external stakeholders?	AR	28-29
Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders? Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	AR	28-29
Principle 5: Human Rights		
Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	AR	30
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	AR	30
Principle 6: Environment		
Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	AR	30-32
Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?	AR	30-32
Does the Company identify and assess potential environmental risks?	AR	30-32

Question	Reference	
	Section	Page Number
Does the Company have any project related to Clean Development Mechanism?	AR	30-32
Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N.	AR	30-32
Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	AR	30-32
Principle 7: Policy Advocacy		
Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Have you advocated/lobbied through above associations for the advancement or improvement of public good?	AR	32
Principle 8: Inclusive Growth		
Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?	AR	32-34
Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?	AR	32-34
Have you done any impact assessment of your initiative?	AR	32-34
What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken	AR	32-34
Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	AR	32-34
Principle 9: Customer Welfare		
What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The details related to stakeholder complaints are included in the Director's Report Section of this Annual Report.	34
Does the company display product information on the product label, over and above what is mandated as per local laws?	AR	34
Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of financial year Did your Company carry out any consumer survey/ consumer satisfaction trends?	AR	34

www.Larsentoubro.com

Engineering Excellence



Terminal 2, Mumbai - one of the many iconic airports built by L&T



The 9.76 km Kachi Dargah Bridge across the Ganges will be India's longest river bridge



L&T builds nuclear power plants and supplies equipment



K9 Vajra-T 155 mm /52 Cal. Tracked Self-propelled Gun



Critical subsystems for all of ISRO's space missions



L&T offers a range of business-focussed digital solutions



High-tech surveillance systems for Smart Cities

LTCBMC/PRD/072018

Larsen & Toubro is a USD 18 billion technology, engineering, construction, projects, manufacturing and financial services conglomerate with global operations.

Over the last eight decades, the Company, powered by its 'design-to-deliver' capabilities has earned a reputation for quality, reliability and strong customer orientation - ensuring that it retains a leadership position in most of its lines of business. L&T has a track record of engagements in critical sectors. These include defence, construction, infrastructure, oil & gas, refineries, chemical, petrochemical and fertiliser industries, aerospace, power, electrical & automation, mining and metallurgy.

The Company's design facilities and technology centres in India, the Middle East, USA and Europe keep pushing the design envelope, in-house testing centres take ideas to the next level and manufacturing facilities in eight countries transform them into reality. And in our quest for excellence, lies the source of many a global benchmark.

Regd. Office:
Larsen & Toubro Limited, L&T House, N. M. Marg
Ballard Estate, Mumbai - 400 001, INDIA
CIN: L99999MH1946PLC004768

LARSEN & TOUBRO

STANDALONE FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

	Ind AS			IGAAP						
Description	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
							$$			
Statement of Profit and Loss										
Gross revenue from operations	74612	66301	63813	57558	57164	52196	53738	44296	37356	34337
PBDIT^^	7429	6481	5829	6488	6667	5473	6283	5640	4816	3922
Profit after tax (excluding extraordinary/exceptional items)	4861	4560	4454	4699	4905	4169	4413	3676	3185	2709
Profit after tax (including extraordinary/exceptional items)	5387	5454	5000	5056	5493	4384	4457	3958	4376	3482
Balance Sheet										
Net worth	49174	46013	42135	37085	33662	29291	25223	21846	18312	12460
Loan funds	10561	10558	13924	12936	11459	8478	9896	7161	6801	6556
Capital employed	59735	56571	56059	50021	45121	37769	35119	29007	25113	19016
Ratios and statistics										
PBDIT as % of net revenue from operations @	9.98	9.86	9.23	11.38	11.78	10.60	11.82	12.84	13.00	11.56
PAT as % of net revenue from operations $	7.23	8.30	7.91	8.87	9.71	8.50	8.38	9.01	11.82	10.26
RONW % *	11.32	12.37	12.39	14.30	17.46	16.06	18.95	19.73	28.49	31.71
Gross Debt: Equity ratio	0.21:1	0.23:1	0.33:1	0.35:1	0.34:1	0.29:1	0.39:1	0.33:1	0.37:1	0.53:1
Basic earnings per equity share (₹) #	38.46	39.00	35.81	36.31	39.57	35.55	32.41	29.04	32.79	26.44
Book value per equity share (₹) ##	350.90	328.79	301.57	265.85	241.97	211.39	182.90	159.31	134.98	94.36
Dividend per equity share (₹) ##	16.00	14.00	12.17	10.83	9.50	8.22	7.33	6.44	5.56	4.67
No. of equity shareholders	8,99,902	9,23,628	10,28,541	8,53,824	832,831	854,151	926,719	8,53,485	8,14,678	9,31,362
No. of employees	42,924	41,466	43,354	44,081	54,579	50,592	48,754	45,117	38,785	37,357

Figures for 2017-18, 2016-17 & 2015-16 are as per Ind AS and for earlier periods as per IGAAP and hence not directly comparable.

^^ Profit before depreciation, interest and tax (PBDIT) is excluding extraordinary/exceptional items wherever applicable and other income.

@ PBDIT as % of net revenue from operations = [PBDIT/(gross revenue from operations less excise duty)].

$ Profit After Tax (PAT) as % of net revenue from operations = [(PAT including extraordinary/exceptional items)/(gross revenue from operations less excise duty)].

* RONW [(PAT including extraordinary/exceptional items)/(average net worth excluding revaluation reserve)].

Basic earnings per equity share have been calculated including extraordinary/exceptional items and adjusted for all the years for issue of bonus shares.

After considering adjustments for issue of bonus shares during the respective years.

$$ Figures for the year 2008-09 to 2011-12 include Hydrocarbon business which has been transferred w.e.f April 1, 2013 to a wholly owned subsidiary.

CONSOLIDATED FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

	Ind AS			IGAAP						
Description	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Statement of Profit and Loss										
Gross revenue from operations	119862	110011	101975	92762	85889	75195	64960	52470	44310	40932
PBDIT^^	13571	11130	10463	11258	10730	9929	8884	7677	6423	5024
Profit attributable to Group shareholders (excluding extraordinary/exceptional items)	7151	5920	4154	4470	4547	4911	4649	4238	3796	3007
Profit attributable to Group shareholders (including extraordinary/exceptional items)	7370	6041	4233	4765	4902	5206	4694	4456	5451	3789
Balance Sheet										
Net worth	55657	50217	44180	40909	37712	33860	29387	25051	20991	13988
Non-controlling interest	5625	3564	2893	4999	3179	2653	1753	1026	1087	1059
Loan funds	107524	93954	88135	90571	80330	62672	47150	32798	22656	18400
Capital employed	168806	147735	135208	136479	121221	99185	78290	58875	44734	33447
Ratios and statistics										
PBDIT as % of net revenue from operations @	11.34	10.18	10.35	12.24	12.60	13.33	13.81	14.75	14.61	12.40
PAT as % of net revenue from operations $	6.16	5.53	4.19	5.18	5.76	6.99	7.30	8.56	12.40	9.35
RONW % *	13.92	12.80	9.91	12.13	13.71	16.47	17.26	19.38	31.23	30.64
Gross debt: Equity ratio	1.75:1	1.75:1	1.87:1	2.21:1	2.13:1	1.85:1	1.61:1	1.31:1	1.08:1	1.32:1
Basic earnings per equity share (₹) #	52.62	43.20	30.32	34.22	35.31	37.69	34.14	32.69	40.84	28.78
Book value per equity share (₹) ##	397.16	358.83	316.20	293.29	271.10	244.40	213.09	182.65	154.70	105.90
Dividend per equity share (₹) ##	16.00	14.00	12.17	10.83	9.50	8.22	7.33	6.44	5.56	4.67

Figures for 2017-18, 2016-17 & 2015-16 are as per Ind AS and for earlier periods as per IGAAP and hence not directly comparable

^^ Profit before depreciation, interest and tax [PBDIT] is excluding extraordinary/exceptional items wherever applicable and other income.

@ PBDIT as % of net revenue from operations =[PBDIT/(gross revenue from operations less excise duty)].

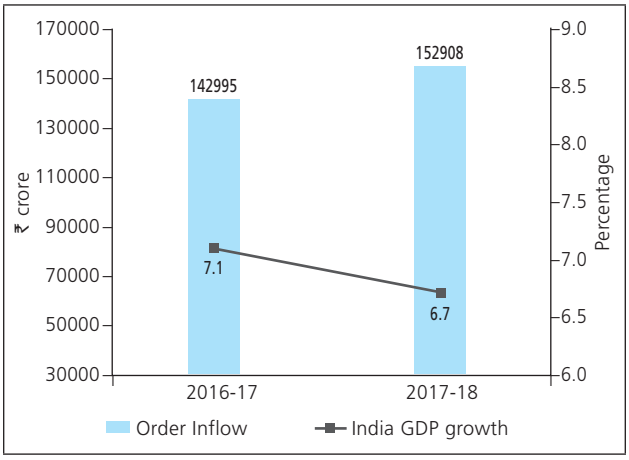
$ Profit after tax (PAT) as % of net revenue from operations = [PAT including extraordinary/exceptional items/(gross revenue from operations less excise duty)].

* RONW [(profit attributable to group shareholders including extraordinary/exceptional items)/(average net worth excluding revaluation reserve)].

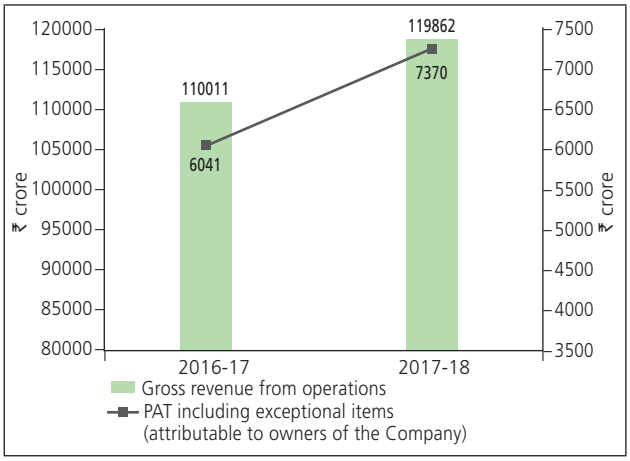
Basic earnings per equity share has been calculated including extraordinary/exceptional items and adjusted for all the years for issue of bonus shares.

After considering issue of bonus shares during the respective years.

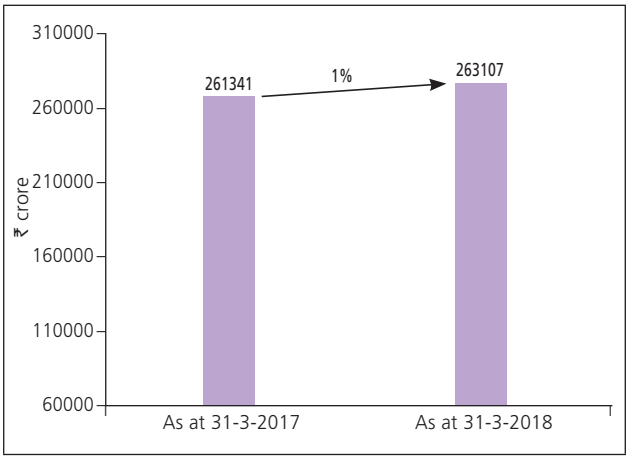
L&T CONSOLIDATED - ORDER INFLOW



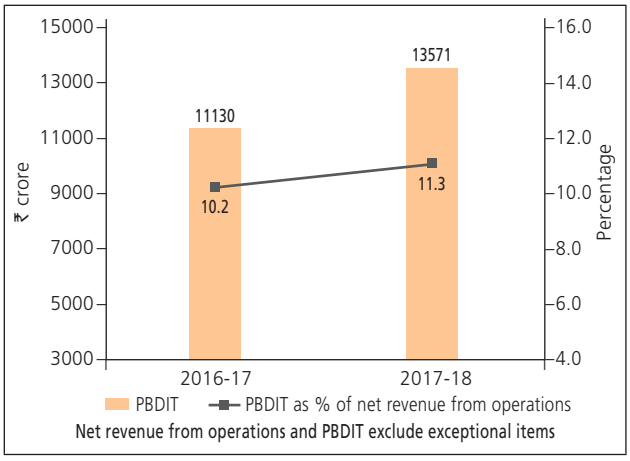
L&T CONSOLIDATED - GROSS REVENUE FROM OPERATIONS AND PAT



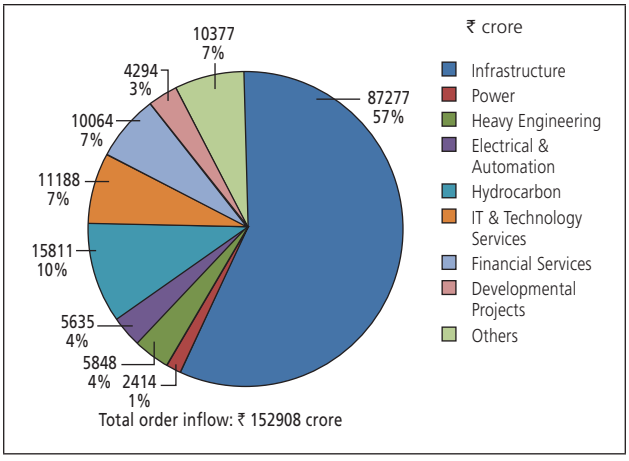
L&T CONSOLIDATED - ORDER BOOK



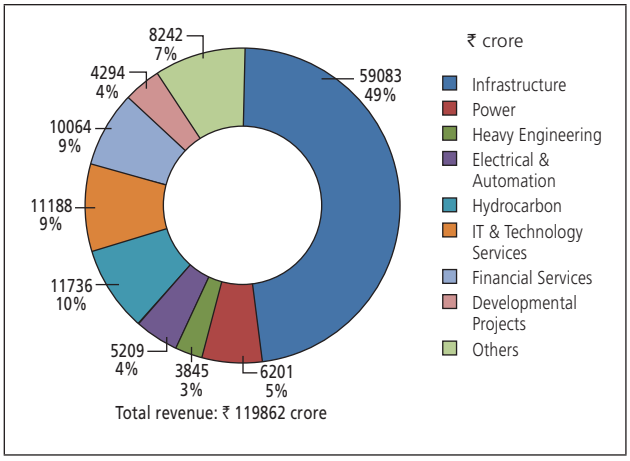
L&T CONSOLIDATED - PBDIT AS % OF NET REVENUE FROM OPERATIONS



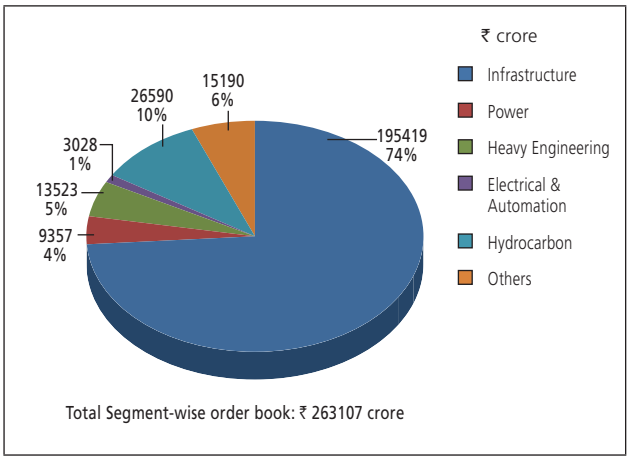
L&T CONSOLIDATED - SEGMENT-WISE ORDER INFLOW 2017-18



L&T CONSOLIDATED - SEGMENT-WISE REVENUE 2017-18

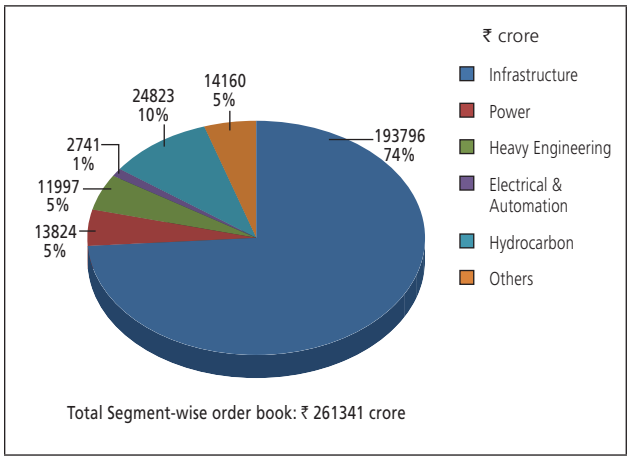


L&T CONSOLIDATED - SEGMENT-WISE ORDER BOOK 2017-18



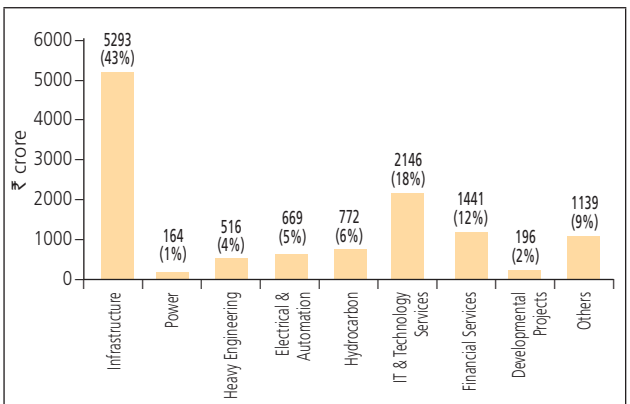
Total Segment-wise order book: ₹ 263107 crore

L&T CONSOLIDATED - SEGMENT-WISE ORDER BOOK 2016-17



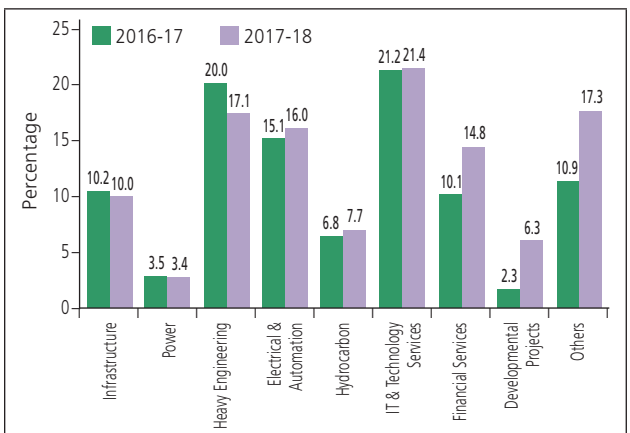
Total Segment-wise order book: ₹ 261341 crore

L&T CONSOLIDATED - SEGMENT-WISE RESULT 2017-18



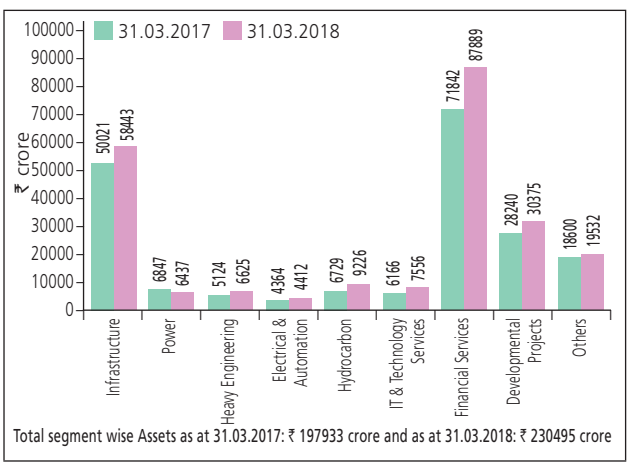
Total segment wise result: ₹ 12336 crore
Figures in brackets represent percentage of segment result to total segment result

L&T CONSOLIDATED - SEGMENT-WISE EBIDTA MARGINS*



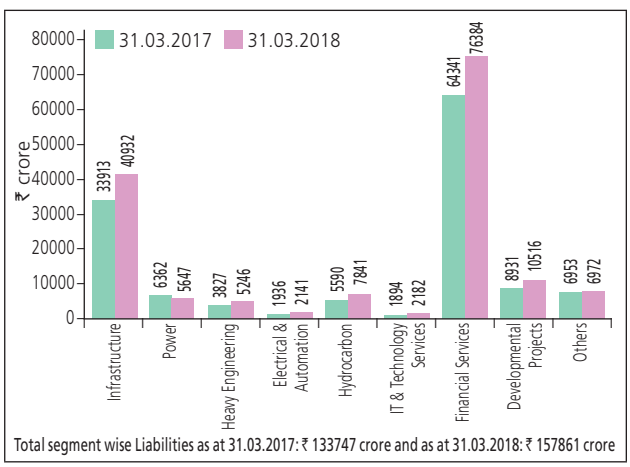
* Earnings before interest, depreciation, tax and amortisation as percentage of net segment revenue

L&T CONSOLIDATED - SEGMENT-WISE TOTAL ASSETS



Total segment wise Assets as at 31.03.2017: ₹ 197933 crore and as at 31.03.2018: ₹ 230495 crore

L&T CONSOLIDATED - SEGMENT-WISE TOTAL LIABILITIES



Total segment wise Liabilities as at 31.03.2017: ₹ 133747 crore and as at 31.03.2018: ₹ 157861 crore

Total liabilities for Financial Services and Developmental Projects predominantly comprises of borrowings

Route Map to the AGM Venue



Birla Matushri Sabhagar,
19, Marine Lines,
Mumbai - 400 020.

AGM Venue :
Birla Matushri Sabhagar,
19, Marine Lines,
Mumbai - 400 020

LARSEN & TOUBRO LIMITED

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
CIN : L99999MH1946PLC004768
Email: igrc@larsentoubro.com • Website: www.larsentoubro.com
Tel No.: 022-67525656 • Fax No.: 022-67525893

Notice

NOTICE IS HEREBY GIVEN THAT the Seventy Third Annual General Meeting of **LARSEN & TOUBRO LIMITED** will be held at **Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 on Thursday, August 23, 2018 at 3.00 P.M.** to transact the following business :-

1) To consider and adopt the audited financial statements of the Company for the year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company and the report of the auditors thereon for the year ended March 31, 2018;

2) To declare a dividend on equity shares;

3) To appoint a Director in place of Mr. Subramanian Sarma (DIN: 00554221), who retires by rotation and is eligible for re-appointment;

4) To appoint a Director in place of Mrs. Sunita Sharma (DIN: 02949529), who retires by rotation and is eligible for re-appointment;

5) To appoint a Director in place of Mr. A.M Naik (DIN: 00001514), who retires by rotation and is eligible for re-appointment;

6) To appoint a Director in place of Mr. D.K Sen (DIN: 03554707), who retires by rotation and is eligible for re-appointment;

7) To consider and, if thought fit, to pass, as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** Mr. Hemant Bhargava (DIN: 01922717) who was appointed as a Director in casual vacancy and holds office upto the date of this Annual General Meeting of the Company and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director."

8) To consider and, if thought fit, to pass, as a **SPECIAL RESOLUTION** the following:

"**RESOLVED THAT** approval of the Company be and is hereby accorded for the appointment and continuation of Mr. A.M Naik (DIN: 00001514) as a Non-Executive Director of the Company with effect from October 1, 2017 who has attained the age of seventy-five years."

9) To consider and, if thought fit, to pass, as a **SPECIAL RESOLUTION** the following:

"**RESOLVED THAT** approval of the Company be and is hereby accorded for payment of remuneration to Mr. A.M Naik (DIN: 00001514), Non-Executive Director of the Company, details whereof are provided in the Explanatory Statement, being in excess of fifty percent of the total annual remuneration payable to all Non-Executive Directors."

10) To consider and, if thought fit, to pass, as a **SPECIAL RESOLUTION** the following:

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company (including any Committee thereof) to offer or invite subscriptions for listed/unlisted/secured/unsecured/ redeemable/non-convertible debentures, in one or more series/tranches/currencies, aggregating up to ₹ 6000 crore (Rupees Six thousand crore only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider

proper and most beneficial to the Company including as to when the said debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11) To consider and ratify the remuneration payable to Cost Auditors and for that purpose to pass, as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the remuneration of ₹ 11.75 lakhs (Rupees Eleven lakhs seventy five thousand only) plus applicable taxes and out of pocket expenses at actuals for travelling and boarding/lodging for the financial year ending March 31, 2019 to M/s R. Nanabhoy & Co. Cost Accountants (Regn. No. 00010), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2018-19."

By Order of the Board of Directors
For **LARSEN & TOUBRO LIMITED**

N. HARIHARAN
COMPANY SECRETARY
M.NO – A3471

Mumbai, May 28, 2018

Notes:

[a] The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings, regarding the Directors who are proposed to be appointed/ re-appointed and the relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items 7 to 11 set out above are annexed hereto.

[b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Proxies, in order to be effective, must be received at the Registered office of the Company at L&T House, Ballard Estate, Mumbai 400 001, not later than forty-eight hours before the commencement of the AGM i.e. by 3.00 p.m. on Tuesday, August 21, 2018.

[c] The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs. Accordingly no resolution is proposed for ratification of appointment of Auditors, who were appointed from the conclusion of the 70th Annual General Meeting till the conclusion of the 75th Annual General Meeting, in the Annual General Meeting held on September 9, 2015.

[d] The Register of Members and Transfer Books of the Company will be closed from **Friday, August 17, 2018 to Thursday, August 23, 2018 (both days inclusive)**.

[e] Members are requested to furnish bank details, email address, change of address etc. to Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 , who are the Company's Registrar and Share Transfer Agents so as to reach them latest by **Thursday, August 16, 2018**, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, members holding shares in demat mode should update their records at the earliest.

[f] In order to receive copies of Annual Reports and other communication through e-mail, members holding shares in physical form are requested to register their e-mail addresses with the Company by sending an e-mail to Lntgogreen@Larsentoubro.com.

[g] All documents referred to in the accompanying Notice and the Explanatory Statement, if any, are

open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

[h] Members/Proxies should bring their attendance slips duly completed for attending the Meeting.

[i] Pursuant to Section 124 of the Companies Act, 2013 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Dividend No.	Date of Declaration	For the year ended	Due for Transfer on
82	26.08.2011	31.03.2011	02.10.2018
83	24.08.2012	31.03.2012	29.09.2019
84	22.08.2013	31.03.2013	27.09.2020
85	22.08.2014	31.03.2014	27.09.2021
86	09.09.2015	31.03.2015	15.10.2022
87	26.08.2016	31.03.2016	02.10.2023
88	22.08.2017	31.03.2017	27.09.2024

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

[j] **Investor Grievance Redressal:**

The Company has designated an exclusive e-mail id viz. Igrc@Larsentoubro.com to enable Investors to register their complaints, if any.

[k] Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has during the financial year 2017-18 transferred to the IEPF Authority all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer i.e October 31, 2017. Details of shares transferred to IEPF Authority are available on the website of the Company and the same can be accessed through the link: http://investors.larsentoubro.com/resources.aspx. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

[l] SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from December 5, 2018. In view of the above and to avail various benefits of dematerlisation, members are advised to dematerialize shares held by them in physical form. Please refer investor FAQ's page (Dematerialisation of shares) on our website www.investors.larsentoubro.com.

[m] **E-voting**

The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Standard 2 of the Secretarial Standards on General Meetings and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by Karvy Computershare Private Limited (Karvy).

The facility for voting shall be made available at the AGM and the Members attending the Meeting who have not cast their vote through remote e-voting shall be able to exercise their right at the meeting. Please note that the voting through remote e-voting is optional for shareholders.

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of **Thursday, August 16, 2018** shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purposes only.

The Notice will be displayed on the website of the Company www.larsentoubro.com and on the website of Karvy https://evoting.karvy.com.

The members who have cast their vote through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on Monday, August 20, 2018 at 9.00 A.M and ends on Wednesday, August 22, 2018 at 5.00 P.M. During this period, members of the Company holding shares

either in physical or dematerialised form, as on the cut-off date of August 16, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on August 16, 2018, are entitled to vote on the Resolutions set forth in this Notice. Eligible members who have acquired shares after the despatch of the Annual Report and holding shares as on the cut-off date i.e August 16, 2018 may approach the Company/ Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means.

Members who are already registered with Karvy for remote e-voting can use their existing user ID and password for casting their vote. In case they don't remember their password, they can reset their password by using "Forgot User Details/Password" option available on https://evoting.karvy.com

The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary, (COP No. 1774) or failing him Mrs. Aparna Gadgil, Practicing Company Secretary, (COP No. 8430), to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

Members are requested to follow the instructions below to cast their vote through remote e-voting:

A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/ Depository Participants):

   (i) Launch internet browser by typing the URL: https://evoting.karvy.com.

   (ii) Enter the login credentials (i.e. User ID and Password which are mentioned in the email). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

   (iii) After entering these details appropriately, Click on "LOGIN".

   (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

   (v) You need to login again with the new credentials.

   (vi) On successful login, the system will prompt you to select the "EVENT" i.e., Larsen & Toubro Limited.

   (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

   (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

   (ix) You may then cast your vote by selecting an appropriate option and click on "Submit".

   (x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).

   (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to

vote, to the Scrutinizer through e-mail to scrutinizer@snaco.net, with a copy marked to evoting@karvy.com.

(xii) In case of any queries, please visit Help and Frequently Asked Questions (FAQs) section available at Karvy's website www.evoting.karvy.com.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/ Depository Participants or requesting physical copy):

1. User ID and initial password are provided at the bottom of the Attendance Slip in the following format:

User ID	Password
-	-

2. Please follow all steps from Sr. No. (i) to Sr. No. (xi) in (A) above, to cast your vote.

Based on the report received from the scrutiniser the Company will submit within 48 hours of the conclusion of the Meeting to the stock exchanges details of the voting results as required under Reg. 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Member can opt for only one mode of voting i.e. either through remote e-voting or at the Meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared.

The results declared alongwith the Scrutinizer's report, will be posted on the website of the Company www.larsentoubro.com and on the website of Karvy at www.evoting.karvy.com and will be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office immediately after the declaration of the result by the Chairman or any person authorised by him in writing and will be communicated to the Stock Exchanges.

[n] **Online Query Module**

The Company is pleased to provide the new Online Query Module to enable the Members to seek information / clarifications pertaining to the Annual Report in advance. Members can post their queries related to this Annual Report by using their secure login credentials on the e-voting website of Karvy at https://evoting.karvy.com/.

[o] **Web check-in**

To facilitate smooth registration / entry at the AGM, the Company has also provided a web check-in facility, which would help the Members enter the AGM hall expeditiously.

The Procedure for web check-in for the AGM is as follows:

- Log in to https://karisma.karvy.com and click on the AGM Web Check-in link.
- Select the Company name, 'Larsen & Toubro Limited'.
- Enter the security credentials as directed and click on 'Submit'.
- After validating the credentials, click on 'Generate my Attendance Slip'.
- The Attendance Slip in PDF format shall appear on the screen. Select the print option for printing or download the Attendance Slip for future reference.

[p] **Webcast**

Your Company is pleased to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of Karvy at https://evoting.karvy.com using their secure login credentials. Members are encouraged to use this facility of webcast.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 7 to 11 of this Notice dated **May 28, 2018**.

Item No. 7:

On the recommendation of the Nomination & Remuneration Committee, Mr. Hemant Bhargava (DIN: 01922717) was appointed by the Board of Directors as a Director in casual vacancy caused due to the resignation of Mr. Sushobhan Sarker. Pursuant to Section 161(4) of the Companies Act, 2013 Mr. Hemant Bhargava will hold office up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing

from a member under the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Hemant Bhargava as Director.

Mr. Hemant Bhargava is currently the Managing Director of Life Insurance Corporation of India (LIC) and has been nominated by LIC on the Board of the Company.

Mr. Bhargava holds an M.A in Economics and has also completed his masters in Financial Management. He has an overall experience of 35 years with LIC where he has worked in several capacities in Marketing, International Operations, Joint Ventures etc.

Disclosure as required under Secretarial Standard 2 on General Meetings is provided as an Annexure to the Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Bhargava as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Bhargava as a Director, for the approval by the shareholders of the Company.

Except Mr. Hemant Bhargava, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 7.

Item No. 8 and 9:

Mr. A.M Naik has been associated with Larsen & Toubro Limited for over five decades. During his tenure as Executive Chairman he played a key role in the Company's rise to its pre-eminent position, and its presence overseas, boosting employee morale and focusing on delivering superior value to stakeholders. His term as Executive Chairman expired on September 30, 2017.

Mr. A. M. Naik is entitled to retirement benefits as per the policy of the Company.

Mr. A.M Naik, aged 75 years, was appointed as a Non-Executive Chairman of the Company for a period of 3 years with effect from October 1, 2017, after his superannuation as Executive Chairman of the Company. Mr. A.M. Naik is strongly identified with the growth of the Company and its contribution to strategic sectors of Defence, Nuclear Power, Space Research and Infrastructure. Mr. Naik has been awarded four doctorates and numerous awards from institutions and industry. He has also served as the Chairman of IIM Ahmedabad.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee and taking into account the need for seamless transition of leadership, need for providing advice, guidance and mentorship to the Company's executive management, considering the complexity of the Company's business, approved the appointment of Mr. A.M Naik as Non-Executive Chairman of the Company.

Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective April 1, 2019, requires companies to obtain approval of shareholders by passing a special resolution for appointment or continuation of any Non-Executive Director who has attained the age of seventy-five years.

Mr. Naik in the capacity of Non-Executive Chairman, in addition to sitting fees, will be entitled to remuneration/ benefits as per the following terms and conditions:

1. Commission: Fixed amount of ₹ 5 crore p.a. within the overall limits approved by the shareholders of the Company for payment of remuneration to NED's.
2. Car & Driver, telephone & communication facilities and club membership.
3. Maintain an office with staff at the Company's expense.
4. Reimbursement of medical expenses in accordance with the policy of the Company.
5. Perquisite value of Company accomodation.

Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, requires companies to obtain approval of the shareholders by passing of a special resolution, every year, for payment of remuneration to Non-Executive Director exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors.

Accordingly, shareholders approval is sought for appointment/continuation of Mr. A.M. Naik as Non-Executive Chairman. Approval is also sought for payment of remuneration to Mr. A. M. Naik, Non-Executive Chairman till the next AGM.

Disclosure as required under Secretarial Standard 2 on General Meetings is provided as an Annexure to the Notice.

The Board recommends approval of appointment and remuneration of Mr. Naik as Non-Executive Director of the Company, liable to retire by rotation.

Except Mr. Naik being the appointee, none of the Directors or the Key Managerial Personnel of the

Company and their relatives are concerned or interested in the resolutions set out at Item No. 8 and 9.

Item No. 10:

The Company is into the business interalia of manufacturing of industrial goods, heavy engineering, infrastructure projects and other activities which require a sizeable investment and continuous expenditure. The Company intends to explore different avenues for garnering this financing requirement including by way of issuance of debt instruments.

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation for subscription to non-convertible debentures on private placement basis, the Company shall obtain prior approval of its shareholders by means of a special resolution once in a year for all the offers or invitations for such debentures during the year.

In order to meet the financial needs of business in a prudent manner the Company may offer or invite subscription for secured/unsecured/redeemable/non-convertible debentures, in one or more series/tranches/ currencies on private placement, issuable/redeemable at par or otherwise.

The shareholders through a resolution passed at their meeting held on August 22, 2017, approved issue of debentures to an amount not exceeding ₹ 6000 crore in aggregate. The Company has not raised funds under the said approval. However, such resolution is valid only for a period of 12 months from the date on which the approval is granted by the shareholders. Accordingly, the Shareholders' approval is sought for the period of next 12 months from the date of passing this resolution. This resolution is an enabling resolution and authorizes the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the date of passing this resolution.

The Directors recommend this Resolution for approval of the Shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 10.

Item No. 11:

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") the Company is required to appoint a cost auditor to audit the cost records of the Company, for products and services, specified under Rules issued in pursuance to the above section. On the recommendation of the Audit Committee, the Board of Directors had approved the appointment of M/s. R. Nanabhoy & Co, Cost Accountants (Regn. No. 00010), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2018-19, at a remuneration of ₹ 11.75 lakhs plus applicable taxes and out of pocket expenses at actuals for travelling and boarding/lodging.

M/s. R. Nanabhoy & Co., Cost Accountants, have furnished certificates regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the cost auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for the aforesaid purpose.

The Directors recommend this resolution for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 11.

By Order of the Board of Directors
For LARSEN & TOUBRO LIMITED

N. HARIHARAN
COMPANY SECRETARY
M.No – A3471

Mumbai, May 28, 2018

The route map for the venue of the Annual General Meeting of the Company is given on page 44 of this Annual Report 2017-18

(ANNEXURE TO NOTICE DATED MAY 28, 2018)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Subramanian Sarma	Mrs. Sunita Sharma	Mr. A.M Naik	Mr. D.K Sen	Mr. Hemant Bhargava
Date of Birth	February 4, 1958	March 9, 1959	June 9, 1942	March 19, 1956	July 20, 1959
Date of Appointment on the Board	August 19, 2015	April 1, 2015	November 23, 1989	October 1, 2015	May 28, 2018
Qualifications	Masters Degree in Chemical Engineering from IIT Bombay	Masters Degree in Science	B.E (Mech.)	B.SC Engg. (Civil), MBA (Finance)	M.A (Economics)
Expertise	Expertise in managing large business portfolios in energy sector.	Vast Experience in Insurance and Housing Finance	Diverse and vast experience in General Management, Technology, Engineering & Construction	Vast experience in Design and Engineering, Business Development, Tendering and Construction	Vast Experience in Insurance Sector
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	L&T Hydrocarbon Engineering Limited	National Stock Exchange of India Limited	1. Larsen & Toubro Infotech Limited 2. L&T Technology Services Limited 3. L&T Realty Limited 4. L&T Welfare Company Limited	1. L&T Infrastructure Engineering Limited 2. L&T Aviation Services Private Limited	1. LIC Pension Fund Limited 2. LIC HFL Asset Management Company Limited 3. LIC HFL Care Homes Limited 4. LIC Mutual Fund Trustee Private Limited 5. Voltas Limited 6. Infrastructure Leasing and Financial Services Limited 7. The Tata Power Company Limited
Memberships/ Chairmanships of committees across all companies	**Member** **Nomination and Remuneration Committee** L&T Hydrocarbon Engineering Limited	**Chairperson** **Stakeholders Relationship Committee** Larsen & Toubro Limited	**Member** **Nomination & Remuneration Committee** 1. Larsen & Toubro Limited 2. Larsen & Toubro Infotech Limited 3. L&T Technology Services Limited **Corporate Social Responsibility Committee** L&T Welfare Company Limited	**Member** **Corporate Social Responsibility Committee** Larsen & Toubro Limited	**Member** **Audit Committee** LIC Pension Fund Limited
Number of Meetings attended during the year	6	3	6	5	Not Applicable
Shareholding of Non-Executive Directors	63150	150*	424958	Not Applicable	90
Relationships between directors inter-se	Nil	Nil	Nil	Nil	Nil

* Jointly with Life Insurance Corporation of India

Board Report

Dear Members,

The Directors have pleasure in presenting their 73rd Annual Report and Audited Financial Statements for the year ended 31st March 2018.

FINANCIAL RESULTS:

Particulars	2017-18 ₹ crore	*2016-17 ₹ crore*
Profit Before Depreciation, exceptional items & Tax	7881.31	7079.06
Less: Depreciation, amortization, impairment and obsolescence	1049.46	1215.19
Profit before exceptional items and tax	6831.85	5863.87
Add: Exceptional Items	430.53	893.97
Profit before tax	7262.38	6757.84
Less: Provision for tax	1875.08	1304.10
Profit for the period carried to Balance Sheet	5387.30	5453.74
Add: Balance brought forward from previous year	11225.53	7710.27
Less: Dividend paid during the previous year (Including dividend distribution tax)	2278.69	1842.71
Add: Gain/(Loss) on remeasurement of the net defined benefit plans	2.50	(8.02)
Add: Transfer under scheme of arrangement	15.55	–
Balance available for disposal (which the Directors appropriate as follows)	14352.19	11313.28
Less: Debenture Redemption Reserve	102.18	87.75
Balance to be carried forward	14250.01	11225.53

The Directors recommend payment of final dividend of ₹ 16 per equity share of ₹ 2/- each on 1,40,13,69,456 shares.

CAPITAL & FINANCE:

During the year under review, the Company allotted 16,38,898 equity shares of ₹ 2/- each upon exercise of stock options by the eligible employees under the Employee Stock Option Schemes.

The shareholders of the Company approved the issue of bonus shares in the ratio of 1:2 (1 bonus share for every 2 shares held) through postal ballot on 5th July 2017. The Company accordingly allotted 46,67,64,755 bonus shares on 15th July 2017.

The Company reduced long-term borrowings during the year under review by way of repayment of foreign currency borrowings worth US$ 171 million on scheduled due dates. Additionally, the Company refinanced USD 470 million of external commercial borrowings while retaining existing maturities, to take benefit of the prevailing interest rates in the market. The Company did not raise any fresh long-term borrowings during FY2017-18.

The Company has not defaulted on any of its dues to the financial lenders.

CRISIL has assigned AAA (Stable) rating for L&T's long-term debt facilities. In addition, ICRA also has assigned AAA (Stable) rating for certain borrowings of the Company.

DIVESTMENT OF ELECTRICAL & AUTOMATION BUSINESS:

Subsequent to the year under review, on 1st May 2018, the Company has signed, subject to regulatory approvals, definitive agreements with Schneider Electric, a global player in energy management and automation for strategic divestment of its Electrical and Automation (E&A) business for an all-cash consideration of ₹ 14,000 crore.

The divestment of E&A business is in line with the Company's stated intent of unlocking value within the existing business portfolio to streamline and allocate capital and management focus for creating long-term value for our stakeholders. The Company believes that the partnership with Schneider is win-win for our employees, business partners and shareholders.

CAPITAL EXPENDITURE:

As at 31st March 2018 the gross property, plant and equipment, investment property and other intangible assets including leased assets, stood at ₹ 10,935.39 crore and the net property, plant and equipment, investment property and other intangible assets, including leased assets, at ₹ 7,593.40 crore. Capital Expenditure during the year amounted to ₹ 1,136.78 crore.

DEPOSITS:

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies

Act, 2013. The Company does not have any unclaimed deposits as of date. All unclaimed deposits have been transferred to Investor Education & Protection Fund.

DEPOSITORY SYSTEM:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March 2018, 98.2% of the Company's total paid up capital representing 1,37,61,98,681 shares are in dematerialized form.

SEBI has proposed to prohibit transfer of shares in physical form. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company sends reminder letters to all shareholders, whose dividends are unclaimed so as to ensure that they receive their rightful dues. Efforts are also made by the Company in co-ordination with its Registrar to locate the shareholders who have not claimed their dues.

During the year, the Company has transferred a sum of ₹ 3,24,69,075 to Investor Education & Protection Fund (IEPF), the amount which was due & payable and remained unclaimed and unpaid for a period of seven years as provided in section 125 of the Companies Act, 2013 and the rules made thereunder. Despite the reminder letters sent to each shareholder, this amount remained unclaimed and hence was transferred. Cumulatively, the amount transferred to the said fund was ₹ 20,41,00,830 as on March 31, 2018.

Pursuant to SEBI circular dated April 20, 2018, the Company has sent communications to members whose dividends are unclaimed requesting them to provide/ update bank details with the RTA/Company, so that dividends paid by the Company are credited to the investor's account on time.

In accordance with the provisions of the Section 124(6) and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred 12,88,543 equity shares of ₹ 2 each (0.09% of total number of shares) held by 11,756 shareholders (1.25% of total shareholders) to IEPF. The said shares correspond to the dividend which had remained unclaimed for a period of seven consecutive years from the financial year 2009-10. Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on www.iepf.gov.in and on submission of such documents as prescribed under the IEPF Rules.

The Company sends specific advance communication to the concerned shareholders at their address registered with the Company and also publishes notice in news papers providing the details of the shares due for transfer and for taking appropriate action. The shareholder/ claimant can file only one consolidated claim in a financial year as per the IEPF rules. All corporate benefits accruing on such shares viz. bonus shares, etc. including dividend shall be credited to IEPF.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES:

During the year under review, the Company subscribed to / acquired equity / preference shares in various subsidiary / joint venture companies. These subsidiaries include companies in financial services, power, defence and infrastructure sectors. The details of investments/ divestments in subsidiary companies during the year are as under:

A) Shares acquired during the year:

Name of the Company	Type of Shares	No. of shares
L&T Cassidian Limited	Equity	13,000
L&T Finance Holdings Limited	Equity	10,78,10,899
L&T Metro Rail (Hyderabad) Limited	Equity	14,47,84,161
L&T MBDA Missile Systems Limited	Equity	25,500
L&T Uttaranchal Hydropower Limited	Preference Shares	18,98,00,000
L&T Special Steels & Heavy Forgings Private Limited	Preference Shares	47,50,80,000
L&T Shipbuilding Limited	Preference Shares	61,83,29,988

B) Equity shares sold/transferred during the year:

Name of the Company	Number of shares
EWAC Alloys Limited (Note 1)	8,29,440
L&T Cutting Tools Limited (Note 2)	68,000
L&T Technology Services Limited (Note 3)	4,68,292
Larsen & Toubro Infotech Limited (Note 3)	10,56,363
L&T Devihalli Hassan Tollway Limited	100
L&T Krishnagiri Walajahpet Tollway Limited	2,600

Note:

1. The Company has sold its entire stake in EWAC Alloys Limited, a wholly owned subsidiary, to ESAB Holdings Limited.

2. The Company has sold its entire stake in L&T Cutting Tools Limited, a wholly owned subsidiary, to IMC International Metalworking Companies B. V.

3. The Company has sold shares of L&T Technology Services Limited and Larsen & Toubro Infotech Limited in the open market towards partly meeting its mandatory obligation to reduce promoter shareholding in these companies.

C) Companies merged / demerged during the year:

Spectrum Infotech Private Limited, a wholly owned subsidiary of the Company was merged with the Company. The Scheme of Amalgamation was approved by National Company Law Tribunal, Mumbai bench, vide order dated February 21, 2018, and by National Company Law Tribunal, Bangalore bench, vide order dated March 27, 2018. Appointed date was April 1, 2017 and effective date was May 10, 2018.

D) Companies Struck off:

During the year under review, the following companies applied to the Ministry of Corporate Affairs for strike off under the provisions of Companies Act, 2013:

Name of the Company
L&T Cassidian Limited
Seawoods Retail Private Limited
Seawoods Realty Private Limited

E) Performance and Financial Position of each subsidiary/associate and joint venture companies:

A statement containing the salient features of the financial statement of subsidiary/associate/joint venture companies and their contribution to the overall performance of the Company is provided on pages 463 to 472 of this Annual Report.

The Company has formulated a policy on identification of material subsidiaries in line with Regulation 16(c) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the same is placed on the website at http://investors.larsentoubro.com/Listing-Compliance.aspx. The Company does not have any material subsidiaries.

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

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under section 186 of the Companies Act, 2013 and Regulation 34(3) and Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in Note 37 and 38 forming part of the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy and the same has been uploaded on the Company's website http://investors.larsentoubro.com/Listing-Compliance.aspx.

The Company has a process in place to periodically review and monitor Related Party Transactions.

All the related party transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved all related party transactions for the FY 2017-18 and estimated transactions for FY 2018-19.

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

STATE OF COMPANY AFFAIRS:

The total income for the financial year under review was ₹ 76,496 crore as against ₹ 68,216 crore for the previous financial year registering an increase of 12%. The profit before tax from continuing operations including exceptional items was ₹ 7,262 crore for the financial year under review as against ₹ 6,758 crore for the previous financial year, registering an increase of 7%. The profit after tax from continuing operations including exceptional items was ₹ 5,387 crore for the financial year under review as against ₹ 5,454 crore for the previous financial year, registering a decrease of 1%.

AMOUNT TO BE CARRIED TO RESERVE:

The Company has not transferred any amount to the reserves during the current financial year.

DIVIDEND:

The Directors recommend payment of dividend of ₹ 16 (800%) per equity share of ₹ 2/- each (previous year ₹ 14) on the share capital amounting to approx. ₹ 2,600 crore (including DDT amounting to ₹ 358 crore).

The Dividend is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company which is in line with regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is annexed as Annexure 'G' forming a part of this Board Report and also

uploaded on the Company's website at http://investors.larsentoubro.com/Listing-Compliance.aspx.

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

Other than as stated elsewhere in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the current financial year and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required to be given under Section 134(3) (m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure 'A' forming part of this Board Report.

RISK MANAGEMENT:

The Risk Management Committee comprises of Mr. S. N. Subrahmanyan, Mr. R. Shankar Raman and Mr. Subramanian Sarma. Mr. S. N. Subrahmanyan is the Chairman of the Committee.

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

A detailed note on risk management is given under financial review section of the Management Discussion and Analysis on pages 230 to 232 of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility Committee comprises of Mr. Vikram Singh Mehta, Mr. R. Shankar Raman and Mr. D. K. Sen. Mr. Vikram Singh Mehta is the Chairman of the Committee.

The CSR policy framework is available on its website http://investors.larsentoubro.com/Listing-Compliance.aspx.

A brief note regarding the Company's initiatives with respect to CSR is given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Please refer to Page 80 of this Annual Report.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure 'C' forming part of this Board Report.

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

Mr. Sushobhan Sarker, nominee of Life Insurance Corporation of India, resigned as Director of the Company on 2nd May, 2018. The Board places on record its appreciation of the contribution by Mr. Sarker as Director of the Company.

The Board has appointed Mr. Hemant Bhargava as a Director in the casual vacancy pursuant to the resignation of Mr. Sushobhan Sarker with effect from 28th May 2018. Mr. Bhargava is the nominee of Life Insurance Corporation of India. As per the provisions of Section 161(4) of the Companies Act, 2013, Mr. Bhargava will hold office till the ensuing AGM and is eligible for appointment.

Mr. Subramanian Sarma, Mrs. Sunita Sharma, Mr. A.M Naik and Mr. D. K. Sen retire by rotation at the ensuing AGM and being eligible offer themselves for re-appointment.

The notice convening the AGM includes the proposal for appointment / re-appointment of Directors.

Special resolutions for continuation of Mr. A. M. Naik as a Non-Executive Director, who has attained the age of 75 years, and for payment of remuneration to him which exceeds 50% of the total remuneration payable to all Non-Executive Directors taken together, forms part of the Notice being sent to the shareholders.

The terms and conditions of appointment of the Independent Directors are in compliance with the provisions of the Companies Act, 2013 and are placed on the website of the Company http://investors.larsentoubro.com/Listing-Compliance.aspx.

The Company has also disclosed on its website http://investors.larsentoubro.com/Listing-Compliance.aspx details of the familiarization programs to educate the Directors regarding their roles, rights and responsibilities in the Company and the nature of the industry in which the Company operates, the business model of the Company, etc.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

This information is given in Annexure 'B' - Report on Corporate Governance forming part of this Report. Members are requested to refer to pages 70 and 71 of this Annual Report.

AUDIT COMMITTEE:

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to pages 73 to 75 of this Annual Report.

COMPANY POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company has in place a Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to pages 75 to 79 of this Annual Report.

The Committee has formulated a policy on Directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees, board diversity, composition and the criteria for determining qualifications, positive attributes and independence of a Director. Nomination and Remuneration policy is provided as Annexure 'H' forming part of this Board Report and also disclosed on the Company's website at http://investors.larsentoubro.com/Listing-Compliance.aspx. The Committee has also formulated a separate policy on Board Diversity.

DECLARATION OF INDEPENDENCE:

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from Independent Directors confirming that he/she is not disqualified from appointing/ continuing as Independent Director. The same are also displayed on the website of the Company http://investors.larsentoubro.com/Listing-Compliance.aspx. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN:

As per the provisions of Section 92(3) of the Companies Act, 2013, an extract of Annual Return in Form MGT-9 is attached as Annexure 'F' to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

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

b) The Directors have selected such accounting policies and applied them consistently and made judgements 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 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 the Companies Act, 2013 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 to be followed by the Company and such internal financial controls are adequate and operating efficiently;

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.

ADEQUACY OF INTERNAL FINANCIAL CONTROL:

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013. For the year ended 31st March 2018, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. 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.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES, DIRECTORS AND CHAIRMAN:

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

Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual directors and the Chairman.

For the year under review, the questionnaire was modified substantially, based on the comments and suggestions received from Independent Directors. During the previous year(s) an external consultant was engaged to receive the responses of the Directors and consolidate/ analyze the responses. Based on the experience gained, during the current year, the same external consultant's IT platform was used from initiation and till conclusion of the entire board evaluation process. This ensured that the process was transparent and independent of involvement of the Management or the Company's IT system. This has enabled unbiased feedback.

The Board Performance Evaluation inputs, including areas of improvement, for the Directors, Board processes and related issues for enhanced Board effectiveness were discussed in the meeting of the Independent Directors held on April 5, 2018 and in the subsequent Meetings of Nomination and Remuneration Committee and the Board.

DISCLOSURE OF REMUNERATION:

The details of remuneration as required to be disclosed under the Companies Act, 2013 and the rules made thereunder, are given in Annexure 'D' forming part of this Board report.

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 'I' 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. None of the employees listed in the said Annexure is related to any Director of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

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

PROTECTION OF WOMEN AT WORKPLACE:

The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('the Act'). This has been widely disseminated. During the year two complaints were received under the Act which have been investigated and disposed off after complying with due process.

Awareness workshops/training programmes are conducted across the Company to sensitize employees to uphold the dignity of their colleagues at work place specially with respect to prevention of sexual harassment.

OTHER DISCLOSURES:

- **ESOP Disclosures:** There has been no material change in the Employee Stock Option Schemes (ESOP schemes) during the current financial year. The ESOP Schemes are in compliance with Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 ("SBEB Regulations").

  The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the SBEB Regulations together with a certificate obtained from the Statutory Auditors, confirming compliance, is provided on the website of the Company http://investors.larsentoubro.com/Listing-Compliance.aspx.

  A certificate obtained from the Statutory Auditors, confirming compliance with the Companies Act, 2013 and the SBEB Regulations is also provided in Annexure 'B' forming part of this Report.

- **Corporate Governance:** Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance, is provided in Annexure 'B' forming part of this Report.

- **Integrated Reporting:** Pursuant to SEBI Circular on Integrated Reporting, the Company shall be voluntarily complying with the requirements of the Integrated Reporting Framework and shall release its integrated report on its website www.larsentoubro.com.

- **Statutory Compliance:** The Company complies with all applicable laws and regulations, pays applicable taxes on time, takes care of all its stakeholders, ensures statutory CSR spend and undertakes sustainable activities.

VIGIL MECHANISM:

As per the provisions of Section 177(9) of the Companies Act, 2013 ('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 since 2004 to encourage and facilitate employees to report concerns about unethical behaviour, actual/ suspected frauds and violation of Company's Code of Conduct or Ethics Policy. The Policy has been suitably modified to meet the requirements of Vigil Mechanism under the Act. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the Chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy.

The Company has disclosed information about the establishment of the Whistle Blower Policy on its website http://investors.larsentoubro.com/corporategovernance.aspx. During the year, no person has been declined access to the Audit Committee, wherever desired.

Also see pages 81 and 82 forming part of Annexure 'B' of this Board Report.

BUSINESS RESPONSIBILITY REPORTING:

As per Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate section on Business Responsibility Reporting forms a part of this Annual Report (refer pages 19 to 38).

The Company has been one of the first engineering and construction companies in India to publish its report on Corporate Sustainability. The Sustainability Report encompasses areas such as Corporate Governance, Stakeholder Engagement, People Performance, Environment Performance and Social Performance. Aspects relating to human rights & labour practices, employee development, occupational health and safety culture, supply chain management, environmental management, development of green products and services portfolio, initiatives with respect to energy, renewable energy, water, air emission, etc. are covered in the Sustainability Report.

The detailed Corporate Sustainability Report for 2016-17 is also available on the Company's website http://www.larsentoubro.com/corporate/sustainability.aspx.

DETAILS OF SIGNIFICANT AND 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.

CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

SECRETARIAL AUDIT REPORT:

The Secretarial Audit Report issued by M/s. S. N. Ananthasubramanian & Co., Company Secretaries is attached as Annexure 'E' forming part of this Board Report.

The Secretarial Auditor's report to the shareholders does not contain any qualification or reservation.

AUDITORS:

In view of the mandatory rotation of auditors' requirement and in accordance with the provisions of Companies Act, 2013, M/s. Deloitte Haskins & Sells LLP were appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 70th Annual General Meeting (AGM) till the conclusion of 75th Annual General Meeting of the Company.

The requirement to place the matter relating to appointment of Auditor for ratification by members at every AGM is done away with vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the AGM held on September 9, 2015.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declared that they have not taken up any prohibited non-audit assignments for the Company.

The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process.

The Auditors attend the Annual General Meeting of the Company.

Also see pages 82 and 83 forming part of Annexure 'B' of this Board Report.

REPORTING OF FRAUD:

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board, on the recommendation of the Audit Committee, at its meeting held on 28th May 2018, has approved the appointment of M/s R. Nanabhoy & Co., Cost Accountants as the Cost Auditors for the Company for the financial year ending 31st March, 2019 at a remuneration of ₹ 11.75 lakhs.

The Report of the Cost Auditors for the financial year ended 31st March 2018 is under finalization and shall be filed with the Ministry of Corporate Affairs within the prescribed period.

A proposal for ratification of remuneration of the Cost Auditor for the financial year 2018-19 is placed before the shareholders.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Joint Venture partners / Associates.

For and on behalf of the Board

A. M. Naik
Group Chairman
(DIN: 00001514)

Date : 28th May 2018
Place : Mumbai

Annexure 'A' to the Board Report

Information as required to be given under Section 134(3) (m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

[A] CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservation of energy:

- Decentralizing Air Compressor System at Kansbahal Works
- Deployed power reduction tool in all Desktop's and Laptop's in Vadodara and at all project sites
- Installing censors in welding machines to identify consumption of electricity
- Vaporization of liquefied LPG from cylinders in galvanizing plant
- Replacement of the electrical heating coil vapourizer typically used with heater less hot water vapourizer in TLT factory
- Deployment of bucket crushers to recycle the excavated boulders and rocks for re-use as aggregates in concrete production
- Implemented eco-friendly direct heating system instead of Thermic fluid heating system and reduced the LPG consumption
- Introduced the forced natural Evaporator for treating the RO reject water and achieved Zero discharge
- Implementation of Cogged belt drive instead of V belt in Line 2 Dust collection system which reduced the speed loss and pulley modified which reduced the power cost
- Replacement of conventional MH Lamps and fluorescent tube lights by LED lamps in working areas at office and projects as well as for street lights
- Use of HF Generator Auto ON/OFF system implemented at Hazira
- Change in Big Rolling Machine Pumps operation sequence and switched off 3 pumps during auxiliary operation
- Use of Electrical Preheating instead of NG Preheating by temp control panels at Hazira
- Transformer made off through proper utilization as per load and saving of no load losses of transformer
- Installation of Occupancy Sensors and time switches with switching mechanism for Shop Offices ACs and Lights at VHEW
- Identification of Compressed air Leaks through Ultrasonic Leak detection system and arrest them in various shops at VHEW
- Energy saving in Air conditioning by setting the temperature at 26 degree Celsius and Magnetic resonators were installed at Heat treatment Furnace to increase fluidization of NG gas at Hazira
- Surrendering excess electricity contract demand of process for Powai and reduction from 7000KVA to 4990KVA
- Up-gradation of Chuck motor in Facing lathe and Ravensberg machine at Powai by providing VFD Drives
- Introduction of Auto ON-OFF Timer for streetlight Operation as per Day Light and switching off basement parking lights and ventilation fan during weekends
- Installed advanced zinc recovery system yielding much higher reusable zinc from zinc ash in the TLT factories
- Use of Flood light LED and power efficient Metal Halide lamps instead of Halogen in campuses
- Retrofitting of LED fixtures in place of CFL Fixtures
- Conducting "Save Electricity" campaign conducted on campus
- Installation of motion sensors at floor areas to reduce the overall electricity consumption
- Replacing existing aged inefficient Split AC units with energy efficient units
- Utilization of Chiller for HVAC System – Campus FMD initiated and control the chiller running hour for HVAC need during holidays and extended working hours
- Remote monitoring of Generator sets for reducing the idling time
- Implemented hygienic handling of digitized fuel browser

- Dedicated team for monitoring the lighting system and staff trained for preventing excessive usage of power at Steel Service Center, Pudupakkam
- Initiative has been taken for replacement of Air Cooled Chiller with Water Cooled Chiller.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

- Shift towards usage of windmill power in the place of State Electricity Board at Kanchipuram factory
- Use of heat of last charge in furnace by installing plate rolling process flow improvement for KNPC Al-zour
- Use of local heat treatment by PID controller based system
- Implementation of NUB welding by GMAW process to reduce weld deposition
- Installation of induction bending machine at Hazira
- Installing Solar panels on Rooftop
- Solar Panels installed at project sites
- Power generation through Solar Roof top PV installation. (Campus all building roof top has covered).

(iii) Capital investment on energy conservation equipments:

- Energy conservation in Air handling units
- To replace old welding machines with new machines with inverter technology to reduce no load loss and overall consumption
- Use of 250 kVA UPS for furnace to reduce diesel consumption of DG set for uninterrupted power supply
- Replacement of existing 400W MH lamps with 200W LED lamps for highbay lighting in HE East & West shops
- Energy conservation through entering into LOI with Tata Power Trading Company for 10 MW Wind Power Supply through Open Access
- Use of grid supply for LSR to replace DG set hiring and running cost thereby saving diesel consumption
- Feasibility for infrared heating to be explored and implemented for heating operation
- IOT projects for ESSC, SAW and nozzle welding process to save energy and reduce cycle time
- Installation of PFS Furnace Automation at Hazira.

The measures taken have resulted in savings in cost of production, power consumption and processing time at all locations.

[B] TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- Installed solar-based pump system instead of conventional pumps in a solar project site
- Developmental studies undertaken on special conventional and geo-polymer concrete mixes for 3D concrete printing
- Developmental studies done on coloured asphalt concrete mixes using synthetic binders for parking bays, parks, internal roads, pedestrian bays etc.
- Conducted design and developmental studies on 3D robot machine for construction industry and in-house mobile Concrete Maturity equipment
- Conducted studies on influence of pozzolanic materials on thermal hydration applicable for mass concrete foundations
- Conducted laboratory scale model studies through IOT techniques to monitor the remote functioning of cooling towers pumps, quantity of flow and temperature of chilled water, and humidity and also solar panels power projects – ambient temperature, radiation, panel axis position
- Designed and developed concrete mixes using recycled concrete aggregates
- Demonstrated waterless automatic module cleaning system in rooftop solar installations in our campuses
- Installed solar power system with bifacial PV modules and tracking technology for increased power generation
- Installed GPS tracking in conveyance vehicles and trucks to optimize travel distance, travel time and idling time
- Manufacturing latest technology products in material handling equipment namely Tandem

Tippler, Zinc ore Beneficiation, Sand Separation by air classifier, models of semi-mobile skid mounted crushing unit (with Feeder Breaker, Roll Crusher & Impactor)

- Designed and commissioned single flight pipe conveyors of Diameter 425 mm, regenerative conveyors, roll improved with segmented design, maintenance vehicle above the Pipe Conveyor, improved segmented design of roll and surface miner
- Introduced New Product Intensity (NPI) index which measures the sales of products introduced in the market in last five years to the total sales in the financial year
- Development of various new products in the power distribution and motor control sector namely were higher rating Air break & Vacuum contactors, DY125U 4 Pole MCCB, Electronic trip Unit - SR 18G with enhanced features, S-Line Copper Busways and S-Line Aluminum Busways for lower (250A) ratings, Ti-APFC panel as per IEC61291, APFC relay
- Development of new, cost-optimized meter platforms that offer better features, development and integration of modules to facilitate remote communication of meter data over Radio / GSM and development of Energy Meters, Pre-Paid Meters, Smart Meters, Protective Relays and Panel Meters
- Developed Smart and Pre-paid meter where each and every instance in power distribution will be recorded
- Development of different communication modules based on communication technologies in our 1 Ph & 3 Ph Whole Current & Smart Meters
- Introduction of Outdoor Cabinets for Telecom Segment, Utilities segment were Feeder Pillars & Front RMU with FRTU, Sub-Main Distribution Board (SMDB), local RMU manufacturing & new variant to its GIS (Gas insulated switchgear) Family
- Introduction of FPGA (Field programmable gate array devices) in Drive Development, design approach for product development using target link from dSpace
- Introduction of 72"Hydraulic Tire Curing Press, Guide Light System, Ply Inflator, Bladder Painting Machine, Lube Sprayer, Flap Press, Reel Winder, Mixing Mills, Mould Pre Heater, Parallel un-loader and Rack & Pinion unloader
- Introduction of 10-19" Two Wheeler Tire Building Machine, 25" OTR Tire Building Machine, Tyre Inspection Machine, GT Robot and Higher stroke Integrated BCM with bottom SMO
- Implemented Mobile based Inspections and BIM - 3D Modelling software for projects
- Deployment of analytics for Lead enhancement
- Development of portable plate load test set up for quick site exploration studies to determine the bearing capacity of soil stratum
- Production of in-house Rapid Chloride Penetration Test (RCPT) apparatus to determine the durability of concrete and supply to project sites
- Development of in-house Energy Absorption testing set up to evaluate the adequacy of fibre reinforced shotcrete for tunnels
- Implementation of MIG welding in place of SMAW welding
- Development & implementation of Robotic GMAW for Reactor Internals (Distribution & catalyst supporting beams)
- Installation of diffusers and blowers in wastewater treatment plants instead of conventional surface aerators
- Use of photoelectric sensors for lighting control in Integrated Urban utilities Project / Industrial Township Project
- Establishment of Robotic GMAW for FCCU Cyclones & Nozzle Joints
- Development of Tube to tube welding special purpose machine for ATVP Steam Generator
- Execution of Stellite#6 hard facing weld overlay (multi-layer) for Valero Canada Swirl tube assemblies
- Implementation of online weld consumables baking/holding oven temperature monitoring & inventory management system (IoT) and online system for monitoring of critical machine utilization
- Development of ATVP SG Titanium Tube coiling special purpose machine

- Process development for making triangular holes on baffles of Once through Reactor
- Development of IoT based Saw station and IR heating systems for shell circ-seam welding and IoT based shell ESSC station
- Development on new station for semi-automatic GMAW overlay of nub and TSR and special welding system for skin TC pad buttering
- Development of HPT cycle automation through scada based system for P80 project
- Development of In-situ system for RTJ groove for IOCL exchangers and control mechanism for dished end pressing
- Development of Weld Overlay by Cold Metal Transfer (CMT) process and Robotic Dished End Liner Groove buttering for Urea Equipment
- Indigenization for Carbon Steel SAW consumables and Welding Technology Development
- Development of Orbital TIG Welding of Maraging Steels for Defence Applications
- Establishment of Laser Projection Technology (LPT) for the setup of internal and external components on shells and Laser Scanning for the virtual set up of two mating parts in shells/sections
- Establishment of Reverse Engineering by the laser scanning technique
- Digitization of NABL laboratory quality management system
- Application of recycled materials and geo-polymer concrete in roads and building structures
- Implementation of innovative pavement solutions and performance evaluation studies at Kanchipuram campus
- Conducted studies on sprayed fire-resistive material applied to structural members, suitability of proximity switches used in nuclear reactors, influence of aging asphalt on resilient modulus of asphalt concrete, influence of polymer modified asphalt binders on force ductility, 3D concrete applications, maturity models in concrete, fatigue behavior welded steel members, lightweight form work applications, continuous flight auger pile and industrial treated waste water processing methods
- Development of pods using light weight concrete
- Development of interface constants for rock masses and shotcrete
- Developed evaluation methods for geosynthetic products
- Development of automatic ring collecting system in lower Dia machine
- Installation of solar lighting system in raw material yard
- Installation of the rotary limit switch and additional safety device (emergency control Device) in EOT Crane
- Purchase of Scrap Strengthening Machine to reduce the Lower dia Scrap
- Develop the Offcut area Dia wise to utilize the proper utilization of offcut & reduce the Scrap Percentage
- Indigenously implemented the M75 Grade Self-Compacting Concrete for the first time in India in Pylons of Extradosed Bridge – Barapullah
- Implemented 'Base Grouting' and Strand Jack Erection Methodology -MTHL
- Successful completion of Temperature controlled concrete (M45 Grade) of Single largest pour 7232Cum < 23ºC within 94 hrs. first time in DAE and achieved the all quality & specification requirements also used the 750 MT of ice from inside & outside meeting the stringent chloride requirements – Kalpakkam
- Installation of PLC controlled "Auto Mode" Plant and Office Lighting
- Tagging of pre-cast segments for easier identification and later usage
- Use of RFID and LoRA technologies to track worker to measure efficiency and productivity
- Installation of fuel meters and other sensors to track vehicles and measure their idle time, working time and productivity
- Installation of Fuel sensors to monitor the fuel consumption and optimize its usage
- Installation of grid power system to save electricity
- Barrette Pile Reinforcement Embedment Depth inside the Base Slab for Thousand Light & LIC under ground station

- Biological Nutrient Removal processes are recommended by recent guidelines of CPHEEO to prevent excess plant nutrients from wastewater
- Inclusion of polyelectrolyte in flocculation zone of High Rate Solid Contact Clarifier (HRSCC) in Sagardighi PWS 2 which combines mixing, coagulation, flocculation, liquid/solid separation, sludge recirculation/ withdrawal in one unit and effective floc formation
- Implementation of Ultrafiltration system which is capable of producing a total filtrate flow and Reverse Osmosis (RO) & Mixed Bed (MB) system in Sagardighi PWS 2
- Installed new Reverse Osmosis plant and reusing the STP/ETP water which reduced the paint shop water consumption
- Developed the 16mm Dia - 240mm circular rings to Ford Site, reused from Scrap bar & end pits to 8mm - 110mm Hooks to Residential Project – CNCL
- Introduced the rejection rework manual strengthening bench and the Laminated Colour Tag for Identification purpose
- Designed and commissioned the Smart Pole for Vishakhapatnam Smart City with CCTV Cameras, Public Address System, Emergency Call Boxes, Wi-Fi Access Points and Environmental Sensors
- Developed an integrated state of the art ICCC Platform solution with the Smart Elements for Pune Smart City
- Successfully integrated the Emergency response System with the existing Mumbai CCTV Surveillance System
- Developed and tested an indigenous solution for "Smart Bin Management" using advanced video analytics on CCTV camera to alert the crew for waste collection
- Introduction of RTSP (Real Time Streaming Protocol) feature on the Devices to get Video and Data Streams for identifying vehicles travelling over the legal speed limit from multiple cameras
- Creation of "ProdoSpec" application to optimize the activities of operations, supply chain, technical team involved in choosing a product/ solution that fits to the project requirement
- Implementation of Reinforced Soil Wall System in CTP 2 in the DFCC Project
- Completed construction of 71m high Reinforced Soil Slope System at Kannur International Airport
- Usage of high quality and high performance anti-stripping agent in bituminous layers
- Implementation of Concrete Infilled Geocell System for Lined Drains in ULEP
- Utilization of Drainage Geocomposite as an alternative to conventional filter media in Retaining Systems
- Usage of flexible pavement overlay design using data from Falling Weight Deflectometer (FWD)
- Implementation of BIM for ongoing projects – Dholera Smart City, Auric Bidkin Industrial Area, BIAL and Mauritius Metro Express Project
- Inclusion of 3D-Biaxial Geogrids in Railway Embankment for blanket layer reduction with the approval of RDSO
- Application of Finite Element Analysis (FEA) for in-house design of Cantilever Assembly with capacity to supply traction power for running double stack containers for WDFC projects
- Zinc ore Beneficiation process technology has been fully absorbed & indigenized while executing the project for Mine 3
- Tandem Tippler technology has been fully absorbed
- Development of various models of semi-mobile skid mounted crushing unit (with Feeder Breaker, Roll Crusher & Impactor) to meet specific applications for crushing
- Indigenized the technology for Sand separation by air classifier
- Development of Mobile Crushing Plant with Roll Crusher
- Designed and manufactured high capacity (8400 TPH) and bigger Boom Length (58m) Stacker cum Reclaimer
- In-house designed and commissioned the Single Flight Pipe Conveyors of Dia 425 mm with a length of 2.56 km

- In-house designed and indigenized Maintenance Vehicle above the Pipe Conveyor which reduces the requirement of walkway galleries
- Improvement in the design of roll for better service life of Roll Crusher.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Mitigating to 3D systems from 2D Grade Control Systems in phased manner
- Received an award for "Use of High Volume Fly Ash Pre-Stressed Concrete in Nuclear Reactor Dome Construction" to the Main Plant Package of Kakrapar Nuclear Power Project 3 & 4 from Indian Concrete Institute under the category of "Innovative application of special concrete"
- Innovation initiative with technological university in treatment process design for the development of Sequential Batch Biofilm Reactor (SBBR) for municipal wastewater treatment
- Fuel distribution wastage avoided by implementing hygienic handling of digitized fuel browser
- Implementation of mobile app based solution resulted in savings in usage of paper
- Installation of Single Stage Centrifuge for low power consumption factor, which yields a saving of 10% power for Blower Unit of Larger Capacity Wastewater Treatment Plants
- Obtained patent for 20 years by IP-India for Concrete Heavy Duty Rheometer was granted patent
- Developed a new resurfacing technology for bridge decks with light weight concrete, geotextiles and asphalt concrete
- Implemented optimized pavement overlay solution by LTCRTC and optimization of conventional concrete mixes for foundation structures for various PTD project sites
- Introduction of Fixed-Bed Biofilm Activated Sludge in Bhatpara wastewater Treatment Plant
- Introduction of grid tied solar plant which powers the production plants ie. batching plants and crushers
- Improving the aesthetics of the roads and implementation advanced new material technologies
- Development of in-house RCPT apparatus has been robust and eco-friendly
- Application of advanced shotcrete technology in tunnel construction
- Development of Eco-friendly concrete mixes with waste materials
- Improved cycle time due to Short Line Mould Precast segment production
- Rebar lifter usage over manual handling has reduced Work at Height
- New models of High Proportion and systems Concrete mix design were introduced - High Performance Concrete
- The 1st batch of Bridge Engineering programme was successfully completed by HCI IC in association with VIT Chennai
- Economical and cost effective piles in solar projects which saves time
- Cost Optimization by reinforcing Soil Wall system in economical by 10-15% instead of conventional RCC retaining walls
- Usage of high performance anti-stripping agents resulted into better Long-term Durability of Flexible Pavement and high resistance to moisture
- Usage of geocell system for lined drain in lieu of reinforced concrete lined drain/stone pitching and drainage geocomposite in retaining wall application has been simple, faster to execute and cost effective
- Bigger model of Surface Miner for higher productivity and cost reduction
- Usage of FWD in overlay design provides a realistic assessment of the strength of existing pavement and thereby provides appropriate overlay design resulting in long-term performance of pavement
- In-house designed, developed and commissioned the regenerative Conveyors which produces energy on downward slope

(iii) Information regarding technology imported during the last 3 years:

S. No.	Technology Imported	Year of Import	Status of absorption & reasons for non-absorption, if any
a)	Flue Gas Desulphuri-zation	2016	Absorption has been initiated in FY 2016-17. Its completion is linked with the completion of the first project where L&T Power would install FGDs.
b)	UV disinfection system	2015 2016 2017	Absorbed successfully in the 2 MLD President estate STP. Implementing for the India's largest gravity channel UV disinfection system in 120 MLD Varanasi STP. Implementation of Ultra Violet (UV) disinfection system for secondary treated wastewater. This is preferred over the conventional chlorination system which has harmful side effects due to the presence of carcinogens in residual chlorine.
c)	Vortex Grit Removal in Sewage Treatment Plant	2015 2016	Absorbed successfully in the 2 MLD STP at President's Estate, New Delhi. Works for the 5 new pumping stations of Greater Colombo project is in progress. It is the first of its kind to be installed in India for sewage application. It operates on VORTEX Principle where the grit removal happens by tangential Centrifugal force. Grit removal efficiency is about 95 %. The major advantage of this system is that they occupy less area and thus leads to easy maintenance. This is preferred over the conventional grit removal system for its high grit removal efficiency and compactness.
		2017	Fully absorbed this technology and are implementing the same with other projects like 318 MLD WWTP at Coronation Pillar, DJB – Cluster STPs.
d)	Constructed Wetland	2015	Absorbed successfully in 2 MLD STP at President Estate. Ready for complete in-house implementation in future projects as required. Constructed Wetland is a controlled natural wastewater treatment system where physical, biological processes polishes the secondary treated wastewater to remove fine solid content in a single unit. Waste water flows horizontally through the roots of Phragmites and Cattail (Typha) plants in the process.
e)	MBR (Membrane Bioreactor) Technology	2017	Implementing MBR Technology for 11 MLD STP and 13 MLD CETP for BIDKIN Infrastructural Development Project. Major advantage of MBR Technology includes the production of high quality effluent suited to be discharged to the surface water or to be utilized for urban irrigation. Further, it also offers small footprint, easy retrofit and upgrade of old wastewater treatment plants.
f)	Magnetic Field Analysis for Under-ground 220kV Power cables inside Power Duct	2018	Electromagnetic Field for Underground Cables inside Power Duct with different level depths for Amaravati Projects has been done and analyzed which henceforth concluded with a satisfactory result, Field Strength being under the acceptable electromagnetic pollution limit set to protect health of the public.

S. No.	Technology Imported	Year of Import	Status of absorption & reasons for non-absorption, if any
g)	Unistage Tire Building machine passenger-12-17 and Electrical Platen Heating System	2017	Indigenized Rubber Processing Machines by designing, developing specifications and adapting to International customers' needs.
h)	3D Virtual Reality Model in CTP-14	2017	Enhancing the demonstration capabilities for the civil components viz., track, embankment, bridges, drain, retaining wall, etc.

(iv) Expenditure incurred on Research & Development:

₹ crore

	2017-18
Capital	6.80
Recurring	187.86
Total	**194.66**
Total R&D expenditure as a percentage of total turnover	0.26%

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ crore

	2017-18
Foreign Exchange earned	16350.80
Foreign Exchange saved / deemed exports	1348.48
Total	**17699.28**
Foreign Exchange used	15277.89

Annexure 'B' to the Board Report

A. CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value. The Company has adopted many ethical and transparent governance practices even before they were mandated by law. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

B. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

C. THE GOVERNANCE STRUCTURE

The Company has four tiers of Corporate Governance structure, viz.:

(i) **Strategic Supervision –** by the Board of Directors comprising the Executive, Non-Executive Directors and Independent Directors.

(ii) **Executive Management –** by the Corporate Management comprising of the, Chief Executive Officer and Managing Director, 5 Executive Directors and 1 Non-Executive Director.

(iii) **Strategy & Operational Management –** by the Independent Company Boards of each Independent Company (IC) (not legal entities) comprising of representatives from the Company Board, Senior Executives from the IC and independent members.

(iv) **Operational Management –** by the Business Unit (BU) Heads.

The four-tier governance structure, besides ensuring greater management accountability and credibility, facilitates increased autonomy to the businesses, performance discipline and development of business leaders, leading to increased public confidence.

D. ROLES OF VARIOUS CONSTITUENTS OF CORPORATE GOVERNANCE IN THE COMPANY

a. Board of Directors (the Board):

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of stakeholder value. The Board also reviews and approves management's strategic plan & business objectives and monitors the Company's strategic direction.

b. The Group Chairman (GC):

The GC is the Chairman of the Board. His primary role is to provide leadership to the Board and guidance and mentorship to the CEO & MD and Executive Directors for realizing the approved strategic plan and business objectives. He presides over the Board and the Shareholders' meetings.

c. Executive Committee (ECom):

The ECom provides a company-wide operations review and plays a key role in strengthening linkages between the ICs and the Company's Board, as well as in rapidly realizing inter-IC synergies. In addition, the ECom deliberates upon strategic issues that cut across ICs and Corporate. The agenda includes:

- Review of major order prospects (Standalone/Group) "Integrated offerings"
- Review of CSR activities of the Company

- Review of consolidated financials including working capital, cash flow
- Review of Monthly / Quarterly / Yearly financial performance
- Review of Revenue, Capital & Manpower Budget
- Review and discuss strategic issues which impact the entire organization, viz.,
  i. International business expansion
  ii. IC synergies
  iii. HR Update/ Talent Management
  iv. Digitalization & Analytics initiatives
- Approval of common policies
- Sharing of best practices, etc.

d. The Chief Executive Officer and Managing Director (CEO & MD):

The CEO & MD is fully accountable to the Board for the Company's business development, operational excellence, business results, people development and other related responsibilities.

e. Executive Directors (ED) / Senior Management Personnel:

The Executive Directors, as members of the Board, along with the Senior Management Personnel in the Executive Committee, contribute to the strategic management of the Company's businesses within Board approved direction and framework. They assume overall responsibility for strategic management of business and corporate functions including its governance processes and top management effectiveness.

f. Non-Executive Directors (NED) / Independent Directors:

The Non-Executive Directors / Independent directors play a critical role in enhancing balance to the Board processes with their independent judgment on issues of strategy, performance, resources, standards of conduct, etc., besides providing the Board with valuable inputs.

g. Independent Company Board (IC Board):

As a part of Lakshya 2016, the Company decided to have Hybrid Holdco Structure. Accordingly, 10 Independent Companies (ICs) were created. During the process of evolving Lakshya 2021, the structure was reviewed and it was decided to continue with the IC structure with modified mandate. The Company has already implemented the new mandate given by the Board and currently we have 9 ICs. Needless to mention that the IC structure has enabled the Company to empower people and achieve substantial growth in their businesses.

Since 1999, developing and implementing five- year strategy plan is a regular process followed by the Company. This process called Lakshya has helped the Company to achieve its growth aspirations and created value for all stakeholders. The strategic plan for the period 2016 – 2021 named Lakshya 2021 was developed and approved by the Board at its meeting held in May 2016.

E. BOARD OF DIRECTORS

a. Composition of the Board:

The Company's policy is to have an appropriate mix of Executive, Non-Executive & Independent Directors. As on 31st March 2018, the Board comprised of the Group Chairman, the Chief Executive Officer & Managing Director, 5 Executive Directors, 4 Non-Executive Directors (3 representing financial institutions), and 11 Independent Directors. The composition of the Board, as on 31st March, 2018, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

b. Meetings of the Board:

The Meetings of the Board are generally held at the Registered Office of the Company at L&T House, Ballard Estate, Mumbai 400 001 and whenever necessary, in locations, where the Company operates. The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review, 6 meetings were held on 6th April 2017, 7th April 2017, 29th May 2017, 28th July 2017, 11th November 2017 and 31st January 2018.

The Independent Directors met on 5th April 2018 to discuss, interalia, the performance evaluation of the Board, Committees, Chairman and the individual Directors.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Group Chairman / Chief Executive Officer & Managing Director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board meets at least once every quarter, inter alia, to review the quarterly results. The Company also provides Video Conference facility, if required, for participation of the Directors at the Board/Committee Meetings. Additional Meetings are held, when necessary. Presentations are made on business operations to the Board by Independent Companies / Business Units. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary. The respective Chairman of the Board Committees apprise the Board members of the important issues and discussion in the Committee meetings. Minutes of Committee meetings are also circulated to the Board.

The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The minutes are approved and entered in the minutes book within 30 days of the Board meeting. Thereafter, the minutes are signed by the Chairman of the Board at the next meeting.

The following is the composition of the Board of Directors as on 31st March 2018. The Directors strive to attend all the Board / Committee meetings. Their attendance at the Meetings during the year and at the last Annual General Meeting is as under:

Name of Director	Category	Meetings held during the year	No. of Board Meetings attended	Attendance at last AGM
Mr. A. M. Naik #	GC	6	6	YES
Mr. S. N. Subrahmanyan ^	CEO & MD	6	6	YES
Mr. R. Shankar Raman	ED	6	6	YES
Mr. Shailendra Roy	ED	6	6	YES
Mr. D. K. Sen	ED	6	5	YES
Mr. M. V. Satish	ED	6	6	YES
Mr. J. D. Patil @	ED	3	3	YES
Mr. M. M. Chitale	ID	6	6	YES
Mr. Subodh Bhargava	ID	6	6	YES
Mr. M. Damodaran	ID	6	5	NO
Mr. Vikram Singh Mehta	ID	6	4	YES
Mr. Sushobhan Sarker (Note 1) $	NED	6	6	YES
Mr. Adil Zainulbhai	ID	6	5	NO
Mr. Akhilesh Gupta	ID	6	6	NO
Mrs. Sunita Sharma (Note 1)	NED	6	3	NO
Mr. Thomas Mathew T.	ID	6	6	YES
Mr. Ajay Shankar	ID	6	6	YES
Mr. Subramanian Sarma	NED	6	6	YES
Ms. Naina Lal Kidwai	ID	6	6	YES
Mr. Sanjeev Aga	ID	6	6	YES
Mr. Narayanan Kumar	ID	6	6	YES
Mr. Arvind Gupta (Note 2) *	NED	3	2	NO

Meetings held during the year are expressed as number of meetings eligible to attend.
Note: 1. Representing equity interest of LIC
2. Representing equity interest of SUUTI
- Non-Executive Chairman w.e.f. 1st October, 2017 ^ - CEO & MD w.e.f. 1st July, 2017
@ - appointed as a Director w.e.f. 1st July 2017 * - appointed as a Director w.e.f. 1st July 2017
$ - Has subsequently resigned as a Director of the Company w.e.f 2nd May 2018
GC – Group Chairman CEO & MD – Chief Executive Officer & Managing Director
ED – Executive Director NED – Non-Executive Director
ID – Independent Director

1. None of the above Directors are related inter-se.
2. None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As on 31st March 2018, the number of other Directorships & Memberships / Chairmanships of Committees of the Board of Directors are as follows:

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship
Mr. A. M. Naik	4	0	0
Mr. S. N. Subrahmanyan	3	2	0
Mr. R. Shankar Raman	8	4	0
Mr. Shailendra Roy	9	1	0
Mr. D. K. Sen	2	0	0
Mr. M. V. Satish	1	0	0
Mr. J. D. Patil	3	0	0
Mr. M. M. Chitale	8	3	5
Mr. Subodh Bhargava	2	1	0
Mr. M. Damodaran	4	5	3
Mr. Vikram Singh Mehta	7	2	1
Mr. Sushobhan Sarker	1	1	0
Mr. Adil Zainulbhai	7	2	5
Mr. Akhilesh Gupta	0	0	0
Mrs. Sunita Sharma	1	0	1
Mr. Thomas Mathew T.	4	3	0
Mr. Ajay Shankar	1	2	0
Mr. Subramanian Sarma	1	0	0
Ms. Naina Lal Kidwai	4	5	0
Mr. Sanjeev Aga	6	3	2
Mr. Narayanan Kumar	9	2	4
Mr. Arvind Gupta	1	0	0

- Other Company Directorships include directorships in all entities whose securities are listed and unlisted public companies and excludes unlisted private limited companies, foreign companies and Section 8 companies.
- The details of Committee Chairmanships / Memberships are disclosed as per Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

c. Information to the Board:

The Board of Directors has complete access to the information within the Company, which inter alia includes -

- Annual revenue budgets and capital expenditure plans
- Quarterly results and results of operations of ICs and business segments
- Financing plans of the Company
- Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems
- Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any
- Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company

- Developments in respect of human resources
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any

d. Post-meeting internal communication system:

The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / ICs promptly. An Action Taken Report is regularly presented to the Board.

F. BOARD COMMITTEES

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Risk Management Committee. The terms of reference of the Board Committees are decided by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairperson. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

1) Audit Committee

The Company has constituted the Audit Committee in 1986, well before it was made mandatory by law.

i) Terms of reference:

The role of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing, with the management, the annual financial statements and the audit report before submission to the board for approval, with particular reference to:
  1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of Section 134 of the Companies Act, 2013
  2. Changes, if any, in accounting policies and practices and reasons for the same
  3. Major accounting entries involving estimates based on the exercise of judgment by management
  4. Significant adjustments made in the financial statements arising out of audit findings
  5. Compliance with listing and other legal requirements relating to financial statements
  6. Disclosure of any related party transactions
  7. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, if any.

- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors about any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The recommendation for appointment, remuneration and terms of appointment of cost auditors of the Company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Review the management discussion and analysis of financial condition and results of operations.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.

Minutes of the Audit Committee Meetings are circulated to the Board of Directors and discussed, if necessary.

ii) Composition:

As on 31st March 2018, the Audit Committee comprised of three Independent Directors and 1 Non-Executive Director (nominee of LIC).

iii) Meetings:

During the year ended 31st March 2018, 8 meetings of the Audit Committee were held on 5th May 2017, 28th May 2017, 19th July 2017, 28th July 2017, 11th November 2017, 6th December 2017, 30th January 2018 and 16th February 2018.

The members of the Audit Committee also meet without the presence of management.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. M. M. Chitale	Chairman	8	8
Mr. M. Damodaran	Member	8	6
Mr. Sushobhan Sarker @	Member	8	8
Mr. Sanjeev Aga	Member	8	8

@ Pursuant to his resignation as a Director of the Company w.e.f. 2nd May 2018, Mr. Sushobhan Sarker has ceased to be a member of the Audit Committee from that date.

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise.

The Chief Executive Officer & Managing Director, Whole-time Director & Chief Financial Officer and Head - Corporate Audit Services are permanent invitees to the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

iv) Internal Audit:

The Company has an internal corporate audit team consisting of Chartered Accountants / Cost Accountants and Engineers. Over a period of time, the Corporate Audit department has acquired in-depth knowledge about the Company, its businesses, its systems & procedures, which knowledge is now institutionalized. The Company's Internal Audit function is ISO 9001:2015 certified. The Head of Corporate Audit Services is responsible to the Audit Committee. The staff of Corporate Audit department is rotated periodically to have a holistic view of the entire operations and share the findings and good practices.

The Corporate Audit Services team carries out theme based audits (revenue recognition, IT controls, etc.), joint audits with other Corporate departments for specific functions, identifies risk based focus areas in project audits, benchmarks the audit processes with large companies, encourages its team members to obtain globally renowned CISA, CIA and CFE Certification, etc. The audit plan is finalized based on the value of the contract in case of construction projects and the geographical spread of the Company. It is ensured that, on an average, all operations get covered in a span of two years. The Corporate Audit Services team has its offices at Mumbai and Chennai and all overseas audits are shared between these two zones.

From time to time, the Company's systems of internal controls covering financial, operational, compliance, IT applications, etc. are reviewed by external experts. Presentations are made to the Audit Committee, on the findings of such reviews.

2) Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee was constituted in 1999 even before it was mandated by law.

i) Terms of reference:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- Recommend to the Board appointment and removal of such persons;
- Formulate criteria for determining qualifications, positive attributes and independence of a director;
- Devise a policy on Board diversity;
- Formulation of criteria for evaluation of directors, Board and the Board Committees;
- Carry out evaluation of the Board and directors;
- Recommend to the Board a policy, relating to remuneration for the directors and key managerial personnel (KMP);
- Administration of Employee Stock Option Scheme (ESOS).

ii) Composition:

As at 31st March 2018, the Committee comprised of 3 Independent Directors and the Group Chairman.

iii) Meetings:

During the year ended 31st March 2018, 5 meetings of the Nomination & Remuneration Committee were held on 7th April 2017, 29th May 2017, 28th July 2017, 11th November 2017 and 31st January 2018.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. Subodh Bhargava	Chairman	5	5

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. A. M. Naik	Member	5	5
Mr. Adil Zainulbhai	Member	5	5
Mr. Thomas Mathew T.	Member	5	5

iv) Board Membership Criteria:

While screening, selecting and recommending to the Board new members, the Committee ensures that the Board is objective, there is absence of conflict of interest, ensures availability of diverse perspectives, business experience, legal, financial & other expertise, integrity, leadership and managerial qualities, practical wisdom, ability to read & understand financial statements, commitment to ethical standards and values of the Company and there are healthy debates & sound decisions.

While evaluating the suitability of a Director for re-appointment, besides the above criteria, the NRC considers Board evaluation results, attendance & participation in and contribution to the activities of the Board by the Director.

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. While appointing / re-appointing any Independent Directors / Non-Executive Directors on the Board, the NRC considers the criteria as laid down in the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

All the Independent Directors give a certificate confirming that they meet the "independence criteria" as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

These certificates have been placed on the website of the Company http://investors.larsentoubro.com/corporategovernance.aspx.

v) Remuneration Policy:

The remuneration of the Board members is based on the Company's size & global presence, its economic & financial position, industrial trends, compensation paid by the peer companies, etc. Compensation reflects each Board member's responsibility and performance. The level of compensation to Executive Directors is designed to be competitive in the market for highly qualified executives.

The Company pays remuneration to Executive Directors by way of salary, perquisites & retirement benefits (fixed components) & commission (variable component), based on recommendation of the NRC, approval of the Board and the shareholders. The commission payable is based on the overall performance of the Company, performance of the business / function as well as qualitative factors. The commission is calculated with reference to net profits of the Company in the financial year subject to overall ceilings stipulated under Section 197 of the Companies Act, 2013.

The Independent Directors / Non-Executive Directors are paid remuneration by way of commission & sitting fees. The Company paid sitting fees of ₹ 75,000/- per meeting of the Board and ₹ 40,000/- for Audit Committee and Nomination and Remuneration Committee meetings and ₹ 25,000/- for Stakeholders Relationship Committee and Corporate Social Responsibility Committee meetings during the year, to the Independent Directors / Non-Executive Directors. The commission is paid subject to a limit not exceeding 1% p.a. of the profits of the Company as approved by shareholders (computed in accordance with section 197 of the Companies Act, 2013).

The Group Chairman would provide leadership to Board and guidance and mentorship to the leadership team for implementing the strategy plan and business objectives. The Group Chairman is paid a fixed commission. The commission to the Independent Directors / Non-Executive Directors is distributed broadly on the basis of their attendance, contribution

at the Board, the Committee meetings, Chairmanship of Committees and participation in IC meetings.

In the case of nominees of Financial Institutions, the commission is paid to the Financial Institutions.

As required by the provisions of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the criteria for payment to Independent Directors / Non-Executive Directors is made available on the investor page of our corporate website http://investors.larsentoubro.com/Listing-Compliance.aspx.

Performance Evaluation Criteria for IDs:

The performance evaluation questionnaire covers specific criteria with respect to the Board & Committee composition, structure, culture, Board processes and selection, effectiveness of the Board and Committees, functioning of the Board and Committees, information availability, remuneration framework, familiarization program, succession planning, etc. It also contains specific criteria for evaluating the Chairman and individual Directors. An external consultant was engaged to receive the responses of the Directors and consolidate/ analyze the responses.

The Chairman of the Company discusses the performance evaluation results with the Chairman of the NRC and if required, interacts with all the Non-Executive Directors & Independent Directors on a one-to-one basis.

Members are also requested to refer to pages 57 and 58 of the Board Report.

vi) Training & Succession Planning:

The Company has institutionalized Leadership Development through a Seven Step leadership pipeline for development of a robust stage-wise leadership by a structured process of talent management. The thrust is on facilitating the transformation of managers into leaders, leaders into 'corporate entrepreneurs (intrapreneurs)' and to create a large pool of leaders who can envision, inspire, and successfully deploy global growth strategies thus creating a result-oriented culture of multiplying value.

Each step of this Leadership pipeline development process has been meticulously customized to equip managers at various levels, with the required knowledge, skill & mind-set to transition seamlessly to the next level of leadership and global entrepreneurship. In this effort, the Company has partnered with globally renowned senior faculty and premier institutes like Harvard Business School, INSEAD, IIM Ahmedabad, and Stephen M. Ross School of Business-University of Michigan. The programs are designed to provide inputs on vital areas of strategic importance such as innovation based strategies, integrated business models to take on global multinationals, cross-cultural challenges, organic and inorganic growth etc., and thus mark an important milestone in the journey towards leadership development in the global context.

To facilitate enhanced global acumen & international exposure, which are critical competencies for establishing a global footprint, the Company continues to nominate select senior leaders for Advanced Management Programs offered by globally renowned business schools like INSEAD, Wharton, Harvard, IMD, London Business School, Oxford and the likes. As a part of Leadership development at the top echelons of the organization, a structured & systematic approach to mentoring has been initiated to leverage on the leadership experiences & networks of senior leaders and to enable them to leave a legacy of success mantras.

In order to continuously monitor the progress of high potentials (HIGH POTS) who go through the Seven Step Leadership Development process and to ensure that they are given challenging roles and responsibilities, a Top Talent Management System is also put in place which is essential to ensure progress of a strong leadership pipeline.

To ensure that the Company has sufficient pool of probable employees who can be nominated for Leadership Pipeline, efforts are taken at the grass root level. There exists several structured core developmental programs, conducted by reputed institutions like IIM-Bangalore, IIM-Calcutta, XLRI, Symbiosis and NMIMS for deserving

employees to develop superior management skills and capabilities. A host of strategic and behavioural programs are conducted to address specific training and developmental needs of employees. A comprehensive e-learning portal ATL (Any Time Learning) is available with multiple on-line programs and courses for employees to enable learning 'at any time, at any place' at locations remote or otherwise. The portal provides access to on-line data bases, references, management videos, e-books and journals.

The NRC reviews on a periodic basis the succession planning process being followed by the Company especially at the level of the Board and senior management.

vii) Details of remuneration paid / payable to Directors for the year ended 31st March 2018:

(a) Executive Directors:

The details of remuneration paid / payable to the Executive Directors for 2017-18 is as follows:

₹ crore

Names	Salary	Perquisites	Perquisites related to ESOP**	Retirement Benefits	Commission	Total
Mr. A. M. Naik @	2.727	0.127	47.982	77.682*	8.727	137.245
Mr. S. N. Subrahmanyan	2.144	0.264	14.112	3.704	11.579	31.803
Mr. R. Shankar Raman	1.590	0.18	5.642	2.424	7.387	17.223
Mr. Shailendra N. Roy	1.470	1.168	2.285	1.833	5.319	12.075
Mr. D. K. Sen	1.140	0.120	–	1.688	5.113	8.061
Mr. M. V. Satish	1.140	0.215	–	1.524	4.502	7.381
Mr. J. D. Patil $	0.720	0.135	–	0.811	2.284	3.950

* Retirement benefits include encashment of accumulated past service leave ₹ 19.381 crore, gratuity ₹ 55.038 crore and pension of ₹ 1.50 crore.

** Represents perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by the Company, Larsen & Toubro Infotech Limited and L&T Technology Services Limited and includes tax on ESOPs borne by the Company wherever applicable.

$ Appointed as Executive Director w.e.f. 1st July 2017.

@ Executive Chairman till 30th September 2017.

- Notice period for termination of appointment of Chief Executive Office & Managing Director and other Whole-time Directors is six months on either side.
- No severance pay is payable on termination of appointment.
- Details of Options granted under Employee Stock Option Schemes are provided on the website of the Company www.larsentoubro.com.
- Mr. A. M. Naik has been granted stock options in Larsen & Toubro Infotech Limited and L&T Technology Services Limited. On his retirement as Group Executive Chairman, all options have been vested. The outstanding vested options are 5,49,375 and 10,40,000 in Larsen & Toubro Infotech Limited and L&T Technology Services Limited respectively. Mr. S. N. Subrahmanyan has been granted 2,00,000 stock options in Larsen & Toubro Infotech Limited and L&T Technology Services Limited each. Mr. R. Shankar Raman has been granted 1,00,000 stock options in Larsen & Toubro Infotech Limited. The perquisite amount on exercise of these options will be considered as a part of the remuneration of these Directors.

(b) Non-Executive Directors:

The details of remuneration paid / payable to the Non-Executive Directors for 2017-18 is as follows:

₹ crore

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Others	Total
Mr. A. M. Naik *	0.015	0.008	2.500	0.015**	2.538
Mr. M. M. Chitale	0.045	0.032	0.330	–	0.407
Mr. Subodh Bhargava	0.045	0.020	0.435	–	0.500
Mr. M. Damodaran	0.038	0.024	0.238	–	0.300
Mr. Vikram Singh Mehta	0.030	0.010	0.237	–	0.277
Mr. Sushobhan Sarker	0.045	0.032	0.263#	–	0.340
Mr. Adil Zainulbhai	0.038	0.020	0.258	–	0.316
Mr. Akhilesh Gupta	0.045	–	0.150	–	0.195
Ms. Sunita Sharma	0.023	–	0.038#	–	0.061
Mr. Thomas Mathew T.	0.045	0.020	0.278	–	0.343
Mr. Ajay Shankar	0.045	0.010	0.280	–	0.335
Mr. Subramanian Sarma	NIL	NIL	NIL	–	NIL
Ms. Naina Lal Kidwai	0.045	–	0.150	–	0.195
Mr. Sanjeev Aga	0.045	0.032	0.240	–	0.317
Mr. Narayanan Kumar	0.045	–	0.150	–	0.195
Mr. Arvind Gupta @	0.015	–	0.033#	–	0.048

@ appointed as a Director w.e.f. 1st July 2017

* Group Chairman w.e.f. 1st October 2017

** Others include perquisite value of Housing & Medical

Payable to respective Institutions they represent.

Details of shares and convertible instruments held by the Non-Executive Directors as on 31st March 2018 are as follows:

Names	No. of Shares held
Mr. A. M. Naik	4,24,958
Mr. M. M. Chitale	2,443
Mr. Subodh Bhargava	1,125
Mr. M. Damodaran	225
Mr. Vikram Singh Mehta	1,327
Mr. Sushobhan Sarker *	225
Mr. Adil Zainulbhai	150
Mr. Akhilesh Gupta	7,680
Mr. Sanjeev Aga	4,500
Mr. Thomas Mathew T.	150
Mr. Subramanian Sarma	31,650
Mr. Narayanan Kumar	1,500
Mrs. Sunita Sharma *	150
Mr. Ajay Shankar	150
Ms. Naina Lal Kidwai	150
Mr. Arvind Gupta *	100

* held jointly with the Institution they represent.

3) Stakeholders' Relationship Committee:

i) Terms of reference:

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- Redressal of Shareholders' / Investors' complaints
- Allotment, transfer & transmission of Shares / Debentures or any other securities and issue of duplicate certificates and new certificates on split / consolidation / renewal etc. as may be referred to it by the Share Transfer Committee.

ii) Composition:

As on 31st March 2018 the Stakeholders' Relationship Committee comprised of 1 Non-Executive Director, 1 Independent Director and 1 Executive Director.

iii) Meetings:

During the year ended 31st March 2018, 4 meetings of the Stakeholders' Relationship Committee were held on 29th May 2017, 28th July 2017, 11th November 2017 and 31st January 2018.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mrs. Sunita Sharma	Chairperson	4	0
Mr. Ajay Shankar	Member	4	4
Mr. Shailendra Roy	Member	4	4

Mr. N. Hariharan, Company Secretary is the Compliance Officer.

iv) Number of Requests / Complaints:

During the year, the Company has resolved investor grievances expeditiously except for the cases constrained by disputes or legal impediments.

During the year, the Company / its Registrar's received the following complaints from SEBI / Stock Exchanges and queries from shareholders, which were resolved within the time frames laid down by SEBI.

Particulars	Opening Balance	Received	Resolved	Pending*
Complaints:				
SEBI / Stock Exchange	4	78	79	3
Shareholder Queries:				
Dividend Related	486	8950	9392	44
Transmission / Transfer	71	3692	3701	62
Demat / Remat	27	481	501	7

* Investor queries shown outstanding as on 31st March 2018 have been subsequently resolved. The Company repeatedly sends reminders to shareholders regarding unclaimed shares and dividends. This results in an increase in the number of queries received.

The Board has delegated the powers to approve transfer of shares to a Share Transfer Committee of Executives comprising of four Senior Executives. This Committee held 42 meetings during the year and approved the transfer of shares lodged with the Company.

4) Corporate Social Responsibility Committee:

i) Terms of reference:

The terms of reference of the CSR Committee are as follows:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

ii) Composition:

As on 31st March 2018 the CSR Committee comprised of 1 Independent Director and 2 Executive Directors.

iii) Meetings:

During the year ended 31st March 2018, 4 meetings of the CSR Committee were held on 7th September 2017, 4th January 2018, 8th February 2018 and 26th March 2018.

The Members at the Committee are as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. Vikram Singh Mehta	Chairman	4	4
Mr. R. Shankar Raman	Member	4	4
Mr. D. K. Sen	Member	4	2

iv) CSR Activities & Impact Assessment:

The Company is leveraging its countrywide presence to reduce disparities through interventions in Water and sanitation, Healthcare, Education and Skill building. Close interactions with the local community members have enabled the Company to identify and address their most pressing needs and the social interventions for community development have been specifically aligned.

Under flagship program of "Integrated Community Development" (ICD), the Company has launched programs towards holistic development in the following areas based on need assessment:

- **Water & Sanitation:** For the availability of safe drinking water and proper sanitation facilities
- **Education:** To improve access to education (increased enrollment in pre-school, children attending neighborhood schools) and improving quality of learning (better school infrastructure, better teaching-learning process)
- **Health:** Improvement in access to quality health care (expanding infrastructure of health centres, increased number of people availing quality health care)
- **Skill development:** Enhancing employability of youth (enhancing training capacity, improved infrastructure of skill development centres).

Thirty Village Development Committees (VDCs) have been formed across locations, with participation from women. A quarterly review of the ICD projects is done with the village Panchayats and local authorities.

Access to cleaner water, hygienic surroundings, better health, education and new skills, has altered the lives of around 1 million individuals through our CSR Programs in 2017-18.

All CSR projects have defined goals and milestones which are tracked as per the periodicity defined for the project. The progress is compared with the baseline data that is gathered before the commencement of the project. This is carried out through an onsite evaluation as well as the reports generated from the project. The indirect impacts that accrue are also factored and documented in the monthly reporting process. These are subsequently vetted / measured during the external Social Audit or Impact Assessment. The social audit report is discussed during the Committee meetings.

The detailed disclosures of CSR spending during the year has been given in Annexure 'C' forming part of this Board Report. Please refer to pages 95 to 99 of this Annual Report.

5) Risk Management Committee:

i) Terms of reference:

The terms of reference of the Apex Risk Management Committee are as follows:

- Review the existing Risk Management Policy, framework and processes, Risk Management Structure and Risk Mitigation Systems. Broadly, the key risks will cover strategic risks of the group at the domestic and international level, including Sectoral developments, risk related to market, competition, political and reputational issues etc.
- Review operational risks including client quality, manpower availability, logistics and other aspects which impact the Company and the group.

ii) Composition:

As on 31st March 2018, the Apex Risk Management Committee comprised of 2 Executive Directors and 1 Non-Executive Director.

iii) Meetings:

During the year ended 31st March 2018, 2 meetings of the Apex Risk Management Committee were held on 3rd August, 2017 and 14th November, 2017.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. A. M. Naik*	Member	1	1
Mr. S. N. Subrahmanyan	Chairman	2	2
Mr. R. Shankar Raman	Member	2	2
Mr. Subramanian Sarma@	Member	1	1

@ Appointed as a Member wef 1st October, 2017

* Ceased to be a Member wef 1st October, 2017

Meetings held during the year are expressed as number of meetings eligible to attend.

G. OTHER INFORMATION

a) Directors' Familiarization Program:

All our directors are aware and are also updated as and when required, of their role, responsibilities & liabilities.

The Company holds Board meetings at its registered office and also if necessary, in locations, where it operates. Site / factory visits are organized at various locations for the Directors.

The internal newsletters of the Company, the press releases, etc. are circulated to all the Directors so that they are updated about the operations of the Company.

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

Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when senior company personnel are asked to make presentations about performance of their Independent Company (IC) / Business Unit, to the Board.

Some of the Independent Directors are members of the IC Board. They share the learnings from these meetings with the remaining Non-Executive Directors / Independent Directors formally and informally. Such interactions also happen when these Directors meet senior management in IC meetings and informal gatherings.

As part of the appointment letter issued to Independent Directors, the Company has stated that it will facilitate attending seminars/programs/ conferences designed to train directors to enhance their role as an Independent Director.

This information is also available on the website of the Company http://investors.larsentoubro.com/Listing-Compliance.aspx.

b) Risk Management Framework:

Please refer to Page 56 of the Board Report.

c) Vigil Mechanism / Whistle Blower Policy :

The Company has a Whistle Blower Policy in place since April 2004. The said policy was modified in line with the requirements of the

Vigil Mechanism under the Companies Act, 2013. The Company has a Whistle Blower Investigation Committee (WBIC) to manage complaints from "Identified" Whistle Blowers. In addition, WBIC considers "Anonymous" complaints which in their judgement are serious in nature and require investigation. The WBIC has four members viz. Chief Financial Officer, Company Secretary, Head-Corporate HR and Chief Internal Auditor. The WBIC is responsible for end to end management of the investigations from receipt of complaints to bringing them to a logical conclusion, keeping in mind the interest of the Company.

Employees are encouraged to report any wrong-doings having an adverse effect on the Company's financials / image. An employee can report any wrong-doing in oral or written form. Whistle-blowers are assured by the management of full protection from any kind of harassment, retaliation, victimization or unfair treatment.

Complaints under the Whistle Blower Policy are received by the Corporate Audit Services of the Company. The Chief Internal Auditor reviews the same and convenes a meeting of the WBIC for discussions. The WBIC, after screening the complaint, decides on the further course of action which will include requesting the complainant to provide further details, internal investigation by the Internal Audit department, investigation by external agencies, wherever necessary, opportunity to the defendant to present his / her case, etc. Based on the findings of the investigation, the WBIC decides the action to be taken and recommends the same to the Executive Committee for implementation.

The WBIC meets formally and reviews the complaints and their progress. In addition, discussions also take place over video-conferencing, telephone and emails amongst the WBIC members.

The Audit Committee is periodically briefed about the various cases received, the status of the investigation, findings and action taken, if any.

During the year, the Company has investigated the complaints received under the Whistle Blower Policy and suitable action has been taken against employees, wherever necessary.

Also please refer to pages 58 and 59 of the Board Report.

d) Statutory Auditors:

In the case of appointment of new auditors, a Committee, comprising of the Chairman of the Audit Committee, the CFO and the Company Secretary, evaluates various audit firms based on approved criteria as given herein below. The Audit firms are required to make a presentation to this Committee. The Committee considers factors such as compliance with the legal provisions, number / nature / size and variation in client base, skill sets available in the firm both at partner level and staff level, international experience, systems and processes followed by the firm, training and development by the firm to its partners and staff, etc. during the process of evaluation. Based on merit and the factors mentioned above, the Committee finalizes the firm to be appointed and recommends the same to the Audit Committee. The Audit Committee reviews the same before recommending to the Board and shareholders for approval.

The above process was followed by the Company while appointing M/s Deloitte Haskins & Sells LLP ('DHS') as the Auditors of the Company in 2015.

Deloitte Haskins & Sells LLP, registered since 1983, is one of the member firms of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). Each DTTL member firm provides services in particular geographic areas and is subject to the laws and professional regulations of the particular country or countries in which it operates.

Deloitte Haskins & Sells LLP tied up with CC Chokshi & Co in 1983 which was one of the largest Indian Independent audit and accounting firms. After that, it got merged with Fraser & Ross, PC Hansotia & Co and later with SB Billimoria (SBB) in 1999. In 2004, AF Ferguson & Co (one of India's oldest audit firm) merged into existing DHS firms.

Deloitte is now a global network with circa 200,000 people with revenues over $30 billion. Deloitte India has more than 10,000 professionals operating out of 13 cities – Ahmedabad, Bengaluru, Baroda, Chennai, Coimbatore, Goa, Gurgaon, Hyderabad, Jamshedpur, Kochi, Kolkata, Mumbai and Pune providing professional services in the areas of Audit, Risk Advisory, Tax, Consulting, and Financial Advisory services to public and private clients spanning multiple industries. It draws its strength from its people,

which include 2,700+ professionals in Audit, 2,250+ in Tax, 1,850+ in Consulting, and 900+ in Financial Advisory.

Also please refer to Page 59 of the Board Report.

e) Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company www.larsentourbo.com. The declaration of the Chief Executive Officer & Managing Director is given below:

To the Shareholders of Larsen & Toubro Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

S. N. Subrahmanyan
Chief Executive Officer & Managing Director

Date: May 28, 2018
Place: Mumbai

f) General Body Meetings:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Venue	Time
2016-2017	22nd August 2017	St. Andrews Auditorium	3.00 p.m.
2015-2016	26th August 2016	Birla Matushri Sabhagar	3.00 p.m.
2014-2015	9th September 2015	Birla Matushri Sabhagar	3.00 p.m.

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 22nd August 2017:

- To re-appoint Mr. Subodh Bhargava as an Independent Director of the Company for a 5 year term upto 29th March 2022.
- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 4,000 crore.
- To approve raising of finances through issue of debentures upto ₹ 6000 crore.

Annual General Meeting held on 26th August 2016:

- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 3600 crore.
- To approve raising of finances through issue of debentures upto ₹ 6000 crore.

Annual General Meeting held on 9th September 2015:

- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 3600 crore.
- To approve raising of finances through issue of debentures upto ₹ 6000 crore.

Note : The resolutions relating to raising of capital and finances have been taken at each of the above AGMs since the validity of the resolution is one year.

A meeting of the equity shareholders of the Company was convened on 22nd August 2017 as per the directions of National Company Law Tribunal at Mumbai to approve the Scheme of Arrangement between the Company and Spectrum Infotech Private Limited and their respective shareholders and creditors.

g) Approval of Members through Postal Ballot:

The Company received approval of the members on 5th July 2017, for passing an Ordinary Resolution under Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, for issue of bonus shares in the ratio of 1:2 (1 bonus share for every 2 shares held). Mr. S. N. Ananthasubramanian, Practicing Company Secretary, was appointed as the Scrutinizer for conducting the Postal Ballot process. The details of the voting pattern are as under:

Particulars	No. of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	28,11,214	60,43,09,880	60,71,21,094	99.99
Against the resolution	2,856	34,391	37,247	0.01
TOTAL	**28,14,070**	**60,43,44,271**	**60,71,58,341**	**100.00**

Procedure for Postal Ballot:
After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage envelopes are sent to the shareholders to enable them to consider and vote for and against the proposal within a period of 30 days from the date of dispatch. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and Company alongwith Postal Ballot Notice and Ballot Form. After the last day for receipt of ballots (physical / e-voting), the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same is published in the Newspapers and displayed on the Company Website and Notice Board and submitted to Stock Exchanges.

h) Disclosures:

1. During the year, there were no transactions of material nature with the Directors or the Management or relatives or the subsidiaries that had potential conflict with the interests of the Company.
2. Details of all related party transactions form a part of the accounts as required under IND AS 24 and the same are given in Note 51 forming part of the financial statements.
3. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.
4. The Company makes presentations to Institutional Investors & Equity Analysts on the Company's performance on a quarterly basis. The same is also available on our website http://investors.larsentoubro.com/Announcements.aspx.
5. There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years.
6. SEBI had issued notice to the Company, Mr. A. M. Naik and Mr. Shailendra Roy for alleged violation of the SEBI Act and SEBI (Prohibition of Insider Trading) Regulations, 1992 ("PIT Regulations") for delay ranging between 1-7 days in reporting obligations with certain trades in the shares of the Company that were carried out in the March 2014. The Company, Mr. A. M. Naik and Mr. Shailendra Roy have paid the amounts as determined by SEBI under a consent application.
7. The policy for determining material subsidiaries and related party transactions is available on our website http://investors.larsentoubro.com/Listing-Compliance.aspx.
8. Details of risk management including foreign exchange risk, commodity price risk and hedging activities form a part of the Management Discussion & Analysis. Please refer to pages 230 to 232 of this Annual Report.

i) Means of communication:

Financial Results	Quarterly & Annual Results are published in prominent daily newspapers viz. The Financial Express, The Hindu Business Line & Loksatta. The results are also posted on the Company's website: www.larsentoubro.com.
News Releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website: www.larsentoubro.com.
Website	The Company's corporate website www.larsentoubro.com provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report and Accounts of the Company and subsidiaries are available in downloadable formats. The entire Annual Report and Accounts of the Company will also be made available on the websites of the Stock Exchanges.
Filing with Stock Exchanges	Information to Stock Exchanges is now being also filed online on NEAPS for NSE, BSE Online for BSE and RNS for London Stock Exchange.

Annual Report and Annual General Meeting	Annual Report is circulated to all the members and all others like auditors, equity analysts, etc. In order to enable a larger participation of shareholders for the Annual General Meeting, the Company has provided Webcast facility of its 71st and 72nd Annual General Meeting in co-ordination with NSDL. The Company will continue to provide webcast facility in future. The Company suitably responds to the queries raised by the shareholders through the webinar.
Management Discussion & Analysis	This forms a part of the Annual Report which is mailed to the shareholders of the Company.
Presentations made to Institutional Investors and Analysts	The schedule of analyst / institutional investor meets and presentations made to them on a quarterly basis are displayed on the website.

H. UNCLAIMED SHARES

The Company does not have any unclaimed shares lying with it from any public issue. However certain shares resulting out of the bonus shares issued by the Company are unclaimed by the shareholders. As required under Regulation 39(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has already sent reminders in the past to the shareholders to claim these shares. These share certificates are regularly released on requests received from the eligible shareholders after due verification.

In accordance with the provisions of the Section 124(6) and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred equity shares on which dividend has remained unclaimed for a period of seven consecutive years from the financial years 2009-10. The details are given in the Board Report. Please refer to Page 54 of this Annual Report.

All corporate benefits on such shares viz. bonus shares, etc. shall be transferred in accordance with the provisions of IEPF Rules read with Section 124(6) of the Companies Act, 2013. The eligible shareholders are requested to note the same and make an application to IEPF Authority in accordance with the procedure available on www.iepf.gov.in and submit such documents as prescribed under the IEPF Rules to claim these shares.

I. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting:

The Annual General Meeting of the Company has been convened on Thursday, 23rd August 2018 at **Birla Matushri Sabhagar, New Marine Lines, Mumbai – 400020** at 3.00 p.m.

b) Financial calendar:

1.	Annual Results of 2017-18	28th May 2018
2.	Mailing of Annual Reports	Third week of July 2018
3.	First Quarter Results	During the last week of July 2018*
4.	Annual General Meeting	23rd August 2018
5.	Payment of Dividend	27th August 2018
6.	Second Quarter results	During last week of October 2018*
7.	Third Quarter results	During last week of January 2019*

* Tentative

c) Book Closure:

The dates of Book Closure are from Friday, 17th August 2018 to Thursday, 23rd August 2018 (both days inclusive) to determine the members entitled to the dividend for financial year 2017-2018.

d) Listing of equity shares / shares underlying GDRs on Stock Exchanges:

The shares of the Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

GDRs are listed on Luxembourg Stock Exchange and traded on London Stock Exchange.

e) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2018-2019 to BSE, NSE and Luxembourg Stock Exchange. Fees to London Stock Exchange will be paid on receipt of the bill.

f) Custodial Fees to Depositories:

The Company has paid custodial fees for the year 2018-2019 to Central Depository Services (India) Limited (CDSL) and fees to National Securities Depository Limited (NSDL) will be paid on receipt of the invoice.

g) Stock Code / Symbol:

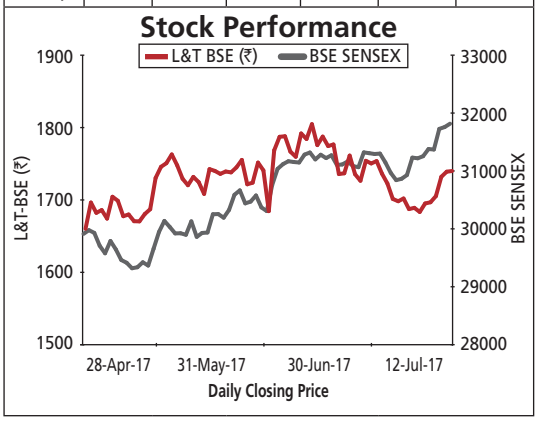
The Company's equity shares / GDRs are listed on the following Stock Exchanges and admitted for trading in London Stock Exchange:

BSE Limited (BSE)	:	Scrip Code - 500510
National Stock Exchange of India Limited (NSE)	:	Scrip Code - LT
ISIN	:	INE018A01030
Reuters RIC	:	LART.BO
Luxembourg Exchange Stock Code	:	005428157
London Exchange Stock Code	:	LTOD

The Company's shares constitute a part of BSE 30 Index of the BSE Limited as well as NIFTY Index of the National Stock Exchange of India Limited.

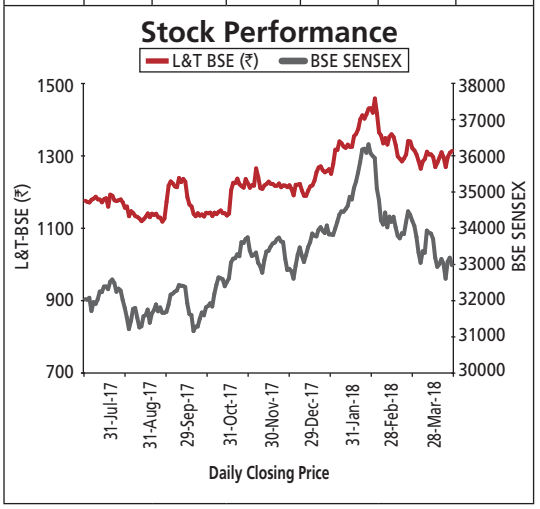
h) Stock market data for the year 2017-2018:

Month	L&T BSE Price (₹)			BSE SENSEX		
2017	High	Low	Month Close	High	Low	Month Close
Pre Bonus:						
April	1771.00	1578.00	1748.05	30184.22	29241.48	29918.40
May	1834.00	1680.00	1759.75	31255.28	29804.12	31145.80
June	1809.50	1661.35	1687.80	31522.87	30680.66	30921.61
July (upto 12th July)	1756.80	1671.00	1740.20	31885.11	31017.11	31804.82

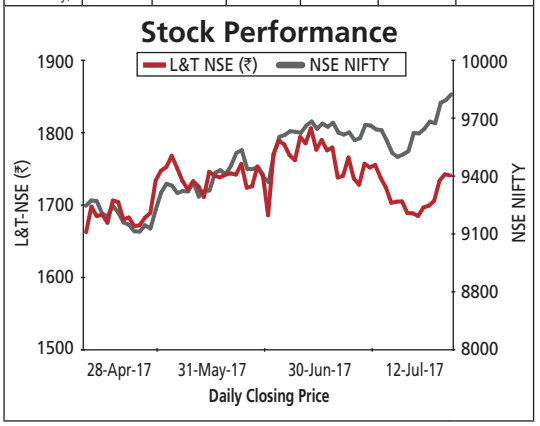


Month	L&T BSE Price (₹)			BSE SENSEX		
2017	High	Low	Month Close	High	Low	Month Close
Post Bonus:						
July (from 13th July)	1206.00	1153.25	1192.10	32672.66	31626.44	32514.94
August	1199.50	1114.55	1136.00	32686.48	31128.02	31730.49
September	1249.95	1116.45	1141.20	32524.11	31081.83	31283.72
October	1243.35	1124.50	1220.60	33340.17	31440.48	33213.13

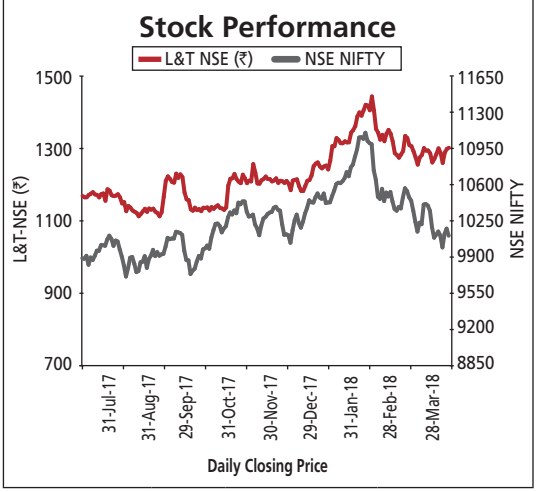
Month	L&T BSE Price (₹)			BSE SENSEX		
2017	High	Low	Month Close	High	Low	Month Close
November	1274.00	1202.00	1216.85	33865.95	32683.59	33149.35
December	1275.00	1176.00	1256.95	34137.97	32565.16	34056.83
2018						
January	1441.00	1243.15	1416.60	36443.98	33703.37	35965.02
February	1469.60	1275.85	1319.10	36256.83	33482.81	34184.04
March	1332.30	1259.70	1311.90	34278.63	32483.84	32968.68



Month	L&T NSE Price (₹)			NIFTY		
2017	High	Low	Month Close	High	Low	Month Close
Pre Bonus:						
April	1774.00	1576.60	1749.80	9367.15	9075.15	9304.05
May	1833.95	1677.60	1760.70	9649.60	9269.90	9621.25
June	1809.40	1661.30	1687.60	9709.30	9448.75	9520.90
July (upto 12th July)	1756.70	1671.00	1739.55	9830.05	9543.55	9816.10



Month	L&T NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
2017						
Post Bonus:						
July (from 13th July)	1207.50	1153.50	1193.95	10114.85	9792.05	10077.10
August	1198.25	1113.05	1136.30	10137.85	9685.55	9917.90
September	1250.50	1115.90	1142.05	10178.95	9687.55	9788.60
October	1243.50	1123.20	1222.30	10384.50	9831.05	10335.30
November	1274.95	1203.10	1216.55	10490.45	10094.00	10226.55
December	1275.95	1175.00	1258.25	10552.40	10033.35	10530.70
2018						
January	1441.65	1242.85	1416.50	11171.55	10404.65	11027.70
February	1470.00	1276.00	1318.15	11117.35	10276.30	10492.85
March	1332.90	1259.25	1310.90	10525.50	9951.90	10113.70



i) Registrar and Share Transfer Agents (RTA):

Karvy Computershare Pvt. Ltd.
Unit: Larsen & Toubro Limited
Karvy Selenium Tower B, Plot number 31 & 32
Financial District Gachibowli, Nanakramguda,
Hyderabad, Telangana - 500 032.

j) Share Transfer System:

The share transfer activities under physical mode are carried out by the RTA. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time. The share related information is available online.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

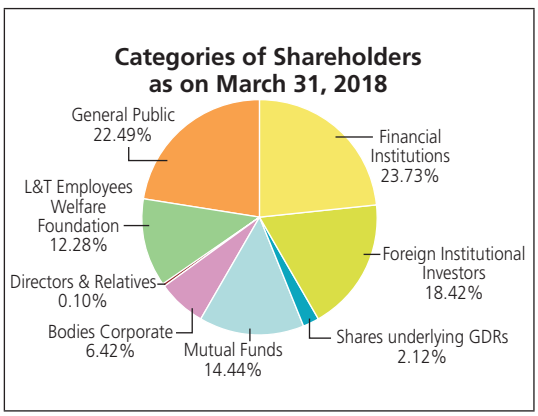
As required under Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

k) Distribution of Shareholding as on 31st March 2018:

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	8,43,110	89.57	8,16,30,062	5.83
501 – 1000	47,281	5.02	3,46,71,463	2.47
1001 – 2000	26,972	2.87	3,73,32,579	2.66
2001 – 3000	9,429	1.00	2,29,25,003	1.64
3001 – 4000	3,782	0.40	1,31,07,907	0.94
4001 – 5000	2,586	0.27	1,1590,159	0.83
5001 – 10000	4,231	0.45	2,92,64,989	2.09
10001 & Above	3,844	0.41	117,08,47,294	83.55
TOTAL	**9,41,235**	**100.00**	**140,13,69,456**	**100.00**

l) Categories of Shareholders is as under:

Category	31.03.2018		31.03.2017	
	No. of Shares	%	No. of Shares	%
Financial Institutions	33,25,25,270	23.73	25,04,43,440	26.84
Foreign Institutional Investors	25,81,41,851	18.42	16,11,32,756	17.27
Shares underlying GDRs	2,96,43,045	2.12	1,76,21,579	1.89
Mutual Funds	20,23,45,408	14.44	10,32,87,263	11.07
Bodies Corporate	8,99,08,301	6.42	6,43,39,638	6.90
Directors & Relatives	14,21,965	0.10	15,09,274	0.16
L&T Employees Welfare Foundation	17,21,28,421	12.28	11,47,52,281	12.30
General Public	31,52,55,195	22.49	21,98,79,572	23.57
TOTAL	**140,13,69,456**	**100.00**	**93,29,65,803**	**100.00**

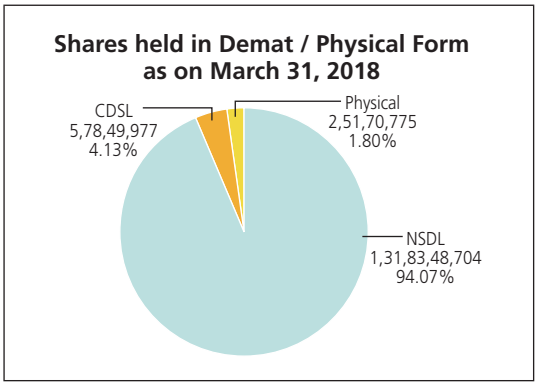


m) Dematerialization of shares & Liquidity:

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form.

The number of shares held in dematerialized and physical mode is as under:

	No. of shares	% of total capital issued
Held in dematerialized form in NSDL	1,31,83,48,704	94.07
Held in dematerialized form in CDSL	5,78,49,977	4.13
Physical	2,51,70,775	1.80
Total	**1,40,13,69,456**	**100.00**



n) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The outstanding GDRs are backed up by underlying equity shares which are part of the existing paid-up capital.

The Company has the following Foreign Currency Convertible Bonds outstanding as on 31st March 2018:

0.675% USD 200 million Foreign Currency Convertible Bonds due 2019		
(i)	Principal Value of the Bonds issued	USD 200 million
(ii)	Principal Value of Bonds converted to GDRs since issue	NIL
(iii)	Principal Value of Bonds outstanding as at 31st March 2018	USD 200 million
(iv)	Underlying Equity Shares / GDR's issued pursuant to conversion as per (ii) above	NIL
(v)	Underlying Equity Shares / GDR's that may be issued pursuant to conversion notices in respect of (iii) above	95,20,455 shares

These Convertible Bonds are listed on the Singapore Exchange Securities Trading Limited.

o) Listing of Debt Securities:

The redeemable Non-Convertible debentures issued by the Company are listed on the Wholesale Debt Market (WDM) of National Stock Exchange of India Limited (NSE) and / or BSE Limited (BSE).

p) Debenture Trustees (for privately placed debentures):

IDBI Trusteeship Services Limited
Ground Floor,
Asian Building
17, R. Kamani Marg
Ballard Estate
Mumbai – 400 001

q) Plant Locations:

The L&T Group's facilities for design, engineering, manufacture, modular fabrication and production are based at multiple locations within India including Ahmednagar, Bengaluru, Chennai, Coimbatore, Faridabad, Hazira (Surat), Kattupalli (near Chennai), Kanchipuram, Mumbai, Navi Mumbai, Mysuru, Pithampur, Puducherry, Rajpura, Kansbahal (Rourkela), Talegaon and Vadodara. L&T's international manufacturing footprint covers the Gulf (Oman, Saudi Arabia, UAE), South East Asia (Malaysia and Indonesia) and the U.K. The L&T Group also has an extensive network of offices in India and around the globe. See pages 12 and 13 of this Annual Report.

r) Address for correspondence:

Larsen & Toubro Limited,
L&T House,
Ballard Estate,
Mumbai 400 001.
Tel. No. (022) 6752 5656,
Fax No. (022) 6752 5893

Shareholder correspondence may be directed to the Company's Registrar and Share Transfer Agent, whose address is given below:

1. Karvy Computershare Pvt. Ltd.
   Unit: Larsen & Toubro Limited
   Karvy Selenium Tower B,
   Plot 31 & 32, Gachibowli,
   Financial District, Nanakramguda,
   Hyderabad, Telengana - 500 032
   Tel : (040) 6716 2222
   Toll free number: 1-800-3454-001
   Fax: (040) 2342 0814
   Email: einward.ris@karvy.com
   Website: www.karvycomputershare.com

2. Karvy Computershare Pvt. Ltd.
   Unit: Larsen & Toubro Limited
   24-B, Raja Bahadur Mansion,
   Ground Floor, Ambalal Doshi Marg,
   Behind BSE Limited,
   Fort, Mumbai – 400 023.
   Tel : (022) 6623 5454/ 5412/5427

s) Investor Grievances:

The Company has designated an exclusive e-mail id viz. IGRC@LARSENTOUBRO.COM to enable investors to register their complaints, if any.

t) Securities Dealing Code:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI Regulations'), the Company has suitably modified its Securities Dealing Code ('Code') for prevention of insider trading with effect from May 15, 2015. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Designated Persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All the Designated Employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and sell shares of the Company are prohibited from executing contra-trades during the next six months following the prior transactions. The Company has a policy for taking action against employees who violate the SEBI Regulations / Code.

Mr. N. Hariharan, Company Secretary has been designated as the Compliance Officer.

The Company has appointed Mr. Arnob Mondal, Vice President (Corporate Accounts & Investor Relations), as Chief Investor Relations Officer. The Company also formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is available on Company's Website http://investors.larsentoubro.com/Listing-Compliance.aspx.

u) Stakeholder Engagement:

The Company recognizes that its stakeholders form a vast and heterogeneous community. Our customers, shareholders, employees, suppliers, community, etc. have been guideposts of our decision making process. The Company engages with its identified stakeholders on an ongoing basis through business level engagements and structured stakeholder engagement programs. The Company maintains its focus on delivering value to all its stakeholders, especially the disadvantaged communities.

The Company has a dedicated Corporate Brand Management & Communications department which facilitates an on-going dialogue between the Company and its stakeholders. The communication channels include:

- For external stakeholders - Stakeholder engagement sessions, client satisfaction surveys, shareholder satisfaction survey, dealer and stockists meet, analyst / investors meet, periodic feedback mechanism, general meeting for shareholders, factory visits for shareholders, online service and dedicated e-mail service for grievances, corporate website and access to business media to respond to queries, etc.
- For internal stakeholders – Employee satisfaction surveys, employee engagement surveys for improvement in employee engagement processes, circulars and messages from management, corporate social initiatives, welfare initiatives for employees and their families, online news bulletins for conveying topical developments, large bouquet of print and online in-house magazines, helpdesk facility, etc.

Each of the businesses have their internal mechanisms to address the grievances of its

stakeholders. In addition, at the corporate level, there are committees which can be approached if the stakeholders are not satisfied with the functioning of such internal mechanisms. As part of the vigil mechanism, the Whistle Blower Policy provides access for various stakeholders to the Chairperson of the Audit Committee. The Whistle Blower Policy for Vendors & Channel Partners is displayed on the website of the Company http://investors.larsentoubro.com/CorporateGovernance.aspx.

v) Awareness Sessions / Workshops on Governance practices:

Employees across the Company as well as the group are being sensitized about the various policies and governance practices of the Company. The Company had designed in-house training workshops on Corporate Governance with the help of an external faculty covering basics of Corporate Governance as well as internal policies and compliances under Code of Conduct, Whistle Blower Policy, Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, SEBI Insider Trading Regulations, etc.

The Company has created a batch of trainers across businesses who in turn conduct training / awareness sessions within their business regularly during the year. External experts were also invited to conduct a session on Compliance & Governance for senior management.

w) ISO 9001:2015 Certification:

The Company's Secretarial Department which provides secretarial services and investor services for the Company and its Subsidiary and Associate Companies was ISO 9001:2008 certified. During the year, it migrated to and got certified under the ISO 9001:2015 standard.

x) Secretarial Audit as per SEBI requirements:

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

The secretarial department of the Company at Mumbai is manned by competent and experienced professionals. The Company has a system to review and audit its secretarial and other statutory compliances by competent professionals, who are employees of the Company. Appropriate actions are taken to continuously improve the quality of compliance.

The Company also has adequate software and systems to monitor compliance.

y) Secretarial Audit as per Companies Act, 2013:

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, M/s. S. N. Ananthasubramanian & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

z) Statutory Compliance System:

The Company complies with applicable laws, rules and regulations impacting Company's business. These comprise of Central Acts / Rules and those of state governments where the Company generally carries on business. The applicable laws are reviewed by the Corporate Legal and Legal departments of each Independent Company (IC) on a periodic basis and updated whenever required.

Each IC / Business head certifies compliance of all applicable laws by the IC on a quarterly basis. Based on these confirmations, the Company Secretary gives a compliance certificate to the Board of Directors.

The Company has a process of verifying the compliances through a random review of the process / system / documentation of the location of the IC / Corporate function / Group Company. Existing internal controls are also reviewed. The audit process includes planning the audit, discussion with auditee before audit commencement to explain the scope and purpose of the audit, verifying the compliances based on the supporting documentation, post audit meeting for explaining the observations, etc.

Independent Auditor's Certificate on Corporate Governance

TO THE MEMBERS OF
LARSEN & TOUBRO LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. 4335A dated September 14, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Larsen & Toubro Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") as amended.

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)

Mumbai, May 28, 2018

Independent Auditor's Certificate in respect of the implementation of Employee Stock Option Schemes of the Company

TO THE MEMBERS OF
LARSEN & TOUBRO LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE IN RESPECT OF THE IMPLEMENTATION OF EMPLOYEE STOCK OPTION SCHEMES OF THE COMPANY

1. This certificate is issued in accordance with the terms of our engagement letter dated September 14, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018), the Statutory Auditors of Larsen & Toubro Limited ("L&T"/ "Company"), pursuant to the requirement of clause 13 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended by Circular No. CIR/CFD/POLICYCELL/2/2015 dated June 16, 2015, vide Notification no. SEBI/LADNRO/GN/2015-16/021 dated September 18, 2015 and vide Notification no. SEBI/LAD/NGO/GN/2016-17/037 dated March 6, 2017 (the "Regulations") are required to certify for the year ended March 31, 2018 that the Employee Stock Option Schemes, L&T Limited ESOP scheme -2000 and L&T Limited ESOP scheme -2006 (the "Schemes") have been implemented in accordance with the Regulations and in accordance with the special resolutions passed in the general meeting held on August 26, 1999, and August 25, 2006 (the "Resolutions").

Management's Responsibility

3. The Management is responsible for implementation of the Schemes in accordance with the Regulations and the Resolutions. This responsibility includes the design, implementation and maintenance of internal control relevant to the implementation of the Schemes in accordance with the Regulations and Resolutions. The Management is also responsible for ensuring compliance with the terms and conditions contained in the Regulations and for providing all relevant information to us in this regard

Auditor's Responsibility

4. It is our responsibility to provide a certificate on compliance with the Regulations and Resolutions by the Company while implementing the Schemes during the year ended March 31, 2018, based on our examination of the books of account and other records of the Company for the year ended on that date, which have been subjected to our audit vide our report dated May 28, 2018.

5. We conducted our examination and obtained the explanations in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 which include the concepts of test checks and materiality. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

Criteria and Scope

7. The criteria against which the information is evaluated are the following:

   a) the Regulations;

   b) the Schemes;

   c) Special resolution passed by the Shareholders for the Schemes; and

   d) Written representation from the Management.

Opinion

8. Based on our examination, as stated above, and according to the information, explanations and representations provided to us by the Management of the Company, in our opinion, the schemes implemented by the Company are in accordance with the Regulations and the Resolutions.

Restriction on Use

9. This certificate is addressed to and provided to the Members of the Company solely for the purpose of compliance with Clause 13 of the Regulations. This certificate should not be circulated, copied, used/referred to for any other purpose, without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care of for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, May 28, 2018

To the Board of Directors of Larsen & Toubro Limited

Dear Sirs,

Sub: CEO / CFO Certificate
{Issued in accordance with provisions of Regulation 17(8) of
SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015}

We have reviewed the consolidated financial statements, read with the consolidated cash flow statement of Larsen & Toubro Limited for the year ended March 31, 2018 and that to the best of our knowledge and belief, we state that;

(a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or propose to be taken for rectifying these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) that there were no significant changes in internal controls over financial reporting during the year; and

(ii) that there were no significant changes in accounting policies made during the year; and

(ii) that there were no instances of significant fraud of which we have become aware.

Yours sincerely,

R. Shankar Raman	**S. N. Subrahmanyan**
Chief Financial Officer	CEO & Managing Director

Place: Mumbai
Date: May 28, 2018

Annexure 'C' to the Board Report

CSR ACTIVITIES FOR 2017-18

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR projects of the Company are focused on communities that are disadvantaged, vulnerable and marginalized. We strive to contribute positively to improve their standard of living; through our interventions in water & sanitation, heath, education and skill development.

The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act, 2013 (the Act) for the benefit of the community.

The Company will primarily focus on **'Building India's Social Infrastructure'** as part of its CSR programme which will include, amongst others, the following areas, viz.

- Water & Sanitation – includes but not limited to watershed development -making clean drinking water available, promoting rain water harvesting, soil and moisture conservation, enhancing ground water levels by facilitating community management of water resources for improving conditions related to sanitation, health, education and livelihoods of communities through an integrated approach .
- Education - includes but not limited to education infrastructure support to educational Institutions, educational programs & nurturing talent at various levels.
- Health - includes but not limited to community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programs, support to HIV / AIDS, Tuberculosis control programs.
- Skill Development - includes but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI's, support to specially abled (infrastructure support & vocational training), Construction Skills Training Centres and providing employability skills to women and youth.

Governance, Technology and Innovation would be the Key enabling factors across all these verticals.

The detailed CSR Policy Framework is given in the Governance section on the website of the Company. Please see the link http://investors.larsentoubro.com/Listing-Compliance.aspx

2. Composition of the CSR Committee.

The CSR Committee of the Board comprises of

1.	Mr. Vikramsingh Mehta	Chairman,
2.	Mr. R. Shankar Raman	Member
3.	Mr D.K. Sen	Member

and Mr. N. Hariharan as the Secretary of the Committee.

3. Average net profit of the Company for the last three financial years.

The average net profit of the Company for the last three financial years is ₹ 5,023.91 Cr.

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above).

The Company is required to spend an amount of ₹ 97.29 Cr. as CSR expenditure during the financial year 2017-18.

5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year

The Company was required to spend ₹ 97.29 Cr during the financial year 2017-18. As against this mandate, the Company spent ₹ 100.92 Cr towards various activities for the benefit of the community. This exceeds the required spend by ₹ 3.63 Cr. The CSR spend for FY 2017-18 is 2.07% of net profit.

b. Amount unspent, if any

Nil

c. Manner in which the amount was spent in the financial year is detailed below:

As per table enclosed

6. Reasons for not spending the amount during the financial year.

NA

7. CSR Committee Responsibility Statement:

The CSR Committee hereby affirms that:

- The Company has duly formulated a CSR Policy Framework which includes formulation of a CSR Theme, CSR budget and roles and responsibilities of the Committee as well as the various internal committees formed for implementation of the CSR policy;
- The Company has constituted a mechanism to monitor and report on the progress of the CSR programs;
- The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy.

S. N. Subrahmanyan	**Vikram Singh Mehta**
CEO & Managing Director DIN: 02255382	Chairman – CSR Committee DIN: 00041197

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programes 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programe wise (₹ In Lakh)	Direct expenditure on projects or programs (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto to the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
1	School support programme- Enhancing the quality of education and learning levels in government schools / schools running for children from underprivileged backgrounds	Education	Andhra Pradesh (Vizag), Chandigarh, Chhattisgarh (Raigarh), Gujarat (Ahmedabad, Surat, Vadodara), Jharkhand (Ranchi), Karnataka (Mysuru), Madhya Pradesh (Khandwa), Maharashtra (Mumbai, Pune, Raigad), New Delhi (Faridabad), Orissa (Rayagada, Rajpur), Rajasthan (Rawatbhata), Tamil Nadu (Chennai, Kanchipuram, Coimbatore), Telangana (Hyderabad), Uttar Pradesh (Tanda), West Bengal (Kolkata)	559.56	524.93	27.72	552.64	Implementing agency
2	Community based programmes- Study Centres / balwadis /anganwadis run for developing pre-school foundation, promoting healthy and hygienic environment for education and providing nutritional supplements	Education	Andhra Pradesh (Vizag), Karnataka (Bengaluru), Maharashtra (Mumbai), Orissa (Rayagada), Tamil Nadu (Chennai, Coimbatore)	242.58	206.92	10.93	217.84	Implementing agency
3	Providing infrastructure support for education	Education	Andhra Pradesh (Vizag, West Godavari), Chandigarh, Chhattisgarh (Raipur), Gujarat (Ahmedabad, Surat, Vadodara, Mahesana, Navsari, Morbi, Narmada), Jharkhand (Jamshedpur, Bokaro, Deoghar), Karnataka (Bengaluru, Mysuru, Tumkur, Gadag, Bagalkot), Madhya Pradesh (Alirajpur, Bhopal, Chhatarpur, Khargone, Narsinghpur), Maharashtra (Ahmednagar, Pune, Nagpur, Nasik, Thane, Raigad, Mumbai), Meghalaya (Shilong), New Delhi, Orissa (Rourkela, Bhubaneswar, Cuttack, Jajpur, Balasore, Ganjam, Sundergarh, Bhadrak, Khurda, Kalahandi, Rayagada), Punjab (Moga), Rajasthan (Baran, Pali, Churu, Tonk, Karauli), Tamil Nadu (Chennai, Vellore, Erode, Ariyalur, Coimbatore, Dharmapuri, Pudukkottai, Kanchipuram), Telangana (Medak, Khammam, Adilabad),Uttar Pradesh (Sonbhadra, Allagabad), West Bengal (Kolkata, Nadia, North 24 Parganas, Uttar Dinajpur)	1,171.77	1,024.46	54.09	1,078.55	Direct
4	Providing educational aids to children-books, stationary, sports equipment, uniforms, school bags, shoes, woolen clothes, raincoats etc.	Education	Gujarat (Ahmedabad, Vadodara), Karnataka (Bengaluru), Kerala (Kannur, Kochi), Maharashtra (Mumbai, Pune), New Delhi, Orissa (Rayagada, Rourkela, Bhubaneswar), Rajasthan (Jaipur), Tamil Nadu (Coimbatore), Telangana (Hyderabad)	41.01	33.59	1.77	35.36	Direct

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programes 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programe wise (₹ In Lakh)	Direct expenditure on projects or programs (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto to the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
5	Awareness programmes (health and hygiene, road safety, career guidance, personality development)	Education	Karnataka (Bengaluru), Tamil Nadu (Chennai)	2.20	0.85	0.04	0.89	Implementing agency
6	Community Health Centres (offering diagnostic services including family planning, gynecological, pediatric, immunization, chest & TB, ophthalmic consultation, dialysis services, HIV/AIDS awareness, etc.)	Health	Gujarat (Surat), Maharashtra (Mumbai, Thane, Ahmednagar)	742.58	647.07	34.20	681.27	Direct
7	Health Camps (general, eye, dental, vaccinations) and health awareness	Health	Andhra Pradesh (Vizag), Gujarat (Vadodara, Surat), Jharkhand (Jamshedpur), Madhya Pradesh (Bhopal), Maharashtra (Nagpur), New Delhi, Orissa (Bhubaneswar, Raygada), Rajasthan (Jaipur), Tamil Nadu (Chennai), West Bengal (Kolkata)	41.67	38.25	2.02	40.26	Direct
8	Health Camps (general, eye, dental, vaccinations) and health awareness	Health	Andhra Pradesh (Vizag), Gujarat (Surat, Ahmedabad, Vadodara), Karnataka (Bengaluru), Maharashtra (Pune, Mumbai), New Delhi (Faridabad), Orissa (Sundargarh, Rayagada), Tamil Nadu (Chennai, Tirunelveli)	150.72	138.25	7.30	145.55	Implementing agency
9	Blood donation camps	Health	Chandigarh, Chattisgarh (Raipur), Gujarat (Vadodara, Ahmedabad), Jharkhand (Jamshedpur), Kerala (Kochi), Madhya Pradesh (Indore), Maharashtra (Pune, Nagpur), New Delhi, Orissa (Bhubaneswar), Rajasthan (Jaipur), Tamil Nadu (Coimbatore, Chennai), Telangana (Hyderabad), Uttar Pradesh (Lucknow)	3.47	2.88	0.15	3.04	Implementing agency
10	Infrastructure support to medical centres	Health	Gujarat (Vadodara), Madhya Pradesh (Khandwa), Maharashtra (Mumbai), Orissa (Sundargarh), Rajasthan (Baran), Tamil Nadu (Chennai), Uttar Pradesh (Tandwa)	274.34	257.74	13.61	271.35	Direct
11	Construction Skill Training Institute - CSTI	Skill Building	Gujarat (Ahmedabad), Karnataka (Bengaluru), Maharashtra (Panvel, Nagpur), Orissa (Cuttack), Tamil Nadu (Kanchipuram, Pulicat), Telangana (Hyderabad, Jadcherla), Uttar Pradesh (Pilkhuwa), West Bengal (Kolkata)	4,306.77	4,047.02	213.68	4,260.71	Direct
12	Vocational and Computer training for youth	Skill Building	Andhra Pradesh (Vizag), Gujarat (Surat), New Delhi, Uttar Pradesh (Lucknow), Madhya Pradesh (Malwa), New Delhi, Rajasthan (Baran)	192.67	180.93	9.55	190.48	Direct

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programes 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programe wise (₹ In Lakh)	Direct expenditure on projects or programs (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto to the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
13	Vocational Training	Skill Building	Gujarat (Vadodara), Maharashtra (Nagpur, Pune, Raigad), Tamil Nadu (Chennai, Coimbatore, Nilgiris), West Bengal (Kolkata)	130.20	78.38	4.14	82.52	Implementing agency
14	Women empowerment through vocational training	Skill Building	Gujarat (Surat, Ahmedabad), Kerala (Ernakulam), Orissa (Rayagada), West Bengal (Kolkata)	65.88	59.45	3.14	62.59	Implementing agency
15	Skill building for differently abled	Project Neev	Jharkhand (Jamshedpur), Kerala (Kochi), Maharashtra (Mumbai, Pune, Ahmednagar), Rajasthan (Jaipur), Tamil Nadu (Chennai), Telangana (Hyderabad), West Bengal (Kolkata)	115.14	107.82	5.69	113.52	Implementing agency
16	Basic infrastructure support in the community (Water, Health, Sanitation, Solar lights, roads etc.)	Community Development	Andhra Pradesh (Vizag), Maharashtra (Mumbai), Orissa (Bhubaneswar, Balasore), Tamil Nadu (Chennai, Kanchipuram, Coimbatore), Uttarakhand (Rudraprayag), West Bengal (Dakshin Dinajpur)	66.99	50.05	2.48	52.53	Direct
17	**Integrated Community Development Programme	Water & Sanitation, Health, Education, Skill Building	Maharashtra (Ahmednagar), Rajasthan (Rajsamand, Udaipur), Tamil Nadu (Coimbatore, Vellore)	2,106.01	1,636.52	86.41	1,722.93	Implementing agency
18	Development of gardens and maintenance of public spaces	Environment	Maharashtra (Mumbai, Nasik, Pune, Ahmednagar), New Delhi	240.25	189.19	9.99	199.18	Direct
19	Tree plantation and environment protection	Environment	Andhra Pradesh (Vizag), Gujarat (Surat, Vadodara, Ahmedabad), Jharkhand (Jamshedpur), Karnataka (Bengaluru, Tumkur, Gadag, Raichur), Madhya Pradesh (Bhopal), Maharashtra (Nagpur, Nasik, Pune), Orissa (Balasore, Berhampur, Kalahandi), Rajasthan (Churu), Tamil Nadu (Chennai, Coimbatore), Telangana (Adilabad), West Bengal (North 24 Parganas)	75.44	65.93	3.48	69.41	Direct
20	Awareness programmes - environment, energy conservation,road safety	Environment	Andhra Pradesh (Vizag), Chandigarh, Maharashtra (Nagpur), Telangana (Hyderabad), New Delhi	12.61	10.23	0.54	10.77	Implementing agency
21	Employee Volunteering	Employee volunteers	Andhra Pradesh (Vizag), Gujarat (Surat, Vadodara), Jharkhand (Jamshedpur), Maharashtra (Mumbai), New Delhi, Orissa (Sundargarh, Jajpur), Tamil Nadu (Chennai, Coimbatore), West Bengal (Kolkata)	304.36	285.85	15.10	300.95	Direct
			Total	**10,846.22**	**9,586.31**	**506.03**	**10,092.34**	

Annexure 'D' to the Board Report

A) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18, the percentage increase in remuneration of each Director & Company Secretary during the financial year 2017-18 and comparison of the remuneration of each of the Key Managerial Personnel against the performance of the company:

₹ crore

Name of the Director/ KMP	2017-18			
	Designation	Total Remuneration	Ratio of remuneration of director to the median remuneration $	Percentage increase in Remuneration
A. M. Naik	Group Executive Chairman	137.245@	1725.32	73.92
S. N. Subrahmanyan	CEO & Managing Director	31.803	399.80	34.13
R. Shankar Raman	Whole-time Director & Chief Financial Officer	17.223	216.51	19.97
Shailendra Roy	Whole-time Director & Senior Executive Vice President (Power, Heavy Engineering & Nuclear)	12.075	151.79	0.29
D. K. Sen	Whole-time Director & Senior Executive Vice President (Infrastructure)	8.061	101.34	3.81
M. V. Satish	Whole-time Director & Senior Executive Vice President (Buildings, Minerals & Metals)	7.381	92.79	(0.22)
J. D. Patil	Whole-time Director & Senior Executive Vice President (Defence)	3.950	49.66	*
A. M. Naik	Group Chairman	2.538	31.91	**
M. M. Chitale	Independent Director	0.407	5.12	(11.62)
Subodh Bhargava	Independent Director	0.500	6.29	(10.95)
M. Damodaran	Independent Director	0.300	3.77	(25.96)
Vikram Singh Mehta	Independent Director	0.277	3.48	(27.49)
Sushobhan Sarker ^	Nominee of Life Insurance Corporate of India	0.340	4.27	17.23
Adil Zainulbhai	Independent Director	0.316	3.96	(21.91)
Akhilesh Gupta	Independent Director	0.195	2.45	(4.88)
Sunita Sharma^	Nominee of Life Insurance Corporate of India	0.061	0.75	(58.62)
Thomas Mathew T.	Independent Director	0.343	4.31	(10.22)

₹ crore

Name of the Director/ KMP	2017-18			
	Designation	Total Remuneration	Ratio of remuneration of director to the median remuneration $	Percentage increase in Remuneration
Ajay Shankar	Independent Director	0.335	4.21	17.46
Subramanian Sarma	Non- Executive Director	NIL	NIL	NIL
Naina Lal Kidwai	Independent Director	0.195	2.45	(4.88)
Sanjeev Aga	Independent Director	0.317	3.99	29.76
Narayanan Kumar	Independent Director	0.195	2.45	48.06
Mr. Arvind Gupta	Nominee of SUUTI	0.048	0.61	***
N. Hariharan	Company Secretary	1.180	14.84	5.87

$ Ratio of remuneration of director to the median remuneration is calculated on pro-rata basis for those directors who served for only part of the financial year 2017-18.

^ Part of the remuneration has been paid to the financial institution he/she represents.

* Details not given as Mr. J. D. Patil was a director only from 1st July 2017.

** Details not given as Mr. A. M. Naik was Group Chairman only from 1st October 2017.

*** Details not given as Mr. Arvind Gupta was a director only from 1st July 2017.

@ Includes perquisite value of ₹ 47.982 crore, in respect of stock options granted over the past several years by Larsen & Toubro Infotech Limited and L&T Technology Services Limited and exercised during the year, Retirement benefits of ₹ 19.381 crore relating to encashment of accumulated past service leave, gratuity of ₹ 55.038 crore and pension of ₹ 1.50 crore.

B) Percentage increase in the median remuneration of all employees in the financial year 2017-18:

The median remuneration of employees of the Company during the financial year was ₹ 7.95 lakh. In the financial year, there was an increase of 11% in the median remuneration of employees.

C) Number of permanent employees on the rolls of Company as on 31st March 2018:

There were 42,464 permanent employees on the rolls of Company as on March 31, 2018.

D) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration

Average percentage increase made in the salaries of employees other than the managerial personnel for the year 2017-18 was 11.79% whereas there is decline in the managerial remuneration by 0.20% because a substantial portion of managerial remuneration is linked to Company performance during the financial year 2017-18. The Profit after Tax for the year 2017-18 decreased by 1.22% directly impacting the variable component of managerial remuneration.

E) Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Annexure 'E' to the Board Report

To,
The Members,
Larsen & Toubro Limited
CIN L99999MH1946PLC004768
L& T House,
Ballard Estate,
Mumbai – 400 001

Our Secretarial Audit Report for the Financial Year ended 31st March, 2018, of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company

For **S. N. ANANTHASUBRAMANIAN & CO.**
Company Secretaries
Firm Registration No P1991MH040400

S. N. ANANTHASUBRAMANIAN
PARTNER
FCS No.: 4206
COP No.: 1774

Date : May 12, 2018
Place : Thane

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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

To,
The Members,
Larsen & Toubro Limited
CIN: L99999MH1946PLC004768
L&T House, Ballard Estate,
Mumbai –400 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Larsen & Toubro Limited** (hereinafter called 'the Company'). 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 Company's 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 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**, 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 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, 2015;

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

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   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 - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent**;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review**;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review**.

vi. The Company has informed that there are no laws, which are specifically applicable to the Company.

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

(i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)

issued by The Institute of Company Secretaries of India;

(ii) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors - Non-Executive Directors including Independent Directors and Women Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors of the schedule of the Board and Committee Meetings, agenda and detailed notes on agenda were sent atleast seven days 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.
- All decisions of Board and Committee meetings were carried unanimously.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is 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 following events have occurred which had a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc:-

- The shareholders at the General Meeting convened by National Company Law Tribunal, Mumbai Bench ("NCLT") on 22nd August 2017, approved a Scheme of Amalgamation of Spectrum Infotech Private Limited, a wholly-owned subsidiary of the Company, with the Company resulting in cancellation of all the shares held by the Company in Spectrum Infotech Private Limited. The NCLT approved the said Scheme vide their Order dated 21st February, 2018;
- The Company issued and allotted Bonus Equity Shares in the ratio of one equity share for every two equity shares held by the Members as on 14th July 2017. The said Equity Shares were listed on BSE Ltd and the National Stock Exchange of India Limited with effect from 19th July 2017.

For **S. N. ANANTHASUBRAMANIAN & CO.**
Company Secretaries
Firm Registration No. P1991MH040400

S. N. ANANTHASUBRAMANIAN
PARTNER
FCS No.: 4206
COP No.: 1774

Date: 12th May, 2018
Place: Thane

Annexure 'F' to the Board Report

FORM NO. MGT-9

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

i)	CIN	L99999MH1946PLC004768
ii)	Registration Date	February 7, 1946
iii)	Name of the Company	LARSEN & TOUBRO LIMITED
iv)	Category	PUBLIC LIMITED COMPANY
v)	Sub-Category of the Company	COMPANY HAVING SHARE CAPITAL
vi)	Address of the Registered office and contact details	L&T HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI - 400 001 TEL: 022-67525656 FAX: 022-67525893
vii)	Whether listed company	LISTED
viii)	Name, Address and Contact details of Registrar andTransfer Agent, if any	Karvy Computershare Pvt. Ltd. Unit: Larsen & Toubro Limited Karvy Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telengana - 500 032 Tel : (040) 6716 2222 Toll free number: 1-800-3454-001 Fax: (040) 2342 0814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company #
1	Construction of Buildings	410	16.22
2	Construction of Roads and Railways	421	26.59
3	Construction of Utility Projects	422	38.42

on the basis of gross turnover

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	BHILAI POWER SUPPLY COMPANY LIMITED	9TH FLOOR, AMBADEEP BUILDING, 14, KASTURBA GANDHI MARG, CONNAUGHT PLACE, NEW DELHI-110001	U74899DL1995PLC070704	SUBSIDIARY	99.90	Section 2(87)(ii)
2	CHENNAI VISION DEVELOPERS PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U70101TN2008PTC068877	SUBSIDIARY	100.00	Section 2(87)(ii)
3	ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED	3RD FLOOR, 26TH, 5TH BLOCK, 5TH CROSS, KORAMANAGALA, BENGALURU 560095	U74140KA2011PTC061480	SUBSIDIARY	88.64	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
4	SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED	4TH FLOOR, ROOP EMERALD, NO.45, NORTH USMAN ROAD T. NAGAR 600017	U72900TN2015FTC101675	SUBSIDIARY	82.96	Section 2(87)(ii)
5	SYNCORDIS S.A. LUXEMBOURG	105 ROUTE D'ARLON, L-8009 STRASSEN RCS LUXEMBOURG B NUM'ERO 105331	B105331	SUBSIDIARY	82.96	Section 2(87)(ii)
6	HENIKWON CORPORATION SDN. BHD	2A-03-2, LORONG BATU NILAM 4A, BANDAR BUKIT TINGGI, 41200, KLANG, SELANGOR, MALAYSIA	161535-W	SUBSIDIARY	100.00	Section 2(87)(ii)
7	HI-TECH ROCK PRODUCTS & AGGREGATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U14290TN2008PLC065900	SUBSIDIARY	100.00	Section 2(87)(ii)
8	KANA CONTROLS GENERAL TRADING & CONTRACTING COMPANY WLL	OFFICE NO. 14, 5TH FLOOR, AL-FARWANIYA, BLOCK NO. 44, BLDG. NO. 6, GHASHAM FAHED AL-BASMAN, KUWAIT	10292	SUBSIDIARY	49.00	Section 2(87)(i)
9	KESUN IRON AND STEEL COMPANY PRIVATE LIMITED	L&T ENERGY CENTRE, NEAR CHHANI JAKAT NAKA, VADODARA, GUJARAT-390002	U27100GJ2009PTC055901	SUBSIDIARY	95.00	Section 2(87)(ii)
10	KUDGI TRANSMISSION LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U40106TN2012GOI111122	SUBSIDIARY	97.45	Section 2(87)(ii)
11	L&T - GULF PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74140MH2008PTC177765	SUBSIDIARY	50.0002	Section 2(87)(ii)
12	SYNCORDIS FRANCE SARL	8, RUE, PAUL BELMONDO PARIS, FRANCE - 75012	514135862	SUBSIDIARY	82.96	Section 2(87)(ii)
13	AHMEDABAD-MALIYA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069211	SUBSIDIARY	97.45	Section 2(87)(ii)
14	L&T ARUNACHAL HYDROPOWER LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40300MH2010PLC204778	SUBSIDIARY	100.00	Section 2(87)(ii)
15	L&T AVIATION SERVICES PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U62100MH2009PTC196917	SUBSIDIARY	100.00	Section 2(87)(ii)
16	L&T BPP TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2011PLC080786	SUBSIDIARY	97.45	Section 2(87)(ii)
17	L&T CAPITAL COMPANY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U67190MH2000PLC125653	SUBSIDIARY	100.00	Section 2(87)(ii)
18	L&T CAPITAL MARKETS LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U67190MH2013PLC240261	SUBSIDIARY	64.01	Section 2(87)(ii)
19	L&T CASSIDIAN LIMITED*	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29253MH2011PLC216258	SUBSIDIARY	100.00	Section 2(87)(ii)
20	L&T CHENNAI TADA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45309TN2008PLC066938	SUBSIDIARY	97.45	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
21	L&T CONSTRUCTION EQUIPMENT LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29119MH1997PLC109700	SUBSIDIARY	100.00	Section 2(87)(ii)
22	SYNCORDIS LIMITED	BEACON HOUSE, 15 CHRISTCHURCH ROAD, BOURNEMOUTH, DORSET, ENGLAND, UK - BH13LB	10045506	SUBSIDIARY	82.96	Section 2(87)(ii)
23	L&T DECCAN TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2011PLC083661	SUBSIDIARY	97.45	Section 2(87)(ii)
24	DEVIHALLI HASSAN TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC075491	SUBSIDIARY	97.45	Section 2(87)(ii)
25	L&T ELECTRICAL & AUTOMATION FZE	WAREHOUSE NO. FZS2ABO5 262158, JEBEL ALI FREE ZONE, DUBAI, UNITED ARAB EMIRATES	107673	SUBSIDIARY	100.00	Section 2(87)(ii)
26	L&T ELECTRICAL AND AUTOMATION SAUDI ARABIA COMPANY LIMITED LLC	MH-4, PLOT NO. 17+19, IIND INDUSTRIAL CITY, DAMMAM, P.O. BOX 77186, AL KHOBAR 31952, KINGDOM OF SAUDI ARABIA	2050051589	SUBSIDIARY	100.00	Section 2(87)(ii)
27	L&T ELECTRICALS AND AUTOMATION LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U31501MH2007PLC176667	SUBSIDIARY	100.00	Section 2(87)(ii)
28	L&T FINANCE HOLDINGS LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	L67120MH2008PLC181833	SUBSIDIARY	64.01	Section 2(87)(ii)
29	L&T FINANCE LIMITED	TECHNOPOLICE, 7TH FLOOR, A WING, PLOT NO. 4, BLOCK-BP, SECTOR- V, SALT LAKE, KOLKATA -700091	U65910WB1993FLC060810	SUBSIDIARY	64.01	Section 2(87)(ii)
30	L&T HALOL-SHAMLAJI TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069210	SUBSIDIARY	47.75	Section 2(87)(i)
31	L&T HIMACHAL HYDROPOWER LIMITED	RAMA COTTAGE, KANLOG, SHIMLA-171001	U40102HP2010PLC031697	SUBSIDIARY	100.00	Section 2(87)(ii)
32	L&T HOUSING FINANCE LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U45200MH1994PLC259630	SUBSIDIARY	64.01	Section 2(87)(ii)
33	L&T HOWDEN PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U31401MH2010PTC204403	SUBSIDIARY	50.10	Section 2(87)(ii)
34	L&T HYDROCARBON ENGINEERING LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U11200MH2009PLC191426	SUBSIDIARY	100.00	Section 2(87)(ii)
35	L&T IDPL TRUSTEE MANAGER PTE. LTD.	8 CROSS STREET, #10-00, PWC BUILDING, SINGAPORE (048424)	201326418G	SUBSIDIARY	97.45	Section 2(87)(ii)
36	L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.	ROOM 1100, BUILDING 2, NO.1388, XINGXIAN ROAD, JIADING DISTRICT, SHANGHAI	310000400714060 (JIADING)	SUBSIDIARY	82.96	Section 2(87)(ii)
37	L&T INFOTECH FINANCIAL SERVICES TECHNOLOGIES INC	2810, MATHESON BLVD EAST SUITE 500, MISSISSAUGA, ONL4W 4X7 CANADA	770556-5	SUBSIDIARY	82.96	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
38	L&T INFRA DEBT FUND LIMITED	PLOT NO. 177, CTS 6970, 6971,VIDYANAGARI MARG, C.S.T. ROAD, KALINA,SANTACRUZ (EAST), MUMBAI - 400098	L67100MH2013PLC241104	SUBSIDIARY	64.01	Section 2(87)(ii)
39	L&T INFRA INVESTMENT PARTNERS ADVISORY PRIVATE LIMITED	PLOT NO. 177, CTS 6970, 6971,VIDYANAGARI MARG, C.S.T. ROAD, KALINA,SANTACRUZ (EAST), MUMBAI - 400098	U67190MH2011PTC218046	SUBSIDIARY	64.01	Section 2(87)(ii)
40	L&T INFRA INVESTMENT PARTNERS TRUSTEE PRIVATE LIMITED	PLOT NO. 177, VIDYANAGARI MARG, C.S.T. ROAD, KALINA,SANTACRUZ (EAST), MUMBAI - 400098	U65900MH2011PTC220896	SUBSIDIARY	64.01	Section 2(87)(ii)
41	SYNCORDIS PSF S.A.	105, ROUTE D'ARLON, L-8009, STRASSEN, LUXEMBOURG	B217963	SUBSIDIARY	82.96	Section 2(87)(ii)
42	L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U65993TN2001PLC046691	SUBSIDIARY	97.45	Section 2(87)(ii)
43	L&T INFRASTRUCTURE ENGINEERING LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U74140TN1998PLC039864	SUBSIDIARY	100.00	Section 2(87)(ii)
44	L&T INFRASTRUCTURE FINANCE COMPANY LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U67190TN2006PLC059527	SUBSIDIARY	64.01	Section 2(87)(ii)
45	L&T INTERSTATE ROAD CORRIDOR LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2006PLC058735	SUBSIDIARY	97.45	Section 2(87)(ii)
46	L&T INVESTMENT MANAGEMENT LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U65991MH1996PLC229572	SUBSIDIARY	64.01	Section 2(87)(ii)
47	L&T KOBELCO MACHINERY PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29253MH2010PTC210325	SUBSIDIARY	51.00	Section 2(87)(ii)
48	KRISHNAGIRI THOPUR TOLL ROAD LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC057930	SUBSIDIARY	97.45	Section 2(87)(ii)
49	L&T KRISHNAGIRI WALAJAHPET TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC075446	SUBSIDIARY	97.45	Section 2(87)(ii)
50	L&T METRO RAIL (HYDERABAD) LIMITED	HYDERABAD METRO RAIL ADMINISTRATIVE BUILDING, UPPAL MAIN ROAD, NAGOLE, HYDERABAD, TELANGANA 500039.	U45300TG2010PLC070121	SUBSIDIARY	100.00	Section 2(87)(ii)
51	L&T MODULAR FABRICATION YARD LLC	PO BOX 236, P.C 322, FALAZ AL QABAIL, SOHAR, SULTANATE OF OMAN	1001910	SUBSIDIARY	70.00	Section 2(87)(ii)
52	L&T MUTUAL FUND TRUSTEE LIMITED	L&T HOUSE BALLARD ESTATE, P.O. BOX 278, MUMBAI 400001	U65993MH1996PLC211198	SUBSIDIARY	64.01	Section 2(87)(ii)
53	L&T OVERSEAS PROJECTS NIGERIA LIMITED	252E, MURI OKUNOLA STREET, VICTORIA ISLAND, LAGOS, NIGERIA	601723	SUBSIDIARY	100.00	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
54	PANIPAT ELEVATED CORRIDOR LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC056999	SUBSIDIARY	97.45	Section 2(87)(ii)
55	ESENCIA TECHNOLOGIES INC	2350 MISSION COLLEGE BLVD SUITE 490, SANTA CLARA, CA 95054, USA	0479598-9	SUBSIDIARY	88.64	Section 2(87)(ii)
56	L&T POWER DEVELOPMENT LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40101MH2007PLC174071	SUBSIDIARY	100.00	Section 2(87)(ii)
57	L&T POWER LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40100MH2006PLC160413	SUBSIDIARY	99.99	Section 2(87)(ii)
58	L&T RAJKOT-VADINAR TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069184	SUBSIDIARY	97.45	Section 2(87)(ii)
59	L&T REALTY FZE	EXECUTIVE SUITE, P.O.BOX 121576, SAIF ZONE,SHARJAH, U.A.E.	02 - 01 - 05714	SUBSIDIARY	100.00	Section 2(87)(ii)
60	L&T REALTY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74200MH2007PLC176358	SUBSIDIARY	100.00	Section 2(87)(ii)
61	L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC074501	SUBSIDIARY	97.45	Section 2(87)(ii)
62	L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45206TN2013PLC093395	SUBSIDIARY	97.45	Section 2(87)(ii)
63	L&T SAPURA OFFSHORE PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U11200TN2010PTC077214	SUBSIDIARY	60.00	Section 2(87)(ii)
64	L&T SAPURA SHIPPING PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U61100TN2010PTC077217	SUBSIDIARY	60.00	Section 2(87)(ii)
65	L&T SEAWOODS LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U45203MH2008PLC180029	SUBSIDIARY	100.00	Section 2(87)(ii)
66	L&T SHIPBUILDING LIMITED	GROUND FLOOR, TC-1 BUILDING, L&T CONSTRUCTION CAMPUS, MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U74900TN2007PLC065356	SUBSIDIARY	97.00	Section 2(87)(ii)
67	L&T SPECIAL STEELS AND HEAVY FORGINGS PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U27109MH2009PTC193699	SUBSIDIARY	74.00	Section 2(87)(ii)
68	L&T TECHNOLOGY SERVICES LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	L72900MH2012PLC232169	SUBSIDIARY	88.64	Section 2(87)(ii)
69	L&T TECHNOLOGY SERVICES LLC	200, WEST ADAMS STREET, CHICAGO, ILLINOIS-60606	0479598-9	SUBSIDIARY	88.64	Section 2(87)(ii)
70	L&T THALES TECHNOLOGY SERVICES PRIVATE LIMITED	RR V TOWER, 6TH FLOOR, 33A, DEVELOPED PLOTS, SIDCO INDUSTRIAL ESTATE, GUINDY, CHENNAI-600032	U72200TN2006PTC059421	SUBSIDIARY	65.60	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
71	L&T TRANSPORTATION INFRASTRUCTURE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN1997PLC039102	SUBSIDIARY	98.12	Section 2(87)(ii)
72	L&T TRUSTEE COMPANY PRIVATE LIMITED *	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74990MH2009PTC193936	SUBSIDIARY	100.00	Section 2(87)(ii)
73	L&T UTTARANCHAL HYDROPOWER LIMITED	VILLAGE BEDUBAGAR P.O AUGUSTMUNI RUDRAPRAYAG Rudra Prayag UR 246421	U31401UR2006PLC032329	SUBSIDIARY	100.00	Section 2(87)(ii)
74	VADODARA BHARUCH TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC058417	SUBSIDIARY	97.45	Section 2(87)(ii)
75	L&T VALVES LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74999MH1961PLC012188	SUBSIDIARY	100.00	Section 2(87)(ii)
76	L&T VISION VENTURES LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U74210TN2006PLC061845	SUBSIDIARY	68.00	Section 2(87)(ii)
77	L&T FINANCIAL CONSULTANTS LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U65100MH2011PLC299024	SUBSIDIARY	64.01	Section 2(87)(ii)
78	WESTERN ANDHRA TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC057931	SUBSIDIARY	97.45	Section 2(87)(ii)
79	LTIDPL INDVIT SERVICES LIMITED (formerly known as L&T WESTERN INDIA TOLLBRIDGE LIMITED)	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN1999PLC042518	SUBSIDIARY	97.45	Section 2(87)(ii)
80	L&T-MHPS BOILERS PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29119MH2006PTC165102	SUBSIDIARY	51.00	Section 2(87)(ii)
81	L&T-MHPS TURBINE GENERATORS PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U31101MH2006PTC166541	SUBSIDIARY	51.00	Section 2(87)(ii)
82	L&T-SARGENT & LUNDY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74210MH1995PLC088099	SUBSIDIARY	50.0001	Section 2(87)(ii)
83	LARSEN & TOUBRO (EAST ASIA) SDN. BHD	SUITE 702, 7TH FLOOR, WISMA HANGSAM, JALAN HANG LEKIR, 50000 KUALA LUMPUR, MALAYSIA	390357-T	SUBSIDIARY	30.00	Section 2(87)(i)
84	LARSEN & TOUBRO ATCO SAUDIA LLC	AL-TURKI BUILDING, KING KHALED STREET, P.O. BOX 91, DAMMAM	2050055625	SUBSIDIARY	100.00	Section 2(87)(ii)
85	LARSEN & TOUBRO ELECTROMECH LLC	P.O. BOX 1999, RUWI, POSTAL CODE 112, MUSCAT	1/04445/1	SUBSIDIARY	70.00	Section 2(87)(ii)
86	LARSEN & TOUBRO HEAVY ENGINEERING LLC	P.O. BOX 281, POSTAL CODE 325, W LIWA, SULTANATE OF OMAN	1042928	SUBSIDIARY	70.00	Section 2(87)(ii)
87	LARSEN & TOUBRO HYDROCARBON INTERNATIONAL LIMITED LLC	P.O. BOX 6391, AL KHOBAR 34423, KINGDOM OF SAUDI ARABIA	2051053464	SUBSIDIARY	100.00	Section 2(87)(ii)
88	LARSEN & TOUBRO INFOTECH CANADA LIMITED	2810, MATHESON BLVD EAST SUITE 500, MISSISSAUGA, ONL4W 4X7 CANADA	1415026	SUBSIDIARY	82.96	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
89	LARSEN & TOUBRO INFOTECH GMBH	EURO-ASIA BUSINESS CENTRE, MESSE-ALLEE 2, D-04356, LEIPZIG, GERMANY	HRB15958	SUBSIDIARY	82.96	Section 2(87)(ii)
90	LARSEN & TOUBRO INFOTECH LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	L72900MH1996PLC104693	SUBSIDIARY	82.96	Section 2(87)(ii)
91	LARSEN & TOUBRO INFOTECH LLC	1220, N. MARKET ST., SUITE 806, WILMINGTON, DE 19801, USA	270596763	SUBSIDIARY	82.96	Section 2(87)(ii)
92	LARSEN & TOUBRO INTERNATIONAL FZE	OFFICE LOB 16 G 08, POST BOX 41558, HAMRIYAH FREE ZONE, SHARJAH, UNITED ARAB EMIRATES	0067	SUBSIDIARY	100.00	Section 2(87)(ii)
93	LARSEN & TOUBRO KUWAIT CONSTRUCTION GENERAL CONTRACTING COMPANY, WITH LIMITED LIABILITY	PLOT NO. 3, BUILDING NO.1, SHARQ, KUWAIT	117668	SUBSIDIARY	49.00	Section 2(87)(i)
94	LARSEN & TOUBRO LLC	113, BARKSDALE PROFESSIONAL CENTRE, NEWARK CITY, COUNTRY OF NEW CASTLE, G56 ZIP CODE-19711, U.S.A	6 DEL.C 18-101	SUBSIDIARY	99.19	Section 2(87)(ii)
95	LARSEN & TOUBRO OMAN LLC	P.O. BOX 1127, RUWI, POSTAL CODE 112, SULTANATE OF OMAN	1/40304/4	SUBSIDIARY	65.00	Section 2(87)(ii)
96	LARSEN & TOUBRO QATAR LLC	P.O. BOX 24399, SH. THAMOUR BLDG., MEZZANINE FLOOR, AL-HANDASA AREA, NEAR JAIDAH FLYOVER, B RING ROAD, DOHA, QATAR	27454	SUBSIDIARY	49.00	Section 2(87)(i)
97	L&T MBDA MISSILE SYSTEMS LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29308MH2017PLC293402	SUBSIDIARY	51.00	Section 2(87)(i)
98	LARSEN & TOUBRO SAUDI ARABIA LLC	P.O. BOX NO.20, RIYADH 11351, KINGDOM OF SAUDI ARABIA 11351	1010154437	SUBSIDIARY	100.00	Section 2(87)(ii)
99	LARSEN & TOUBRO TANDD SA (PTY) LIMITED	2ND FLOOR, 4 PENCARROW CRESCENT, LA LUCIA RIDGE OFFICE ESTATE, SOUTH AFRICA 4019	2010/018159/07	SUBSIDIARY	72.50	Section 2(87)(ii)
100	LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LIMITED	6TH FLOOR, 119 HERTZOG BOULEVARD, FORESHORE, CAPETOWN, SOUTH AFRICA 8001	2011/007226/07	SUBSIDIARY	62.14	Section 2(87)(ii)
101	LARSEN TOUBRO ARABIA LLC	ALMADA TOWER, PRINCE TURKI STREET, AL KHOBAR, SAUDI ARABIA	2051049523	SUBSIDIARY	75.00	Section 2(87)(ii)
102	MUDIT CEMENT PRIVATE LIMITED	5TH FLOOR, DCM BUILDING, 16, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI - 110001	U26942DL1990PTC041941	SUBSIDIARY	64.01	Section 2(87)(ii)
103	NABHA POWER LIMITED	PO BOX NO-28, NEAR VILLAGE NALASH, RAJPURA, PATIALA, PUNJAB-140401	U40102PB2007PLC031039	SUBSIDIARY	100.00	Section 2(87)(ii)
104	PNG TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO.979, MANAPAKKAM, CHENNAI - 600089	U45203TN2009PLC070741	SUBSIDIARY	72.77	Section 2(87)(ii)
105	PT TAMCO INDONESIA	JALAN RAYA PASAR SERANG, NO. 15, KANDANG RODA, CIKARANG BEKASI 17330, INDONESIA	C2-18.177.HT.01.01.HT 94	SUBSIDIARY	100.00	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
106	PT. LARSEN & TOUBRO HYDROCARBON ENGINEERING INDONESIA	THE CITY TOWER, 12TH FLOOR, UNIT 1-N, J1.MH., THAMRIN NO.81, CENTRAL JAKARTA, INDONESIA 10310	AHU-0110258.AH.01.09	SUBSIDIARY	95.00	Section 2(87)(ii)
107	RAYKAL ALUMINIUM COMPANY PRIVATE LIMITED	ANNAPURNA COMPLEX, 559, LEWIS ROAD, BHUBANESWAR, KHORDHA-751014	U13203OR1999PTC005673	SUBSIDIARY	75.50	Section 2(87)(ii)
108	SERVOWATCH SYSTEMS LIMITED	THE WOODROPE BUILDING, WOODROLFE ROAD, TOLLESBURY, MALDONESSEX CM9 8SE, UNITED KINGDOM	2159287	SUBSIDIARY	100.00	Section 2(87)(ii)
109	L&T HYDROCARBON CASPIAN LLC	"AGHA NEMATULLA STREET 224, NARIMANOV DISTRICT BAKU CITY, ALGERIA"	1503665631	SUBSIDIARY	50.00	Section 2(87)(i)
110	TAMCO ELECTRICAL INDUSTRIES AUSTRALIA PTY LTD	31, KITCHEN ROAD, DANDENONG, VICTORIA 3175, AUSTRALIA	ACN006140512	SUBSIDIARY	100.00	Section 2(87)(ii)
111	TAMCO SWITCHGEAR (MALAYSIA) SDN BHD	UNIT C508, BLOCK C, KELANA SQUARE, JALAN SS7/26, KELANA JAYA 47301, PETALING JAYA SELANGOR DAR UL EHSAN, MALAYSIA	775268-H	SUBSIDIARY	100.00	Section 2(87)(ii)
112	THALEST LIMITED	ENDEAVOUR HOUSE, BENTALLS INDUSTRIAL ESTATE, HOLLOWAY ROAD, MALDON, ESSEX, C9 4ER, UNITED KINGDOM	01201246	SUBSIDIARY	100.00	Section 2(87)(ii)
113	L&T GLOBAL HOLDINGS LIMITED	UNIT 7, LEVEL 3, GATE PRECINCT, BUILDING 2, DUBAI INTERNATIONAL FINANCIAL CENTRE, P.O BOX 63671, DUBAI, UAE	CL2106	SUBSIDIARY	100.00	Section 2(87)(ii)
114	MARINE INFRASTRUCTURE DEVELOPER PRIVATE LIMITED	NO.22, L&T CONSTRUCTION COMPLEX, MOUNT POONAMALLE ROAD, MANAPAKKAM, CHENNAI - 600089	U74999TN2016PTC103769	SUBSIDIARY	97.00	Section 2(87)(ii)
115	L&T INFORMATION TECHNOLOGY SPAIN SOCIEDAD LIMITADA	C/JOSE ABASCAL, 56 2ND FLOOR, MADRID	B87472072	SUBSIDIARY	82.96	Section 2(87)(ii)
116	LARSEN & TOUBRO INFOTECH AUSTRIA GMBH	c/o, OBERHAMMER, RECHTSANWALTE GMBH, KARLSPLATZ, 3/1, VIENNA	FN435491D	SUBSIDIARY	82.96	Section 2(87)(ii)
117	AUGMENT IQ DATA SCIENCES PRIVATE LIMITED @	GODREJ ETERNIA A, 5TH FLOOR, MUMBAI PUNE ROAD, SHIVAJINAGAR, PUNE, MAHARASHTRA - 400005	U72200PN2012PTC145539	SUBSIDIARY	82.96	Section 2(87)(ii)
118	L&T INFOTECH S. DE. RL.C.V	BOSQUE DE CIRUELOS 180, SUITE PP 101, COL.BOSQUES DE LAS LOMAS, 11700 MEXICO CITY, MEXICO	N-2017020633	SUBSIDIARY	82.96	Section 2(87)(ii)
119	SAHIBGANJ GANGES BRIDGE-COMPANY PRIVATE LIMITED	L&T HOUSE BALLARD ESTATE MUMBAI 400001	U45309MH2016PTC283661	SUBSIDIARY	100.00	Section 2(87)(ii)
120	L&T INFRA CONTRACTORS PRIVATE COMPANY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI 400001	U45400MH2017PTC292586	SUBSIDIARY	100.00	Section 2(87)(ii)
121	LTH MILCOM PRIVATE LIMITED	L & T HOUSE, BALLARD ESTATE, MUMBAI 400001	U74999MH2015PTC267502	SUBSIDIARY	56.67	Section 2(87)(ii)
122	SEAWOODS REALTY PRIVATE LIMITED *	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U70109MH2016PTC285064	SUBSIDIARY	100.00	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
123	SEAWOODS RETAIL PRIVATE LIMITED *	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U70103MH2016PTC285466	SUBSIDIARY	100.00	Section 2(87)(ii)
1	ARDOM TELECOM PRIVATE LIMITED	609B & 610, 6TH FLOOR, WELL DONE TECH PARK, SOHNA ROAD, SECTOR-41, GURGAON - 122018	U64100HR2009PTC048269	ASSOCIATE	7.76	Section 2(6)
2	GUJARAT LEATHER INDUSTRIES LIMITED @@	NO 3001, GIDC INDUSTRIAL ESTATE, ANKLESHWAR, GUJARAT	U18104GJ1978SGC003134	ASSOCIATE	50.00	Section 2(6)
3	INDIRAN ENGINEERING PROJECTS AND SYSTEMS KISH (LLC)	POST BOX 1267, NEHA APARTMENT, BAZAAR-E-DANOOS, KISH ISLAND, IRAN	3744	ASSOCIATE	50.00	Section 2(6)
4	INTERNATIONAL SEAPORTS (HALDIA) PRIVATE LIMITED	FLAT NO. 27, 5TH FLOOR, KOHINOOR BUILDING, 105, PARK STREET, KOLKATA 700016	U45205WB1999PTC090733	ASSOCIATE	21.74	Section 2(6)
5	L&T CAMP FACILITIES LLC	P. O. BOX 44357, DUBAI, UNITED ARAB EMIRATES	600640	ASSOCIATE	49.00	Section 2(6)
6	L& T-CHIYODA LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U28920MH1994PLC083035	ASSOCIATE	50.00	Section 2(6)
7	LARSEN & TOUBRO QATAR & HBK CONTRACTING LLC	P. O. BOX 1362, DOHA, QATAR	28634	ASSOCIATE	50.00	Section 2(6)
8	MAGTORQ PRIVATE LIMITED	NO. 58-C, SIPCOT INDUSTRIAL COMPLEX, HOSUR, TAMIL NADU 635126	U02520TZ1989PTC002458	ASSOCIATE	42.85	Section 2(6)
9	GRAMEEN CAPITAL INDIA LIMITED^	402, 36 TURNER ROAD,BANDRA WEST, MUMBAI - 400050	U65923MH2007PTC168721	ASSOCIATE	23.87	Section 2(6)
10	FEEDBACK INFRA PRIVATE LIMITED ^^	311, 3RD FLOOR,VARDHAMAN PLAZA, POCKET 7, PLOT NO. 6, SECTOR 12, DWARKA, NEW DELHI -110078	U74899DL1990PTC040630	ASSOCIATE	0.00	Section 2(6)
11	KMC INFRATECH ROAD HOUSINGS LIMITED^^^	DOOR NO. 1-80/40/SP/58-65, SHILPA HOMES LAYOUT, GACHIBOWLI, HYDERABAD - 500032	U74900TG2014PLC095703	ASSOCIATE	0	Section 2(6)

^^ The Associate is sold on March 19,2018 * Under Process of Strike Off ^^^ The Associate is sold on September 7,2017

@@ The Company is under Liquidation @ Merged with Larsen & Toubro Infotech Limited

% Merged with Larsen & Toubro Limited w.e.f April 1,2017

IV. SHARE HOLDING PATTERN:

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
(2) Foreign									
a) NRIs -Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other –Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) MutualFunds	107,273,904	12,822	107,286,726	11.50	202,331,530	13,878	202,345,408	14.44	2.94
b) Banks / FI	67,089,940	31,933	67,121,873	7.19	36,983,534	46,100	37,029,634	2.64	-4.55
c) Central Govt	1,874,190	0	1,874,190	0.20	3,077,602	0	3,077,602	0.22	0.02
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	185,203,662	450	185,204,112	19.85	297,215,504	675	297,216,179	21.21	1.36
g) FIIs	20,810,053	0	20,810,053	2.23	962,363	52,558	1,014,921	0.07	-2.16
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**382,251,749**	**45,205**	**382,296,954**	**40.98**	**540,570,533**	**113,211**	**540,683,744**	**38.58**	**-2.39**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	66,318,379	341,383	66,634,899	7.14	92,102,289	411,087	92,513,376	6.60	-0.54
ii) Overseas	280,167	23,431	303,598	0.03	40,666	3,260	43,926	0.00	-0.03
b) Individuals									0.00
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	163,335,385	17,670,044	181,005,429	19.40	241,086,176	24,053,909	265,140,085	18.92	-0.48
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	19,459,126	218,526	19,677,652	2.11	29,385,457	0	29,385,457	2.10	-0.01

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									0.00
i) Directors & Relatives	1,509,024	250	1,509,274	0.16	1,421,590	375	1,421,965	0.10	-0.06
ii) Foreign Nationals	372,138	14,470	386,608	0.04	547,173	21,705	568,878	0.04	0.00
iii) Foreign Portfolio Investors	140,322,703	0	140,322,703	15.04	257,126,930	0	257,126,930	18.35	3.31
iv) Non-Residents	8,064,466	390,360	8,454,826	0.91	12,173,050	540,579	12,713,629	0.91	0.00
v) Trust	114,734,515	17,766	114,752,281	12.30	172,101,772	26,649	172,128,421	12.28	-0.02
vi) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	**514,395,903**	**18,676,230**	**533,047,270**	**57.13**	**805,985,103**	**25,057,564**	**831,042,667**	**59.30**	**2.17**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**896,647,652**	**18,721,435**	**915,344,224**	**98.11**	**1,346,555,636**	**25,170,775**	**1,371,726,411**	**97.88**	**-0.23**
C. Shares held by Custodian for GDRs & ADRs	17,621,579	0	17,621,579	1.89	29,643,045	0	29,643,045	2.12	0.23
Grand Total (A+B+C)	**914,269,231**	**18,721,435**	**932,965,803**	**100.00**	**1,376,198,681**	**25,170,775**	**1,401,369,456**	**100.00**	**0.00**

(ii) Shareholding of Promoters:

Sl	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	
1		NIL			NIL			
	Total	NIL			NIL			

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	NIL		NIL	
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
3	At the End of the year	NIL		NIL	

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

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
1	**LIFE INSURANCE CORPORATION OF INDIA**	Shareholding at the beginning of the Year			153172007	16.42
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	23/06/2017	17887716	Transfer	171059723	18.33
		21/07/2017	85529855	Bonus	256589578	18.32
		26/01/2018	11400	Transfer	256600978	18.32
		26/01/2018	-11400	Transfer	256589578	18.31
		09/03/2018	30000	Transfer	256619578	18.31
		09/03/2018	-30000	Transfer	256589578	18.31
		23/03/2018	80000	Transfer	256669578	18.32
		23/03/2018	-80000	Transfer	256589578	18.31
		At the end of the year			256589578	18.31
2	**L&T EMPLOYEES WELFARE FOUNDATION**	Shareholding at the beginning of the Year			114752281	12.30
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	21/07/2017	57376140	Bonus	172128421	12.29
		At the end of the year			172128421	12.28
3	**ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA**	Shareholding at the beginning of the Year			61102860	6.55
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	16/06/2017	2140	Transfer	61105000	6.55
		23/06/2017	-23725716	Transfer	37379284	4.00
		21/07/2017	18689642	Bonus	56068926	4.00
		28/07/2017	1070	Transfer	56069996	4.00
		22/09/2017	535	Transfer	56070531	4.00
		17/11/2017	-19551346	Transfer	36519185	2.61
		24/11/2017	-1261792	Transfer	35257393	2.52
		At the end of the year			35257393	2.52
4	**HDFC TRUSTEE CO LTD A/C HDFC EQUITY FUND**	Shareholding at the beginning of the Year			30704758	3.29
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	6395	Transfer	30711153	3.29
		07/04/2017	-43001	Transfer	30668152	3.29
		14/04/2017	255000	Transfer	30923152	3.31
		14/04/2017	-286	Transfer	30922866	3.31
		21/04/2017	221000	Transfer	31143866	3.34
		21/04/2017	-5676	Transfer	31138190	3.34
		28/04/2017	655771	Transfer	31793961	3.41

					Cumulative Shareholding during the Year	
Sl. No.	Name of the Share Holder	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the Company
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	28/04/2017	-138518	Transfer	31655443	3.39
		05/05/2017	1291	Transfer	31656734	3.39
		05/05/2017	-175	Transfer	31656559	3.39
		12/05/2017	119000	Transfer	31775559	3.40
		12/05/2017	-21606	Transfer	31753953	3.40
		19/05/2017	203	Transfer	31754156	3.40
		19/05/2017	-433	Transfer	31753723	3.40
		26/05/2017	200000	Transfer	31953723	3.42
		26/05/2017	-61555	Transfer	31892168	3.42
		02/06/2017	247040	Transfer	32139208	3.44
		02/06/2017	-7776	Transfer	32131432	3.44
		09/06/2017	200000	Transfer	32331432	3.46
		09/06/2017	-252291	Transfer	32079141	3.44
		16/06/2017	132803	Transfer	32211944	3.45
		16/06/2017	-48141	Transfer	32163803	3.45
		23/06/2017	658328	Transfer	32822131	3.52
		23/06/2017	-1337	Transfer	32820794	3.52
		30/06/2017	215509	Transfer	33036303	3.54
		30/06/2017	-168500	Transfer	32867803	3.52
		07/07/2017	534636	Transfer	33402439	3.58
		07/07/2017	-188500	Transfer	33213939	3.56
		14/07/2017	67089	Transfer	33281028	3.57
		14/07/2017	-78053	Transfer	33202975	3.56
		21/07/2017	16815804	Bonus	50018779	3.57
		28/07/2017	222500	Transfer	50241279	3.59
		28/07/2017	-220406	Transfer	50020873	3.57
		04/08/2017	101127	Transfer	50122000	3.58
		04/08/2017	-93474	Transfer	50028526	3.57
		11/08/2017	62375	Transfer	50090901	3.58
		11/08/2017	-2361	Transfer	50088540	3.58
		18/08/2017	51560	Transfer	50140100	3.58
		18/08/2017	-72	Transfer	50140028	3.58
		25/08/2017	113429	Transfer	50253457	3.59
		25/08/2017	-22500	Transfer	50230957	3.59
		01/09/2017	786393	Transfer	51017350	3.64
		08/09/2017	5907	Transfer	51023257	3.64
		08/09/2017	-280	Transfer	51022977	3.64
		15/09/2017	1906000	Transfer	52928977	3.78
		15/09/2017	-9134	Transfer	52919843	3.78
		22/09/2017	492500	Transfer	53412343	3.81

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	22/09/2017	-1761	Transfer	53410582	3.81
		29/09/2017	586157	Transfer	53996739	3.86
		29/09/2017	-293798	Transfer	53702941	3.83
		06/10/2017	953263	Transfer	54656204	3.90
		06/10/2017	-101	Transfer	54656103	3.90
		13/10/2017	1080188	Transfer	55736291	3.98
		13/10/2017	-221	Transfer	55736070	3.98
		20/10/2017	9000	Transfer	55745070	3.98
		20/10/2017	-177	Transfer	55744893	3.98
		27/10/2017	218	Transfer	55745111	3.98
		27/10/2017	-3814	Transfer	55741297	3.98
		31/10/2017	465	Transfer	55741762	3.98
		31/10/2017	-251	Transfer	55741511	3.98
		03/11/2017	8987	Transfer	55750498	3.98
		03/11/2017	-84596	Transfer	55665902	3.97
		10/11/2017	6930	Transfer	55672832	3.98
		10/11/2017	-50458	Transfer	55622374	3.97
		17/11/2017	302016	Transfer	55924390	3.99
		17/11/2017	-100077	Transfer	55824313	3.98
		24/11/2017	1107363	Transfer	56931676	4.06
		24/11/2017	-76	Transfer	56931600	4.06
		01/12/2017	154	Transfer	56931754	4.06
		01/12/2017	-76	Transfer	56931678	4.06
		08/12/2017	465201	Transfer	57396879	4.10
		15/12/2017	1108126	Transfer	58505005	4.18
		15/12/2017	-211	Transfer	58504794	4.18
		22/12/2017	307454	Transfer	58812248	4.20
		22/12/2017	-2700	Transfer	58809548	4.20
		29/12/2017	86000	Transfer	58895548	4.20
		29/12/2017	-5460	Transfer	58890088	4.20
		05/01/2018	300148	Transfer	59190236	4.22
		05/01/2018	-57915	Transfer	59132321	4.22
		12/01/2018	701380	Transfer	59833701	4.27
		12/01/2018	-452	Transfer	59833249	4.27
		19/01/2018	100737	Transfer	59933986	4.28
		19/01/2018	-527158	Transfer	59406828	4.24
		26/01/2018	-656800	Transfer	58750028	4.19
		02/02/2018	867563	Transfer	59617591	4.25
		02/02/2018	-3789	Transfer	59613802	4.25

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	09/02/2018	65862	Transfer	59679664	4.26
		09/02/2018	-1308260	Transfer	58371404	4.17
		16/02/2018	1718	Transfer	58373122	4.17
		16/02/2018	-331815	Transfer	58041307	4.14
		23/02/2018	128226	Transfer	58169533	4.15
		23/02/2018	-990500	Transfer	57179033	4.08
		02/03/2018	322118	Transfer	57501151	4.10
		02/03/2018	-300000	Transfer	57201151	4.08
		09/03/2018	62437	Transfer	57263588	4.09
		09/03/2018	-60000	Transfer	57203588	4.08
		16/03/2018	1228430	Transfer	58432018	4.17
		23/03/2018	2971	Transfer	58434989	4.17
		23/03/2018	-1462089	Transfer	56972900	4.07
		30/03/2018	3541	Transfer	56976441	4.07
		30/03/2018	-327069	Transfer	56649372	4.04
		At the end of the year			56649372	4.04
5	**ICICI PRUDENTIAL CAPITAL PROTECTION ORIENTED FUND-**	Shareholding at the beginning of the Year			18598830	1.99
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	32740	Transfer	18631570	2.00
		07/04/2017	-910768	Transfer	17720802	1.90
		14/04/2017	206513	Transfer	17927315	1.92
		14/04/2017	-217163	Transfer	17710152	1.90
		21/04/2017	30943	Transfer	17741095	1.90
		28/04/2017	176235	Transfer	17917330	1.92
		28/04/2017	-2466	Transfer	17914864	1.92
		05/05/2017	221504	Transfer	18136368	1.94
		05/05/2017	-292001	Transfer	17844367	1.91
		12/05/2017	569319	Transfer	18413686	1.97
		12/05/2017	-110932	Transfer	18302754	1.96
		19/05/2017	458973	Transfer	18761727	2.01
		19/05/2017	-176770	Transfer	18584957	1.99
		26/05/2017	1887	Transfer	18586844	1.99
		26/05/2017	-21000	Transfer	18565844	1.99
		02/06/2017	933950	Transfer	19499794	2.09
		02/06/2017	-856	Transfer	19498938	2.09
		09/06/2017	62000	Transfer	19560938	2.10
		09/06/2017	-202324	Transfer	19358614	2.07
		16/06/2017	136327	Transfer	19494941	2.09
		16/06/2017	-28678	Transfer	19466263	2.09
		23/06/2017	2729	Transfer	19468992	2.09

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	23/06/2017	-267638	Transfer	19201354	2.06
		30/06/2017	105827	Transfer	19307181	2.07
		30/06/2017	-458508	Transfer	18848673	2.02
		07/07/2017	196738	Transfer	19045411	2.04
		07/07/2017	-401129	Transfer	18644282	2.00
		14/07/2017	-616386	Transfer	18027896	1.93
		21/07/2017	9188625	Bonus	27216521	1.94
		28/07/2017	802533	Transfer	28019054	2.00
		28/07/2017	-82	Transfer	28018972	2.00
		04/08/2017	1363572	Transfer	29382544	2.10
		04/08/2017	-262	Transfer	29382282	2.10
		11/08/2017	423405	Transfer	29805687	2.13
		11/08/2017	-355	Transfer	29805332	2.13
		18/08/2017	1272352	Transfer	31077684	2.22
		18/08/2017	-543750	Transfer	30533934	2.18
		25/08/2017	1540970	Transfer	32074904	2.29
		25/08/2017	-13500	Transfer	32061404	2.29
		01/09/2017	284860	Transfer	32346264	2.31
		08/09/2017	90656	Transfer	32436920	2.32
		08/09/2017	-167	Transfer	32436753	2.32
		15/09/2017	2824	Transfer	32439577	2.32
		15/09/2017	-21894	Transfer	32417683	2.31
		22/09/2017	1142	Transfer	32418825	2.31
		22/09/2017	-106059	Transfer	32312766	2.31
		29/09/2017	334750	Transfer	32647516	2.33
		29/09/2017	-130326	Transfer	32517190	2.32
		06/10/2017	545000	Transfer	33062190	2.36
		06/10/2017	-6137	Transfer	33056053	2.36
		13/10/2017	5485	Transfer	33061538	2.36
		13/10/2017	-160	Transfer	33061378	2.36
		20/10/2017	264388	Transfer	33325766	2.38
		20/10/2017	-2705	Transfer	33323061	2.38
		27/10/2017	599471	Transfer	33922532	2.42
		27/10/2017	-861587	Transfer	33060945	2.36
		31/10/2017	310	Transfer	33061255	2.36
		31/10/2017	-1640	Transfer	33059615	2.36
		03/11/2017	133	Transfer	33059748	2.36
		03/11/2017	-5353	Transfer	33054395	2.36
		10/11/2017	187352	Transfer	33241747	2.37
		10/11/2017	-235355	Transfer	33006392	2.36
		17/11/2017	4176	Transfer	33010568	2.36

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	17/11/2017	-598963	Transfer	32411605	2.31
		24/11/2017	21988495	Transfer	54400100	3.88
		24/11/2017	-327825	Transfer	54072275	3.86
		01/12/2017	910082	Transfer	54982357	3.92
		01/12/2017	-2641210	Transfer	52341147	3.74
		08/12/2017	957548	Transfer	53298695	3.80
		08/12/2017	-2139054	Transfer	51159641	3.65
		15/12/2017	23976	Transfer	51183617	3.65
		15/12/2017	-307886	Transfer	50875731	3.63
		22/12/2017	945	Transfer	50876676	3.63
		22/12/2017	-2890734	Transfer	47985942	3.43
		29/12/2017	152	Transfer	47986094	3.43
		29/12/2017	-2141333	Transfer	45844761	3.27
		05/01/2018	43500	Transfer	45888261	3.28
		05/01/2018	-680070	Transfer	45208191	3.23
		12/01/2018	13567	Transfer	45221758	3.23
		12/01/2018	-703699	Transfer	44518059	3.18
		19/01/2018	864226	Transfer	45382285	3.24
		19/01/2018	-3449899	Transfer	41932386	2.99
		26/01/2018	459935	Transfer	42392321	3.03
		26/01/2018	-3180000	Transfer	39212321	2.80
		02/02/2018	221170	Transfer	39433491	2.81
		02/02/2018	-2334507	Transfer	37098984	2.65
		09/02/2018	2164	Transfer	37101148	2.65
		09/02/2018	-843193	Transfer	36257955	2.59
		16/02/2018	488036	Transfer	36745991	2.62
		16/02/2018	-1697867	Transfer	35048124	2.50
		23/02/2018	730841	Transfer	35778965	2.55
		23/02/2018	-762283	Transfer	35016682	2.50
		02/03/2018	215008	Transfer	35231690	2.51
		02/03/2018	-644641	Transfer	34587049	2.47
		09/03/2018	4288	Transfer	34591337	2.47
		09/03/2018	-2520414	Transfer	32070923	2.29
		16/03/2018	9519	Transfer	32080442	2.29
		16/03/2018	-1443375	Transfer	30637067	2.19
		23/03/2018	140271	Transfer	30777338	2.20
		23/03/2018	-2403693	Transfer	28373645	2.02
		30/03/2018	239173	Transfer	28612818	2.04
		At the end of the year			28612818	2.04

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
6	**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**	Shareholding at the beginning of the Year			18326578	1.96
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	108957	Transfer	18435535	1.98
		14/04/2017	-9329	Transfer	18426206	1.97
		21/04/2017	-254216	Transfer	18171990	1.95
		28/04/2017	86782	Transfer	18258772	1.96
		05/05/2017	11722	Transfer	18270494	1.96
		12/05/2017	-13430	Transfer	18257064	1.96
		19/05/2017	-29043	Transfer	18228021	1.95
		26/05/2017	-255378	Transfer	17972643	1.93
		02/06/2017	-45995	Transfer	17926648	1.92
		09/06/2017	-84611	Transfer	17842037	1.91
		16/06/2017	-167840	Transfer	17674197	1.89
		23/06/2017	18651	Transfer	17692848	1.90
		30/06/2017	64491	Transfer	17757339	1.90
		07/07/2017	195912	Transfer	17953251	1.92
		14/07/2017	193723	Transfer	18146974	1.94
		21/07/2017	8975522	Bonus	27122496	1.94
		28/07/2017	-218105	Transfer	26904391	1.92
		04/08/2017	-76870	Transfer	26827521	1.92
		11/08/2017	-115617	Transfer	26711904	1.91
		18/08/2017	-14152	Transfer	26697752	1.91
		25/08/2017	68598	Transfer	26766350	1.91
		01/09/2017	1267794	Transfer	28034144	2.00
		01/09/2017	-1716958	Transfer	26317186	1.88
		08/09/2017	151280	Transfer	26468466	1.89
		15/09/2017	-139858	Transfer	26328608	1.88
		22/09/2017	80694	Transfer	26409302	1.89
		29/09/2017	13919	Transfer	26423221	1.89
		06/10/2017	253860	Transfer	26677081	1.90
		13/10/2017	-501026	Transfer	26176055	1.87
		20/10/2017	59202	Transfer	26235257	1.87
		27/10/2017	-366589	Transfer	25868668	1.85
		31/10/2017	9341	Transfer	25878009	1.85
		03/11/2017	1155	Transfer	25879164	1.85
		10/11/2017	-611911	Transfer	25267253	1.80
		17/11/2017	-108888	Transfer	25158365	1.80
		24/11/2017	-42355	Transfer	25116010	1.79
		01/12/2017	-4114	Transfer	25111896	1.79
		08/12/2017	123	Transfer	25112019	1.79

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	15/12/2017	-40	Transfer	25111979	1.79
		22/12/2017	8059	Transfer	25120038	1.79
		29/12/2017	104463	Transfer	25224501	1.80
		05/01/2018	-128971	Transfer	25095530	1.79
		12/01/2018	92071	Transfer	25187601	1.80
		19/01/2018	35291	Transfer	25222892	1.80
		19/01/2018	-25302	Transfer	25197590	1.80
		26/01/2018	99533	Transfer	25297123	1.81
		02/02/2018	-59044	Transfer	25238079	1.80
		09/02/2018	375382	Transfer	25613461	1.83
		16/02/2018	-74088	Transfer	25539373	1.82
		23/02/2018	11261	Transfer	25550634	1.82
		23/02/2018	-5362	Transfer	25545272	1.82
		02/03/2018	24986	Transfer	25570258	1.82
		02/03/2018	-53303	Transfer	25516955	1.82
		09/03/2018	9010	Transfer	25525965	1.82
		16/03/2018	139043	Transfer	25665008	1.83
		23/03/2018	4142	Transfer	25669150	1.83
		30/03/2018	104213	Transfer	25773363	1.84
		At the end of the year			25773363	1.84
7	**GENERAL INSURANCE CORPORATION OF INDIA**	Shareholding at the beginning of the Year			16818124	1.80
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	-50000	Transfer	16768124	1.80
		14/04/2017	-68124	Transfer	16700000	1.79
		28/04/2017	-35000	Transfer	16665000	1.79
		05/05/2017	-15000	Transfer	16650000	1.78
		19/05/2017	-39782	Transfer	16610218	1.78
		26/05/2017	-10218	Transfer	16600000	1.78
		23/06/2017	500000	Transfer	17100000	1.83
		21/07/2017	8550000	Bonus	25650000	1.83
		28/07/2017	-60000	Transfer	25590000	1.83
		04/08/2017	-40000	Transfer	25550000	1.82
		15/09/2017	-60000	Transfer	25490000	1.82
		27/10/2017	-36000	Transfer	25454000	1.82
		31/10/2017	-14000	Transfer	25440000	1.82
		10/11/2017	-25601	Transfer	25414399	1.81
		17/11/2017	-24399	Transfer	25390000	1.81
		22/12/2017	-50000	Transfer	25340000	1.81
		05/01/2018	-50000	Transfer	25290000	1.81
		09/02/2018	-35000	Transfer	25255000	1.80

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	16/02/2018	-155000	Transfer	25100000	1.79
		02/03/2018	-120000	Transfer	24980000	1.78
		09/03/2018	-114500	Transfer	24865500	1.77
		16/03/2018	-115500	Transfer	24750000	1.77
		23/03/2018	-50000	Transfer	24700000	1.76
		At the end of the year			24700000	1.76
8	**RELIANCE CAPITAL TRUSTEE COMPANY LIMITED**	Shareholding at the beginning of the Year			9013335	0.97
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	1917	Transfer	9015252	0.97
		07/04/2017	-476998	Transfer	8538254	0.92
		14/04/2017	24	Transfer	8538278	0.91
		21/04/2017	109681	Transfer	8647959	0.93
		28/04/2017	1571	Transfer	8649530	0.93
		28/04/2017	-30979	Transfer	8618551	0.92
		05/05/2017	-3071	Transfer	8615480	0.92
		12/05/2017	104502	Transfer	8719982	0.93
		12/05/2017	-2246	Transfer	8717736	0.93
		19/05/2017	18000	Transfer	8735736	0.94
		19/05/2017	-1566	Transfer	8734170	0.94
		26/05/2017	5500	Transfer	8739670	0.94
		26/05/2017	-176282	Transfer	8563388	0.92
		02/06/2017	138	Transfer	8563526	0.92
		02/06/2017	-102912	Transfer	8460614	0.91
		09/06/2017	-1145	Transfer	8459469	0.91
		16/06/2017	-215	Transfer	8459254	0.91
		23/06/2017	-1704	Transfer	8457550	0.91
		30/06/2017	13000	Transfer	8470550	0.91
		30/06/2017	-22	Transfer	8470528	0.91
		07/07/2017	11	Transfer	8470539	0.91
		07/07/2017	-1656	Transfer	8468883	0.91
		14/07/2017	25041	Transfer	8493924	0.91
		14/07/2017	-21696	Transfer	8472228	0.91
		21/07/2017	4219951	Bonus	12692179	0.91
		28/07/2017	-5571	Transfer	12686608	0.91
		04/08/2017	240070	Transfer	12926678	0.92
		04/08/2017	-53382	Transfer	12873296	0.92
		11/08/2017	56400	Transfer	12929696	0.92
		11/08/2017	-656004	Transfer	12273692	0.88
		18/08/2017	155430	Transfer	12429122	0.89
		18/08/2017	-248383	Transfer	12180739	0.87

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	25/08/2017	378553	Transfer	12559292	0.90
		25/08/2017	-200015	Transfer	12359277	0.88
		01/09/2017	339261	Transfer	12698538	0.91
		08/09/2017	23092	Transfer	12721630	0.91
		08/09/2017	-927	Transfer	12720703	0.91
		15/09/2017	100000	Transfer	12820703	0.92
		15/09/2017	-222205	Transfer	12598498	0.90
		22/09/2017	104709	Transfer	12703207	0.91
		22/09/2017	-276250	Transfer	12426957	0.89
		29/09/2017	203250	Transfer	12630207	0.90
		29/09/2017	-1351536	Transfer	11278671	0.81
		06/10/2017	28249	Transfer	11306920	0.81
		13/10/2017	446665	Transfer	11753585	0.84
		20/10/2017	102987	Transfer	11856572	0.85
		27/10/2017	80193	Transfer	11936765	0.85
		31/10/2017	550357	Transfer	12487122	0.89
		31/10/2017	-20388	Transfer	12466734	0.89
		03/11/2017	172641	Transfer	12639375	0.90
		03/11/2017	-7425	Transfer	12631950	0.90
		10/11/2017	61300	Transfer	12693250	0.91
		10/11/2017	-1047	Transfer	12692203	0.91
		17/11/2017	200021	Transfer	12892224	0.92
		17/11/2017	-340045	Transfer	12552179	0.90
		24/11/2017	12130	Transfer	12564309	0.90
		24/11/2017	-149490	Transfer	12414819	0.89
		01/12/2017	-17642	Transfer	12397177	0.88
		08/12/2017	382438	Transfer	12779615	0.91
		08/12/2017	-978	Transfer	12778637	0.91
		15/12/2017	206895	Transfer	12985532	0.93
		15/12/2017	-5252	Transfer	12980280	0.93
		22/12/2017	250962	Transfer	13231242	0.94
		22/12/2017	-799	Transfer	13230443	0.94
		29/12/2017	-282000	Transfer	12948443	0.92
		05/01/2018	205536	Transfer	13153979	0.94
		05/01/2018	-3750	Transfer	13150229	0.94
		12/01/2018	113129	Transfer	13263358	0.95
		12/01/2018	-807	Transfer	13262551	0.95
		19/01/2018	807857	Transfer	14070408	1.00
		19/01/2018	-233284	Transfer	13837124	0.99

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	26/01/2018	-71253	Transfer	13765871	0.98
		02/02/2018	138374	Transfer	13904245	0.99
		02/02/2018	-19756	Transfer	13884489	0.99
		09/02/2018	379601	Transfer	14264090	1.02
		16/02/2018	104944	Transfer	14369034	1.03
		16/02/2018	-39	Transfer	14368995	1.03
		23/02/2018	427895	Transfer	14796890	1.06
		23/02/2018	-158	Transfer	14796732	1.06
		02/03/2018	19171	Transfer	14815903	1.06
		02/03/2018	-251828	Transfer	14564075	1.04
		09/03/2018	174116	Transfer	14738191	1.05
		09/03/2018	-207168	Transfer	14531023	1.04
		16/03/2018	59595	Transfer	14590618	1.04
		16/03/2018	-427217	Transfer	14163401	1.01
		23/03/2018	822570	Transfer	14985971	1.07
		23/03/2018	-490454	Transfer	14495517	1.03
		30/03/2018	284520	Transfer	14780037	1.05
		30/03/2018	-3640	Transfer	14776397	1.05
		At the end of the year			14776397	1.05
9	**NOMURA INDIA INVESTMENT FUND MOTHER FUND**	Shareholding at the beginning of the Year			3769101	0.40
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	99356	Transfer	3868457	0.41
		14/04/2017	237143	Transfer	4105600	0.44
		21/04/2017	197405	Transfer	4303005	0.46
		28/04/2017	191568	Transfer	4494573	0.48
		02/06/2017	281461	Transfer	4776034	0.51
		09/06/2017	668610	Transfer	5444644	0.58
		16/06/2017	456041	Transfer	5900685	0.63
		30/06/2017	125809	Transfer	6026494	0.65
		07/07/2017	133812	Transfer	6160306	0.66
		21/07/2017	3080153	Bonus	9240459	0.66
		04/08/2017	1119411	Transfer	10359870	0.74
		25/08/2017	500000	Transfer	10859870	0.78
		15/09/2017	344874	Transfer	11204744	0.80
		29/09/2017	572436	Transfer	11777180	0.84
		06/10/2017	615328	Transfer	12392508	0.88
		27/10/2017	250000	Transfer	12642508	0.90
		17/11/2017	250000	Transfer	12892508	0.92
		26/01/2018	1235383	Transfer	14127891	1.01
		09/02/2018	250000	Transfer	14377891	1.03
		At the end of the year			14377891	1.03

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
10	**GOVERNMENT OF SINGAPORE - E**	Shareholding at the beginning of the Year			14155559	1.52
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	191456	Transfer	14347015	1.54
		14/04/2017	-218114	Transfer	14128901	1.51
		21/04/2017	-3340	Transfer	14125561	1.51
		28/04/2017	-1471	Transfer	14124090	1.51
		05/05/2017	-78973	Transfer	14045117	1.50
		19/05/2017	-146297	Transfer	13898820	1.49
		26/05/2017	-366946	Transfer	13531874	1.45
		02/06/2017	80103	Transfer	13611977	1.46
		09/06/2017	15163	Transfer	13627140	1.46
		23/06/2017	-3556	Transfer	13623584	1.46
		07/07/2017	38670	Transfer	13662254	1.46
		21/07/2017	6831127	Bonus	20493381	1.46
		18/08/2017	-270325	Transfer	20223056	1.44
		01/09/2017	-141632	Transfer	20081424	1.43
		08/09/2017	-256564	Transfer	19824860	1.42
		29/09/2017	-773119	Transfer	19051741	1.36
		06/10/2017	-1085600	Transfer	17966141	1.28
		13/10/2017	-1089365	Transfer	16876776	1.21
		03/11/2017	107186	Transfer	16983962	1.21
		17/11/2017	-82998	Transfer	16900964	1.21
		24/11/2017	25000	Transfer	16925964	1.21
		24/11/2017	-1544688	Transfer	15381276	1.10
		01/12/2017	-1744923	Transfer	13636353	0.97
		08/12/2017	-671134	Transfer	12965219	0.93
		15/12/2017	-2588525	Transfer	10376694	0.74
		05/01/2018	164948	Transfer	10541642	0.75
		12/01/2018	10152	Transfer	10551794	0.75
		19/01/2018	142522	Transfer	10694316	0.76
		26/01/2018	91273	Transfer	10785589	0.77
		02/02/2018	68953	Transfer	10854542	0.77
		09/02/2018	22547	Transfer	10877089	0.78
		09/02/2018	-14769	Transfer	10862320	0.78
		16/02/2018	-72873	Transfer	10789447	0.77
		23/02/2018	7820	Transfer	10797267	0.77
		23/02/2018	-28748	Transfer	10768519	0.77
		02/03/2018	8593	Transfer	10777112	0.77
		02/03/2018	-171847	Transfer	10605265	0.76
		09/03/2018	8323	Transfer	10613588	0.76
		23/03/2018	32858	Transfer	10646446	0.76
		30/03/2018	53830	Transfer	10700276	0.76
		At the end of the year			10700276	0.76

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
11	**SBI MAGNUM EQUITY FUND**	Shareholding at the beginning of the Year			10429047	1.12
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	371992	Transfer	10801039	1.16
		07/04/2017	-4137	Transfer	10796902	1.16
		14/04/2017	187269	Transfer	10984171	1.18
		21/04/2017	287067	Transfer	11271238	1.21
		28/04/2017	47164	Transfer	11318402	1.21
		28/04/2017	-260	Transfer	11318142	1.21
		05/05/2017	206238	Transfer	11524380	1.23
		12/05/2017	401651	Transfer	11926031	1.28
		12/05/2017	-1341	Transfer	11924690	1.28
		19/05/2017	250756	Transfer	12175446	1.30
		19/05/2017	-2538	Transfer	12172908	1.30
		26/05/2017	23395	Transfer	12196303	1.31
		26/05/2017	-2072	Transfer	12194231	1.31
		02/06/2017	18323	Transfer	12212554	1.31
		02/06/2017	-1022	Transfer	12211532	1.31
		09/06/2017	36867	Transfer	12248399	1.31
		09/06/2017	-225189	Transfer	12023210	1.29
		16/06/2017	64146	Transfer	12087356	1.29
		23/06/2017	26874	Transfer	12114230	1.30
		23/06/2017	-54324	Transfer	12059906	1.29
		30/06/2017	163263	Transfer	12223169	1.31
		30/06/2017	-172000	Transfer	12051169	1.29
		07/07/2017	72052	Transfer	12123221	1.30
		07/07/2017	-8904	Transfer	12114317	1.30
		14/07/2017	54509	Transfer	12168826	1.30
		14/07/2017	-9928	Transfer	12158898	1.30
		21/07/2017	6139726	Bonus	18298624	1.31
		28/07/2017	168134	Transfer	18466758	1.32
		28/07/2017	-588330	Transfer	17878428	1.28
		04/08/2017	176404	Transfer	18054832	1.29
		11/08/2017	160221	Transfer	18215053	1.30
		11/08/2017	-16382	Transfer	18198671	1.30
		18/08/2017	107234	Transfer	18305905	1.31
		25/08/2017	149230	Transfer	18455135	1.32
		25/08/2017	-300000	Transfer	18155135	1.30
		01/09/2017	119427	Transfer	18274562	1.30
		08/09/2017	129458	Transfer	18404020	1.31
		08/09/2017	-279450	Transfer	18124570	1.29
		15/09/2017	38751	Transfer	18163321	1.30
		15/09/2017	-593062	Transfer	17570259	1.25

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	22/09/2017	139289	Transfer	17709548	1.26
		29/09/2017	46668	Transfer	17756216	1.27
		29/09/2017	-500169	Transfer	17256047	1.23
		06/10/2017	198190	Transfer	17454237	1.25
		06/10/2017	-24032	Transfer	17430205	1.24
		13/10/2017	184836	Transfer	17615041	1.26
		13/10/2017	-200000	Transfer	17415041	1.24
		20/10/2017	112162	Transfer	17527203	1.25
		27/10/2017	66377	Transfer	17593580	1.26
		31/10/2017	61613	Transfer	17655193	1.26
		31/10/2017	-19760	Transfer	17635433	1.26
		03/11/2017	63025	Transfer	17698458	1.26
		10/11/2017	15200	Transfer	17713658	1.26
		10/11/2017	-7107	Transfer	17706551	1.26
		17/11/2017	6850	Transfer	17713401	1.26
		17/11/2017	-83206	Transfer	17630195	1.26
		24/11/2017	155792	Transfer	17785987	1.27
		24/11/2017	-1521	Transfer	17784466	1.27
		01/12/2017	100550	Transfer	17885016	1.28
		08/12/2017	256559	Transfer	18141575	1.29
		08/12/2017	-10500	Transfer	18131075	1.29
		15/12/2017	150858	Transfer	18281933	1.30
		22/12/2017	1121350	Transfer	19403283	1.38
		22/12/2017	-46978	Transfer	19356305	1.38
		29/12/2017	125928	Transfer	19482233	1.39
		29/12/2017	-520	Transfer	19481713	1.39
		05/01/2018	590449	Transfer	20072162	1.43
		05/01/2018	-1	Transfer	20072161	1.43
		12/01/2018	102469	Transfer	20174630	1.44
		12/01/2018	-185	Transfer	20174445	1.44
		19/01/2018	3252	Transfer	20177697	1.44
		19/01/2018	-36395	Transfer	20141302	1.44
		26/01/2018	2934	Transfer	20144236	1.44
		26/01/2018	-771322	Transfer	19372914	1.38
		02/02/2018	-295094	Transfer	19077820	1.36
		09/02/2018	894	Transfer	19078714	1.36
		09/02/2018	-133250	Transfer	18945464	1.35
		16/02/2018	117845	Transfer	19063309	1.36
		16/02/2018	-1020	Transfer	19062289	1.36
		23/02/2018	394	Transfer	19062683	1.36
		23/02/2018	-24762	Transfer	19037921	1.36

					Cumulative Shareholding during the Year	
Sl. No.	**Name of the Share Holder**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	02/03/2018	682430	Transfer	19720351	1.41
		02/03/2018	-2905	Transfer	19717446	1.41
		09/03/2018	213677	Transfer	19931123	1.42
		09/03/2018	-21000	Transfer	19910123	1.42
		16/03/2018	250405	Transfer	20160528	1.44
		16/03/2018	-84000	Transfer	20076528	1.43
		23/03/2018	328036	Transfer	20404564	1.46
		30/03/2018	100964	Transfer	20505528	1.46
		30/03/2018	-5840	Transfer	20499688	1.46
		At the end of the year			20499688	1.46
12	**THE NEW INDIA ASSURANCE COMPANY LIMITED**	Shareholding at the beginning of the Year			9281045	0.99
	Date wise Increase / Decrease in Shareholding during the year specifying the reasins for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	07/04/2017	-20000	Transfer	9261045	0.99
		14/04/2017	-79056	Transfer	9181989	0.98
		21/04/2017	-944	Transfer	9181045	0.98
		05/05/2017	-2500	Transfer	9178545	0.98
		12/05/2017	-21896	Transfer	9156649	0.98
		19/05/2017	-90604	Transfer	9066045	0.97
		26/05/2017	-35000	Transfer	9031045	0.97
		23/06/2017	433000	Transfer	9464045	1.01
		21/07/2017	4732022	Bonus	14196067	1.01
		15/09/2017	-57070	Transfer	14138997	1.01
		22/09/2017	-111388	Transfer	14027609	1.00
		17/11/2017	-30000	Transfer	13997609	1.00
		24/11/2017	-73890	Transfer	13923719	0.99
		01/12/2017	-46110	Transfer	13877609	0.99
		08/12/2017	-50000	Transfer	13827609	0.99
		15/12/2017	-46099	Transfer	13781510	0.98
		22/12/2017	-78901	Transfer	13702609	0.98
		19/01/2018	-10000	Transfer	13692609	0.98
		26/01/2018	-26000	Transfer	13666609	0.98
		02/02/2018	-14000	Transfer	13652609	0.97
		09/02/2018	-23000	Transfer	13629609	0.97
		16/02/2018	-8000	Transfer	13621609	0.97
		23/03/2018	-21000	Transfer	13600609	0.97
		30/03/2018	-4000	Transfer	13596609	0.97
		At the end of the year			13596609	0.97

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of Director / KMP		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	A. M. NAIK	At the Beginning of the year	1,000,000	0.11		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc);	03-Apr-17	-10,000			
		03-Apr-17	-10,000			
		03-Apr-17	-10,000			
		03-Apr-17	-10,000			
		03-Apr-17	-1,000			
		03-Apr-17	-9,000			
		03-Apr-17	-10,000			
		03-Apr-17	-15,000			
		03-Apr-17	-15,000			
		03-Apr-17	-10,000			
		03-Apr-17	-20,000			
		03-Apr-17	-20,000			
		05-Apr-17	-10,000			
		05-Apr-17	-25,000			
		05-Apr-17	-9,369			
		07-Apr-17	-15,631			
		07-Apr-17	-25,000			
		07-Apr-17	-14,747			
		24-Apr-17	-10,253			
		24-Apr-17	-25,000			
		24-Apr-17	-25,000			
		26-Apr-17	-25,000			
		26-Apr-17	-25,000			
		17-Jul-17	325,000	Bonus		
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		04-Jan-18	-25,000			
		05-Jan-18	-25,000			
		05-Jan-18	-25,000			
		08-Jan-18	-25,000			
		08-Jan-18	-25,000			
		08-Jan-18	-25,000			
		18-Jan-18	-25,000			
		18-Jan-18	-25,000			
		18-Jan-18	-25,000			
		22-Jan-18	-25,000			
		22-Jan-18	-25,000			
		22-Jan-18	-25,000			
		22-Jan-18	-25,000			
		23-Jan-18	-25,000			
		23-Jan-18	-42			
		At the end of the year			424,958	0.03

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of Director / KMP		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
2	S. N. SUBRAHMANYAN	At the beginning of the year	107,056			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		17/07/2017	53,528	Bonus		
		12/08/2017	52,500	ESOP exercise		
		At the End of the year			213,084	0.02
3	R. SHANKAR RAMAN	At the beginning of the year	189,000			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc):					
		17/07/2017	94,500	Bonus		
		12/08/2017	22,500	ESOP exercise		
		At the End of the year			306,000	0.02
4	SHAILENDRA N. ROY	At the beginning of the year	65,350			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	12-Apr-17	-200			
		12-Apr-17	-200			
		12-Apr-17	-200			
		21-Apr-17	-500			
		21-Apr-17	-500			
		21-Apr-17	-500			
		24-Apr-17	-1,000			
		24-Apr-17	-500			
		24-Apr-17	-250			
		25-Apr-17	-250			
		25-Apr-17	-250			
		25-Apr-17	-250			
		25-Apr-17	-250			
		25-Apr-17	-250			
		26-Apr-17	-500			
		26-Apr-17	-500			
		26-Apr-17	-500			
		27-Apr-17	-500			
		27-Apr-17	-250			
		27-Apr-17	-500			
		27-Apr-17	-500			
		27-Apr-17	-500			
		27-Apr-17	-250			
		10-May-17	-500			
		17-Jul-17	27,875	Bonus		
		12-Aug-17	15,000	ESOP exercise		
		21-Dec-17	-1,000			
		21-Dec-17	-1,000			
		21-Dec-17	-500			
		22-Dec-17	-500			
		27-Dec-17	-1,000			

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of Director / KMP		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	03-Jan-18	-1,000			
		03-Jan-18	-1,000			
		03-Jan-18	-1,000			
		03-Jan-18	-1,000			
		04-Jan-18	-1,000			
		04-Jan-18	-1,000			
		04-Jan-18	-1,000			
		04-Jan-18	-1,000			
		04-Jan-18	-500			
		05-Jan-18	-1,000			
		08-Jan-18	-1,000			
		08-Jan-18	-1,000			
		08-Jan-18	-1,000			
		08-Jan-18	-1,000			
		15-Jan-18	-1,000			
		17-Jan-18	-3,000			
		18-Jan-18	-2,000			
		At the End of the year			75,125	0.01
5	D. K. SEN	At the beginning of the year	30,703			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	17-Jul-17	15,351	Bonus		
		At the End of the year			46,054	0.00
6	M. V. SATISH	At the beginning of the year	42,875			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	17-Jul-17	21,437	Bonus		
		At the End of the year			64,312	0.00
7	J. D. PATIL	As on the date of appointment as director	114,840			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	17-Jul-17	57,420	Bonus		
		At the End of the year			172,260	0.01

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of Director / KMP		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
8	**M. M. CHITALE**	At the beginning of the year	1,629			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	814	Bonus		
		At the End of the year			2,443	0.00
9	**SUBODH BHARGAVA**	At the beginning of the year	750			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	375	Bonus		
		At the End of the year			1,125	0.00
10	**M. DAMODARAN**	At the beginning of the year	150			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	75	Bonus		
		At the End of the year			225	0.00
11	**VIKRAM SINGH MEHTA**	At the beginning of the year	885			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc):	17-Jul-17	442	Bonus		
		At the End of the year			1,327	0.00
12	**SUSHOBHAN SARKER jointly with Life Insurance Corporation of India**	At the beginning of the year	150			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	75	Bonus		
		At the End of the year			225	0.00
13	**ADIL ZAINULBHAI**	At the beginning of the year	100	0.00		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	50	Bonus		
		At the End of the year			150	0.00

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of Director / KMP		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
14	AKHILESH GUPTA	At the beginning of the year	200	0.00		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	100	Bonus		
		17-Jan-18	7,380			
		At the End of the year			7,680	0.00
15	NARAYANAN KUMAR	At the beginning of the year	1,000			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	500	Bonus		
		At the End of the year			1,500	0.00
16	SANJEEV AGA	At the beginning of the year	3,000			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	1,500	Bonus		
		At the End of the year			4,500	0.00
17	SUNITA SHARMA jointly with Life Insurance Corporation of India	At the beginning of the year	100			
	Da+B219:B221te wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	50	Bonus		
		At the End of the year			150	0.00
18	THOMAS MATHEW T.	At the beginning of the year	100			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	50	Bonus		
		At the End of the year			150	0.00

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of Director / KMP		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
19	AJAY SHANKAR	At the beginning of the year	100			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	50	Bonus		
		At the End of the year			150	0.00
20	SUBRAMANIAN SARMA	At the beginning of the year	21,100			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	10,550	Bonus		
		At the End of the year			31,650	0.00
21	NAINA LAL KIDWAI	At the beginning of the year	100			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	17-Jul-17	50	Bonus		
		At the End of the year			150	0.00
22	N. HARIHARAN	At the beginning of the year	23,140	0.00		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	21/07/2017	11570			
		At the End of the year			34710	0.00

V. INDEBTEDNESS:

Indebtedness of the company including interest outstanding/accrued but not due for payment as on 31st March 2018

₹ crore

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount *	848.13	9710.24	–	10558.37
ii) interest due but not paid *	–	–	–	–
iii) interest accrued but not due *	–	–	–	–
Total (i+ii+iii)	**848.13**	**9710.24**		**10558.37**

₹ crore

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in indebtedness during the financial year				
Additions ^	16160.75	5697.34	–	21858.09
Reduction	(16484.83)	(5402.51)	–	(21887.34)
Exchange gain/(loss)	1.12	30.76	–	31.88
Interest accrued but not due	–	–	–	–
Net change	**(322.96)**	**325.59**	**–**	**2.63**
Indebtedness at the end of the financial year				
i) Principal Amount *	525.17	10035.83	–	10561.00
ii) interest due but not paid *	–	–	–	–
iii) interest accrued but not due *	–	–	–	–
Total (i+ii+iii)	**525.17**	**10035.83**	**–**	**10561.00**

*Principal amount mentioned includes interest due but not paid and interest accrued but not due.

^ Addition during the financial year includes interest accrued but not due.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

₹ crore

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager							Total Amount
		A M NAIK	S N SUBRAHMANYAN	R SHANKAR RAMAN	SHAILENDRA ROY	D..K SEN	M.V SATISH	J. D. PATIL	
1	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.727	2.144	1.590	1.470	1.140	1.140	0.720	10.931
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48.109*	14.376	5.822	3.453	0.120	0.215	0.135	72.230
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2	Stock Option	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3	Sweat Equity	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4	Commission								
	- as % of profit	8.727	11.579	7.387	5.319	5.113	4.502	2.284	44.911
	- others, specify…								0.000
5	Others (Retirement Benefits, Contribution to Provident Fund & Superannuation Fund)	77.682**	3.704	2.424	1.833	1.688	1.524	0.811	89.666
	Total (A)	**137.245**	**31.803**	**17.223**	**12.075**	**8.061**	**7.381**	**3.950**	**217.738**
	Ceiling as per the Act								**943.46**

* Perquisites include perquisite value of ₹ 47.982 crore in respect of stock options granted over the past several years by Larsen & Toubro Infotech Limited and L&T Technology Services Limited and exercised during the year.

** Retirement benefits include encashment of accumulated past service leave ₹ 19.381 crore, gratuity ₹ 55.038 crore and pension of ₹ 1.50 crore

B. REMUNERATION TO OTHER DIRECTORS:

₹ crore

Sl. No.	Particulars of Remuneration	Name of Directors																Total Amount
		A M Naik	M M Chitale	Subodh Bhargava	M Damodaran	Vikram Singh Mehta	Sushobhan Sarker	Adil Zainulbhai	Akhilesh Gupta	Sunita Sharma	Thomas Mathew T	Ajay Shankar	Subrmanian Sarma	Naina Lal Kidwai	Sanjeev Aga	Narayanan Kumar	Arvind Gupta	
1	Independent Directors																	
	Fee for attending board / committee meetings		0.077	0.065	0.062	0.040		0.058	0.045		0.065	0.055		0.045	0.077	0.045		**0.634**
	Commission		0.330	0.435	0.238	0.237		0.258	0.150		0.278	0.280		0.150	0.240	0.150		**2.746**
	Others, please specify																	**0.000**
	Total (1)		**0.407**	**0.500**	**0.300**	**0.277**		**0.316**	**0.195**		**0.343**	**0.335**		**0.195**	**0.317**	**0.195**	**0.000**	**3.380**
2	Other Non-Executive Directors																	
	Fee for attending board / committee meetings	0.023					0.077			0.023			–				0.015	**0.138**
	Commission #	2.500					0.263			0.038			–				0.033	**2.834**
	Others, please specify - @	0.015																**0.015**
	Total (2)	**2.538**					**0.340**			**0.061**			**–**		**0.000**	**0.000**	**0.048**	**2.987**
	Total (B)=(1+2)	**2.538**	**0.407**	**0.500**	**0.300**	**0.277**	**0.340**	**0.316**	**0.195**	**0.061**	**0.343**	**0.335**	**–**	**0.195**	**0.317**	**0.195**	**0.048**	**6.367**
	Total Managerial Remuneration (A) + (B)																	**224.105**
	Overall Ceiling as per the Act																	**1,037.80**

Payable to respective institutions they represent @ This represents perquisite value of housing & medical

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

₹ crore

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (N. Hariharan)	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	1.099	Not Applicable	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.002		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify…				
5	Others (Contribution to Provident Fund & Superannuation Fund)		0.079		
	Total		**1.180**		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Annexure 'G' to the Board Report

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, prescribed Listed Companies are required to frame a Dividend Distribution Policy.

PURPOSE

The purpose of this Policy is to regulate the process of dividend declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

AUTHORITY

This Policy has been adopted by the Board of Directors of Larsen & Toubro Limited ('the Company') at its Meeting held on 22nd November, 2016. The Policy shall also be displayed in the annual reports and also on the website of the Company.

FORMS OF DIVIDENDS

The Companies Act provides for two forms of Dividend:

- **Final Dividend**

  The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

- **Interim Dividend**

  This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy. The Board should consider declaring an interim dividend after finalization of quarterly/ half yearly financial results. This would be in order to supplement the annual dividend or to reward shareholders in exceptional circumstances.

QUANTUM OF DIVIDEND AND DISTRIBUTION

Dividend payout in a particular year shall be determined after considering the operating and financial performance of the Company and the cash requirement for financing the Company's future growth. In line with the past practice, the payout ratio is expected to grow in accordance with the profitable growth of the Company under normal circumstances.

DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of-

1) Current financial year's profit:

   a) after providing for depreciation in accordance with law;

   b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion

2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or

3) out of 1) & 2) both.

The circumstances under which shareholders may not expect dividend/when the dividend could not be declared by the Company shall include, but are not limited to, the following:

a. Due to operation of any other law in force;

b. Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;

c. Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders and

d. Due to any default on part of the Company.

FACTORS AFFECTING DIVIDEND DECLARATION:

The Dividend pay-out decision of any company, depends upon certain external and internal factors-

External Factors:

- Legal/ Statutory Provisions and Regulatory concern: The Board should keep in mind the restrictions imposed by Companies Act, any other applicable laws with regard to declaration and distribution of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.

- State of Economy: The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.
- Nature of Industry: The nature of industry in which a company is operating, influences the dividend decision. Like the industries with stable demand throughout the year are in a position to have stable earnings and thus declare stable dividends.
- Taxation Policy: The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the Company for declaring dividends.
- Capital Markets: In case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

Internal Factors:

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include -

- Magnitude and Stability of Earnings: The extent of stability and magnitude of company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the Company.
- Liquidity Position: A company's liquidity position also determines the level of dividend. If a company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.
- Future Requirements: If a company foresees some profitable investment opportunities in near future including but not limited to Brand/ Business Acquisitions, Expansion/Modernization of existing businesses, Additional investments in subsidiaries/ associates of the Company, Fresh investments into external businesses, then it may decide for lower dividend payout and vice-versa.
- Leverage profile and liabilities of the Company.
- Any other factor as deemed fit by the Board.

RETAINED EARNINGS

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital. Thus the retained earnings shall be utilized for carrying out the main objectives of the Company and maintaining adequate liquidity levels.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE

The Company does not have different classes of shares and follows the 'one share, one vote' principle.

REVIEW & AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Management Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

Annexure 'H' to the Board Report

NOMINATION AND REMUNERATION POLICY

The Board of Directors of Larsen & Toubro Limited ("the Company") had constituted the "Nomination and Remuneration Committee" which is in compliance with the requirements of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

1. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Act read along with the applicable rules thereto and Regulation 19 of LODR. The Key Objectives of the Committee would be:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out by the Board or the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Devising a policy on Board diversity;

2. DEFINITIONS:

2.1. Act means the Companies Act, 2013 or Companies Act, 1956 as may be applicable and Rules framed thereunder, as amended from time to time.

2.2. Board means Board of Directors of the Company.

2.3. Directors mean Directors of the Company.

2.4. Executive Directors means the Executive Chairman if any, Chief Executive Officer and Managing Director, Deputy Managing Director, if any and Whole-time Directors.

2.5. Key Managerial Personnel means

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time directors;
- Chief Financial Officer;
- Company Secretary;
- Senior Management Personnel designated as such by the Board; and
- Such other officer as may be prescribed.

2.6. Senior Management Personnel means all members of management one level below the Executive Directors including the Chief Financial Officer and Company Secretary.

3. ROLE OF COMMITTEE:

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience

of the person for appointment as Director and recommend to the Board his/her appointment.

Appointment and Remuneration of KMP or Senior Management Personnel is in accordance with the HR Policy of the Company. The Company's policy is committed to acquire, develop and retain a pool of high calibre talent, establish systems and practises for maintaining transparency, fairness and equity and provides for payment of competitive pay packages matching industry standards.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Director who has attained the retirement age fixed by the Board or as approved by the Shareholders pursuant to the requirement of the Act/LODR.

3.2.2. Term / Tenure

a) Executive Directors:

The Company shall appoint or re-appoint any person as its Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The rationale for such re-appointment shall also be provided in the Notice to Shareholders proposing such re-appointment.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c) Maximum Number of Directorships:

- A person shall not be appointed as a Director in case he is a Director in more than eight listed companies after April 1, 2019 and seven listed companies after April 1, 2020. For the purpose of this clause listed companies would mean only those companies whose equity shares are listed.

3.2.3. Evaluation

The Committee shall by itself or through the Board or an independent external agency carry out evaluation of performance of the Board/Committee(s), Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance.

The Company may disclose in the Annual Report:

a. Observation of the Board Evaluation for the year under review

b. Previous years observations and actions taken

c. Proposed actions based on current year's observations

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company, as applicable. The Board/Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even

after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration of Executive Director, KMP and Senior Management Personnel

3.3.1. General:

a) The remuneration / compensation / commission etc. to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Executive Directors shall be in accordance with the percentage / limits / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Executive Directors.

d) Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

e) Remuneration of other KMP or Senior Management Personnel, in any form, shall be as per the policy of the Company based on the grade structure in the Company.

3.3.2. Remuneration to Executive directors/ KMP and Senior Management Personnel:

a) Fixed pay:

The Executive Directors/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee or policy of the Company. In case of remuneration to Directors, the breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Chairman/Managing Director/Whole-time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

d) Stock Options in Subsidiary Companies:

Executive Directors may be granted stock options in subsidiary companies as per their Schemes and after taking necessary approvals. Perquisites may be added to the remuneration of concerned directors and considered in the limits applicable to the Company.

3.3.3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act. The Board of Directors will fix the Commission payable to Directors on the basis of number of Board/Committee meetings attended during the year and Chairmanships of Committees.

d) Stock Options:

An Independent Director shall not be entitled to any Stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company. Nominee Directors are not entitled to stock options as per their respective nomination letters received by the Company.

4. MEMBERSHIP

4.1 The Committee shall consist of a minimum 3 non-executive directors, half of them being independent.

4.2 Minimum two (2) members or one-third of the members whichever is greater including atleast one Independent Director shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held atleast once in a year and at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present/participate in discussion when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

10.1 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

10.2 Determining the appropriate size, diversity and composition of the Board;

10.3 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

10.4 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

10.5 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

10.6 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

10.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

10.8 Recommend any necessary changes to the Board; and

10.9 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate and all elements of the remuneration of the members of the Board.

11.2 To ensure the remuneration maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.

11.4 To consider any other matters as may be requested by the Board.

11.5 Review of professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF NOMINATION AND REMUNERATION COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

13. REVIEW & AMENDMENT:

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Nomination and Remuneration Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

www.Larsentoubro.com



We make the things that make India proud

From aerospace solutions that launch satellites, to defence equipment that delivers the decisive edge. Hydrocarbon projects that fuel growth, and smart city infrastructure that enhances urban living. From managing our most precious resource, water, to powering solutions that light up lives. From harnessing the Internet of Things, to creating majestic gateways to the world. We make the things that make India proud.

LTCBMC/PRD/072018

Regd. Office: Larsen & Toubro Limited, L&T House, N. M. Marg
Ballard Estate, Mumbai - 400 001, INDIA. CIN: L99999MH1946PLC004768

LARSEN & TOUBRO

Management Discussion and Analysis

Indian economy

The domestic market had its fair share of upheavals in the financial year under review. A combination of deferral of award decisions and the implementation of long term reforms causing short term economic turbulence have led to a muted environment for project execution. For example, the introduction of GST from 1st July, 2017 caused disruption for a few quarters during which time businesses and Government agencies grappled with this new nation-wide taxation system. Other reform measures such as Demonetisation, RERA and the Insolvency & Bankruptcy Code have also impacted business momentum in the short term, but are expected to lead to sustained economic growth in the long run.

Some positive effects have already started being felt through higher tax revenues and the gradual formalisation of the economy with its consequent widening of the tax base. This is likely to give the Central Government better wherewithal to allocate higher levels of funding for essential infrastructure projects. These investments are being supplemented by increased State Government spending, greater capex by financially strong PSUs and increased quantum of soft lending by bi-lateral and multi-lateral lending agencies.

Some areas of public sector infrastructure capex have seen strong investment momentum and some large investment programs have been kicked off. The thrust of the Government on roads, conventional and metro railways, water management systems and irrigation projects, power generation facilities, power transmission & distribution, affordable housing, healthcare facilities, build out of smart



city infrastructure, and tying up of energy security through stronger oil & gas infrastructure has given an impetus to domestic awards during the year.

Rural development

The Government has also been focusing on developing core infrastructure in rural areas, mainly focused on roads, power availability to rural households through intensive electrification, irrigation of cultivable land and direct transfer of subsidies to families in the BPL segment through the expanding base of Jan Dhan Bank Accounts linked with Aadhar. Considerable headway has been made in all these areas and millions of rural people have been lifted out of the 'BPL zone' over the last few years.

Private sector investments

Private sector investments have remained muted and are expected to take some more time before a wholesome revival can be seen across sectors like Infrastructure PPP, industrial capex, consumption driven capex and real estate growth. The growing impact of non-performing loans on the balance sheets of banks continues to impact the credit growth of the banking system.

Global economic scenario

International markets have witnessed noticeable volatility, triggered by geo-political events, significant movements in currency and commodities, protectionist policies including tariff barriers, a prolonged bout of low oil prices, and constrained fiscal positions of oil producing nations. The recent hardening of oil prices is likely to now give better leeway to policy makers in GCC countries to allocate increased outlay on essential infrastructure.

The Company has also been reducing its dependence on business from the Middle East and is focusing on expanding business in East & North Africa Region (including Algeria and Egypt) as well as East Asian countries.

Focus on long term profitable growth

The ongoing initiatives currently under way include a focus on digitalization, strengthening execution and operational efficiency, unlocking business value, better asset utilisation, judicious use of working capital, business portfolio rationalisation and higher shareholder payouts are enabling the company to perform well on key parameters and improve Returns on Equity.



Infrastructure Business

Infrastructure Business Scenario

Indian Construction Sector

Infrastructure in India has come a long way with consolidation in the last 2 years (i.e.) 2015 – 2017. Order awards especially from the Government including both State and Central have further triggered the momentum in the current year (2018), which is expected to drive robust topline growth of the construction sector in the coming years, given the conversion cycle.

Furthermore, Budget 2018-19 is a pragmatic effort, fine balancing the requirement of fiscal rectitude while keeping in focus the need to connect the missing links in infrastructure and farm sector development.

The budget has reiterated the need for infrastructure investments as the 'sine qua non' for sustained growth with a requirement of ₹ 50 lakh crore, which has to come partly from the the Government but importantly through 'crowding in' of investments from the private sector. Much stress has been laid on urbanization through adoption of smart cities and smart infrastructure and construction of large linear infrastructure projects in transportation like 'Bharat Mala', aviation and ports. More importantly, the attendant structural reforms through the adoption of the IBC and clear emphasis on recapitalization of the banking system and strategic disinvestment targets reflected the long term commitment of the Government. Such incentives will release risk capital, lower risk averseness of the financial sector and lead to the upturn of the private capex cycle.

Global Construction Sector

The global infrastructure segment is more buoyant than it has been for the last few years and the sentiment is positive. Global construction stepped into its stride in 2017 as the economic backdrop brightened and boosted optimism. The USA is enjoying rapid economic growth, European markets are catching up and China continues to surprise.

IMF forecasts global GDP to increase by 3.9 percent in 2018. The construction sector has a strong correlation with economic growth. Construction's share of the economy expands in greater proportion when GDP rises above a moderate rate. Increasing construction activity around the globe is expected to drive with global growth gaining momentum and more importantly developed economies still accounting for about half of global construction.

Finally, though the sharp rise in crude prices is a double edged sword, this raises expectations for the oil and gas sector and infrastructure development in the middle East which would auger well for the construction sector.

Artist's impression of proposed Chhatrapati Shivaji Maharaj Memorial Statue, Mumbai



Indian International Convention Centre, Delhi



Buildings and Factories

Overview:
L&T's Buildings & Factories (B&F) business is known for its capability and expertise in executing airports, hospitals, stadiums, retail spaces, educational institutions, IT parks, office buildings, datacentres, elite residential buildings, high-rise structures, mass housing complexes, factory structures, cement plants and industrial warehouses on an EPC (Engineering, Procurement and Construction) basis. L&T has a track record in successfully addressing tough challenges, and has the unique capability to offer total solutions including 'Design-Build-Commission' expertise, advanced systems like Building Information Modules, procurement from global supply chain and unrivalled project management expertise.

Dedicated engineering design centres, competency cells, advanced formwork systems, mechanized project execution, wide network of consultants and vendors, digitized project control and a talented pool of employees help the business to maintain a leadership position, retain key customers, enter new geographies and secure major orders. Construction excellence – coupled with technology, experience and expertise gained over several decades – has helped the business to continue to be one of the premium contractors in the industry.

The year saw receipt of some breakthrough orders from prestigious clients. Major orders were secured from esteemed customers for the construction of convention centres in New Delhi and Jharkhand, construction of AIIMS hospital in 2 locations, a store for a retail major in Navi Mumbai and office space for a renowned developer.

Key projects commissioned by the business during the year include:

- Metro facility at Hyderabad
- Convention Centre in West Bengal
- Medical colleges for the Govt. of Odisha
- Kannur Airport
- High-rise residential towers in various parts of the country
- Facility for Asian Paints in Mysore

Business Environment Review

The past two years have been very challenging for the construction industry. The customer base of the business showed a clear shift towards Government clients, as the private sector deferred their investment plans due to uncertainties caused by various economic developments. Though RERA and GST were positives for the industrial growth, the sudden implementation of these policies brought India's economy to a standstill for a few months. The first half of the financial year was quite challenging for the business, which has slowly stabilized, progressing towards healthy GDP growth.

Most of the airport projects that were deferred during the last year have started showing positive movement this year.

ITC Colombo



Orient Cement project at Chittapur in Hyderabad



TCS Customer Care Centre, Chennai



The IT sector in India remained sluggish. The Government has been active in implementing various health care schemes and establishing hospitals. On the whole, the business scenario has been better than the previous year's.

The Qatar embargo had some impact on the ongoing jobs. There were no major orders from the GCC, as the economy is reviving, with crude oil prices stabilizing after a steep fall.

Despite uncertain market conditions, the Buildings & Factories business has managed to win major orders and has continued to maintain its leadership position in the industry.

Initiatives

Apart from continuing its focus on technological advancements and R&D, the business has also introduced major initiatives with the objective of strengthening its customer portfolio, steadying business growth, and expanding into emerging markets. Key moves have been taken to strengthen the organization and follow a focused approach towards projects that complement our strengths. Various digital initiatives that were introduced last year have been successfully implemented, and are operational across all sites of the business. Value engineering, effective procurement and supply chain management, operational excellence, mechanized execution and innovative construction methodologies have improved project cycle times, enhanced profitability and delivered quality. The business is associated with leading universities and industry experts, pioneering use of Robotics and 3D printing in construction.

Safety at work is of utmost importance to L&T's Buildings & Factories business, and the focus continues by organizing various training and awareness programmes throughout the year. Various initiatives have been taken up to digitally monitor, record and review all safety-related aspects at site.

Awards & Recognitions

For the second time in a row, the business has been awarded the prestigious 'Sword of Honour' from the British Safety Council.

1. B&F received three British Sword of Honour awards and a five star certification from the British Safety Council
2. Ten projects won the Gold Awards from The Royal Society For Prevention of Accidents (RoSPA)
3. 16 projects were awarded by the National Safety Council.
4. Indian Building Congress award for precast initiatives
5. Outstanding Contribution in Commercial Project award from EPC World
6. Two awards for 'Outstanding Concrete Structure' from Indian Concrete Institute and Two Construction Week India Awards

Outlook

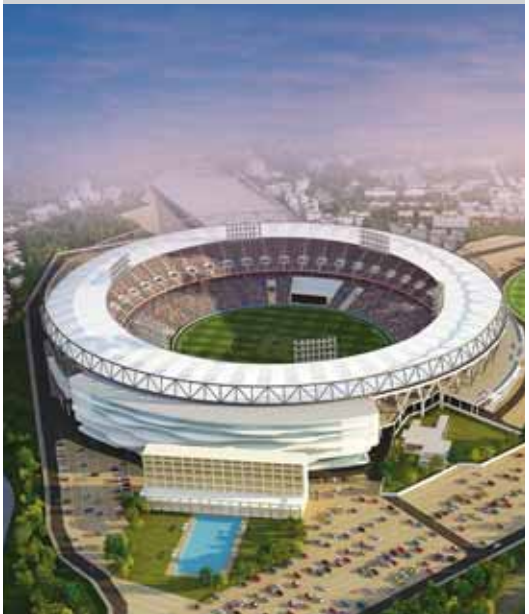
With expected GDP growth between 7.0 to 7.8% and with Government's continued focus on reforms, improved World Bank ranking for 'Doing Business' and Moody's rating upgrade is expected to lift investor sentiment and accelerate FDI flows in long-term. Some of the tailwinds are:

- Airport traffic growth in the country will necessitate immediate requirements of airport expansions within the country.

ICC towers, Mumbai



Motera Cricket Stadium, Gujarat



WBHIDCO-Convention Centre at Kolkata



- India is experiencing much growth in medical tourism, and the industry is expected to double its size by end 2018.
- The Government has provided infrastructure status to Affordable Housing. The relaxation of FDI in real estate will steadily boost investment in this sector.

In the international arena, Bangladesh and the GCC offer promising opportunities. The crude oil price is on a rising trend. This is a healthy sign for the GCC's economy and will boost revival of stalled investment plans.

L&T's Buildings & Factories business is a proven player in the construction industry, with an exemplary record of handling major design-and-build projects and executing them within stringent timelines.

Overall, the environment is promising, yet challenging, with a long process duration and increased competition.

Transportation Infrastructure

Overview:
The Transportation Infrastructure business is a well-diversified business in terms of its product range and geography of operations. The business offers its services in the fields of Roads, Runways (Airside Infrastructure) & Elevated Corridors (RREC), railways (mainline and mass transit systems) and international infrastructure. L&T's Transportation Infrastructure business has a presence across India, East Africa and various GCC countries.

The business leverages its vast experience in Project Management, Engineering Design & Construction Management to achieve operational efficiency.

It has Engineering Design Centres in Mumbai, Faridabad and Chennai and Offshore Engineering Centre in Mumbai, besides Area Offices in India/ GCC countries. In addition, it has a competency development centre at Kancheepuram, and undertakes workmen training at L&T's Construction Skills Training Institute, Ahmedabad.

Over the years, the business has been fuelling its topline with the help of a robust order book.

The business is the first Indian entity to receive an order for delivery of a complete transit system abroad; it secured a design-&-build project for a Mass Transit System in Mauritius, an opportunity to deliver from track to train. The business has won the prestigious contract for construction of the New South Parallel Runway, apron and associated works at Kempegowda International Airport, Bengaluru on EPC basis.

The Railway Strategic Business has been awarded a large EPC Civil, Structure and Track project in the Eastern Dedicated Freight Corridor, involving construction of 222 RKM of a single-track corridor from Khurja to Pilkhani in Uttar Pradesh.

In the area of Mass Transit Systems, L&T's Railway SBG continues to grow in the domain of 'Ballastless Tracks' and 'Traction System for Metros' It has won projects for ballastless tracks for the Ahmedabad Metro and for power system installation and SCADA work in Mumbai Metro Line 3.

An integrated Light Rail Transit System, Mauritius



The business has been successful in expanding its customer base during the year by securing various orders for construction of highways, including 8L of Dwarka Expressway (8.76 Km, Package IV), Haryana from NHAI, 6L of Mumbai-Vadodara Expressway (23.7 km), Maharashtra, Amaravati Capital City Development project.

During the year, the Kanaktora- Jharsuguda Road Project - a 66.9 km, 2-lane highway in Odisha - was completed.

Business environment:

Sectoral Performance:

a) Roads:

- Construction of highways hit 27 km/day in 2017-18, clocking a 20% growth over the 22.5 km/day in the previous fiscal year.
- The Financial Year 2017-18 yielded projects worth over ₹ 1,220 billion. In the last 5 years, the average length of road projects awarded by NHAI was 2,860 km compared to 7,400 km in FY 17-18. This is a record accomplishment by National Highways Authority of India since its inception in 1995.
- The year 2017-18 saw a significant number of smaller competitors emerging in the market, consequently intensifying the competition.
- There has been a change in the modus operandi of awarding projects, i.e from EPC mode to hybrid annuity mode, where the Government brings in 40% of the project cost during construction period and the rest is to be arranged for by the contractor and recovered through annuities.

b) Railways:

- Track renewal at record high of 4,405 km for the year 2017-18. The renewal of tracks has been the highest ever, which exceeded the target of 4,389 km (revised to 4,400 km) for the year 2017-18.
- New track-laying at a record scale of 3,100 km/yr in 2017-18 against average of 2,045 km/yr in 2009-14
- Railway electrification of 4,100 km surpassing their earlier annual target of 4,000 km in 2017-18.

Sectoral Change:

a) Roads:

- NHAI has taken a decision to have a mix of BOT/EPC/HAM projects in the ratio of 10:30:60 which will impact our addressable market.

b) Railways:

- Change in Metro Policy. Public-Private Partnership (PPP) component is mandatory for availing central assistance for new metro projects.
- Projects being implemented on EPC basis - a paradigm shift from conventional BOQ methods.
- High Speed Rail Projects on fast-track tendering to commence in FY 2018-19.

Policy Initiatives:

a) Roads:

- The National Highway network is to be expanded from 96,000 km to 200,000 km over the next 5 years.

A completed section of Western Dedicated Freight Corridor - Civil & Trackwork



Railway Signaling & Telecommunication



- Expressways are finally seeing good traction in Northern and Western India.
- The second blueprint road development programme has been launched this year vide the Bharatmala Pariyojana.

b) Railways:

- Mission Raftaar focusing on enhancing network speed on the Golden Quadrilateral – ₹ 18,000 crore sanctioned in budget 2018 for 2 corridors.
- Three New Dedicated Freight Corridors to be implemented in next 2-3 years.
- Electrification of the remaining 25,000 RKM by 2021.
- New projects to be implemented through State-Centre JV.

Safety Awards:

During the year, the business has won 14 international safety awards: 1 Distinction, 8 Merit and 5 Pass from the British Safety Council, 2 prestigious safety awards from National Safety Council (NSC), India and also 1 gold award from the American Society of Safety Engineers.

WDFC CTP 1 - 2 Railway project has won the prestigious 'Golden Trophy Award' Sarvashreshtha Suraksha Puraskar in Construction Segment for the year 2017. This singular distinction is the highest honour instituted by the National Safety Council of India. The Railway's business has won the Gold Trophy twice in the last 3 years.

Despite all these accolades, challenges continue to remain in creating a high level of safety awareness across linear projects spanning hundreds of kilometres.

Significant Initiatives

On the execution front, the mega Civil & Track Projects in the Dedicated Freight Corridor continue to speed up with the usage of the new track construction machine and the availability of continuous work front. Recently, high-speed trial runs for a major section of Tracks were successfully conducted in the Ateli-Phulera section of the Western Dedicated Freight Corridor.

Also, the expanse in WDFC Electrification project (3145 track km), necessitate faster execution techniques. This involves cylindrical foundation for the mast implantation through heavy specialized augering machines, mast-grabber-cum- multi-axis manipulator and overhead wiring through state-of-the-art automatic wiring train.

L&T's Railway business is at the forefront in implementing innovative digital initiatives which are specific to linear projects. Prominent among them are 'Central Control System on Track Vehicles Movement' which not only provides real-time tracking of machines, but also track laying / completion status, collision warning alerts and approaching LC gates alerts to both driver and LC gate operator.

The business offers a platform for development and engagement of employees across various levels such as:

- LEAP (Leadership Excellence Accelerator Program)
- EYS (Engineer Your Success) – Developing Planning Engineers
- FULCRUM - Competency Development Programme across all levels.
- GURUKUL – Mentoring by senior leaders.

7.4 km Elevated Corridor at Bhatnagar Kolkata



Garden Reach Flyover at Kolkata



- NEEV – Strengthening the base of the organization pyramid

A total of 780 participants were covered through the above programmes in FY 17-18.

The business aggressively took up the digitalization journey by connecting people, machines and materials in various ways, at site and offices, to create more efficiency and transparency in the processes to gain tangible and intangible benefits. Key digital initiatives implemented in 2017-18 include:

- Project progress monitoring through Procube
- Plant and machinery utilization monitoring through Asset Insight.
- Geospatial solutions have been deployed using drones, Lidar and other GIS technologies to survey, stockpile measurement, obstruction monitoring on Geo map.
- Grader automation – a niche solution deployed, involving installing IoT devices on graders to make them semi-autonomous, increasing grading efficiency.
- Mobile app based solution to digitize several safety processes to make them paperless.
- Quality Chat Bot QT, which serves as ready reckoner for highway engineering.

Digital solutions, in general, are helping the organization to manage operations more efficiently. More solutions will be in place in 2018-19 to extract benefits from investment in technologies.

Outlook

RREC business

As the road sector is opening up, the Government aims to spend close to ₹ 7 lakh crore over the next five years to develop 83,677 km of roads including Bharat Mala Pariyojana worth ₹ 5.4 lakh crore.

The Government aims to build 45 km of roads per day in financial year 2019, an increase from the daily average of almost 27 km achieved last year.

The Ministry has also set targets of awarding orders of 20,000 km of National Highways and constructing a total of 16,420 km in 2018-19 – up from last year's award of orders for 17,055 km highways and 9,829 km constructed.

Railway Business

Indian Railways are planning the highest outlay of ₹ 1.46 lakh crore for FY 18-19 – an increase over last year's outlay of ₹ 1.31 lakh crore.

The high-speed rail project is the next big-ticket opportunity after the dedicated freight corridor projects. While the pipeline of projects from Western and Eastern Dedicated Freight Corridor is concluding, the business is positively looking at the start of the bidding process for the 508 km Mumbai-Ahmedabad High Speed Rail Corridor (MAHSR). With the enhanced value of the overall project at ₹ 1,08,000 crore, L&T's accessible value stands at ₹ 59,000 crore, comprising packages for viaducts, undersea tunnel(s), stations, maintenance depots, track, electrification and signalling. L&T's Railway business will focus on track, electrification and signalling & telecommunications.

Delhi - Agra Highway



Al Batinah Expressway (Package 4), Oman



Apart from the high-speed project, conventional projects of the Indian Railways continue to get a big thrust, backed by strong Institutional funders like LIC. These include 25,000 km of electrification to be completed in 4 years under the banner of 'Mission Electrification'. Also, the capacity augmentation projects of track doubling will involve construction of 17,000 km of additional tracks. The business intends to participate in a major portion of these projects through EPC tendering.

Besides mainline railways, the opportunities in the Mass Transit Segment continue to be driven by Tier 2 Cities and 'Extension lines' in large metros. Leveraging its overseas experience, the business is advocating the LRT solution on an EPC turnkey basis for cities like Vijayawada, Indore, Kozhikode and Thiruvananthapuram.

Internationally, the outlook on the Middle East construction industry is improving rapidly with the uptick in oil prices since mid-2017.

Growth in the region is expected, assuming a moderation of geopolitical tensions and a modest rise in oil prices. GCC economies are anticipated to lead stronger growth in the region, supported by easing fiscal adjustment, Tendering of mainline railway projects in Middle East is likely to resume. Having been part of a major urban transit system in Riyadh – which has progressed significantly – the business is gearing up to address these upcoming opportunities as well. Further infrastructure investment (such as the UAE Expo 2020) and reforms to promote non-oil sector activity are expected to offer opportunities.

The business also has focus on the neighbouring geographies, with projects having secured funding either from the Indian government or from other bi-lateral/ multilateral agencies such as JICA.

The business is exploring opportunities in main line railway funded by an Indian Line of Credit and multilateral agencies in select countries of South Asia (Sri Lanka and Bangladesh) and the African continent.

The business is also exploring opportunities in new geographies such as Eastern Africa and CIS. It has already started bidding for tenders for projects funded by Indian LOC and AfDB in Mozambique and Zambia, and has received prequalification for ADB- funded EPC projects in Azerbaijan.

Heavy Civil Infrastructure

Overview:
L&T's Heavy Civil Infrastructure business undertakes Design, Engineering and Construction of projects in the crucial economic segments of Metros, Nuclear, Special Bridges, Hydel, Ports, Tunnels and Defence. The business has strong presence in India, Middle East, Bhutan and Bangladesh. The goal of the business is to become a one-stop total infrastructure solutions provider to both its domestic and international customers. The in-house design strength encompassing latest technologies such as BIM (Building Information Modelling) and its unique Construction Methodology Cell give the business a clear edge over its competitors and helps it serve customers from concept to commissioning.

Kannur International Airport Runway



Six-lane Access Controlled Expressway from Unnao to Lucknow



Business Environment

Infrastructure development is a key component in empowering a nation's economic rise by improving the efficiency of production, transportation, and communication. The availability and quality of infrastructure in a region positively influences domestic firms' investment decisions and enhances the region's economic attractiveness to foreign investors.

The business turned in a very good performance in the current year despite challenging market conditions. The year was marked by receipt of multiple big orders, with a major order from MMRDA for the construction of the Mumbai Trans Harbour Link (MTHL).

Heavy Civil Infra has always focussed on its customers' needs with the aim of optimizing their value chain and providing excellent services, to increase their productivity and competitiveness. The business focuses on adaptability to adjust to market shifts and to leverage the advantages offered by digital technology in order to further refine organizational processes and technical prowess and move further ahead of its competitors.

Metros

L&T's Heavy Civil Infrastructure business offers extensive end-to-end engineering and construction services for elevated and underground metros. L&T is one of the pioneers of Metro construction in India, with the first venture being the Delhi Metro project. Since then, the business has emerged as the prominent builder of metro systems in the country, having constructed 143 km of viaducts, 43 km of twin tunnels and 65 stations. In the current year, the prestigious Hyderabad, Kochi and Lucknow Metro systems built by L&T were inaugurated and dedicated to the country by honourable Prime Minister Mr. Narendra Modi (Hyderabad & Kochi) and Chief Minister Mr. Adityanath Yogi of Uttar Pradesh (Lucknow). At present, L&T is executing as many as 12 projects across 9 cities in 4 countries, including the Riyadh and Doha Metros.

Areas of Expertise -:

- Elevated viaduct construction using segmental, U-trough, I-girder methods and balanced cantilever construction
- Underground tunnel construction using NATM (New Austrian Tunnelling Method), cut-and-cover and TBM (Tunnel Boring Machine) methods
- Underground station construction using top-down and bottom-up approaches
- Elevated metro station with expertise in spine beam concept (lean).

Defence

The Indian Defence sector is a strategically important sector with very specific needs. The Ministry of Defence has identified an urgent need to upgrade the country's defence infrastructure in order to maintain the readiness of country's defence forces and to prepare it for future challenges.

L&T's Heavy Civil Infra is well equipped and prepared to offer its comprehensive range of services and expertise to meet these very specific needs. L&T Construction offers single-point EPC solutions from concept to commissioning in the form of infrastructure facilities for Defence bases,

Hyderabad Metro Rail - One of the many metro projects being executed by L&T



underground facilities, surveillance, etc. In the current year, the business won a mega order from the Indian Navy.

Nuclear Power

L&T has always been a pioneer in the Indian Nuclear industry with current market share of over 51%. Its nuclear power expertise extends to both Pressurized Heavy water (PHWR) and Light Water Reactor (LWR) technologies. Currently, the business is executing civil works for the Kudankulam Nuclear power project, which is the first LWR reactor in India and also one of the largest.

L&T has made history by successfully completing the single largest concrete pour of 7,232 cubic metre at the Kalpakkam site of the Ministry of Department of Atomic Energy (DAE) Projects for nuclear structures in India. The business also successfully achieved a single concrete pour of chilled concrete of 6155 cubic metre at Kudankulam.

Areas of expertise-:

- EPC solutions in civil, mechanical, electrical & instrumentation in Nuclear Power Plants
- Design capacity for end-to-end civil works including seismic qualification, procurement and construction services.

Special Bridges

L&T has built some of the finest and most challenging bridges in India across difficult terrain, incorporating design and construction technologies which stand at the cutting edge of the construction world. Achievements include building the longest operational extradosed bridge in India across river Narmada at Bharuch, Gujarat. The business is executing the longest extradosed bridge in the world at Patna (Bihar) in a Joint Venture with Daewoo. Currently there are five ongoing projects across India and one international project in Bangladesh.

In the current year the business won a mega order to build the Mumbai Trans Harbour Link (MTHL) from MMRDA.

Hydel & Tunnels

Hydel: The domestic Hydel projects scene in the current year remained stuck at various levels owing to pending clearances, inter-state disputes and local protests. The once-promising North East region is also lagging due to lack of sufficient support. The ambitious river-linking project, which keeps getting delayed due to inter-state disputes, is expected to gather steam. Telangana is another region, which features promising opportunities for the construction of barrages. The Medigadda Barrage Project site set a record with the highest pour of 7,139 cubic metres of concrete in a single day, which is perhaps the highest for its segment in the history of Indian Construction.

Tunnels: New opportunities are expected for road tunnel projects in Maharashtra and the Northern Himalayan states of Jammu & Kashmir, Uttaranchal and Himachal Pradesh. In addition, the Government of India is planning to construct more storage caverns for strategic oil reserves. The HSR (High Speed Rail) project due to be built between Mumbai and Ahmedabad also presents robust opportunities in the near future.

Areas of expertise -:

- Diversion weirs, barrages, concrete / earthen / rockfill dams, including RCC (Roller-Compacted Concrete) dams
- Underground tunnels of various geometry and diameter (both concrete lined and steel lined)

620 m long cable-stayed bridge across the river Mandovi in Panaji, Goa



- Open and underground de-silting chambers
- Large underground power houses and surface power houses
- Pressure shafts, drop shafts and surge shafts / surge chambers
- Hydro-mechanical components such as gates, penstocks, etc., including erection of electro-mechanical equipment
- Specialised underground structures

Ports & Harbours

L&T's Ports business unit has built marine infrastructure that has given a great fillip to marine and waterway transportation. L&T has significantly contributed to the development of ports by designing and executing 7,000 m berthing structures including liquid jetties, container terminals, multipurpose berths and ferry terminals. The Company is proud to have built 14000 m breakwaters and handled armour rock of size 20T, Accropod – Max size 6.3 cum, the deepest breakwater (~18m) which is a state-of-the-art construction project which adopted the innovative concept of partial replacement of rock core with dredged sand. It has also executed other maritime structures like shipyards, caissons, long span approach trestles, and intake structures, which are unique in nature. We are looking towards the 'Sagar Mala Project' initiative which focuses on the upgradation and development of new ports as a promising prospect for future. Opportunities are expected for marine infrastructure projects involving dry-docks, marine intake structures and defence naval base projects as well.

The year marked the receipt of prestigious projects, such as two packages from MMRDA for construction of MTHL (Mumbai Trans Harbour Link), construction of a six-lane extra-dosed bridge across the river Hooghly, besides the existing Iswar Gupta Setu at Kalyani (West Bengal) and construction of a new dry dock at Cochin Shipyard.

During the year, major projects commissioned were: Kochi Metro, Lucknow Metro, Hyderabad Metro, Chennai Metro

EDRC

Key capabilities being developed are seamless integration of project stakeholders through common digital interface, context capture of project environment through photogrammetry and LIDAR techniques, augmented reality / virtual reality tools for better communication of project components and customer experience, 4D visualisation of planning and construction methodology, kinematic simulation of equipment and enabling structures.

Initiatives

Striving to achieve the goal of ZERO HARM, the business has launched the Corporate EHS Strategic Plan 2017-18 with key EHS deliverables that have been implemented across all its operations. As part of the EHS Strategy, the following significant initiatives were taken up during 2017-18:

- The business had engaged a professional agency to review and revamp cranes and lifting management safety standards, and conducted training sessions for all stakeholders to facilitate implementation in all projects.
- Key EHS training initiatives include IOSH Managing Safely certification courses for Project Heads, NEBOSH

One of the station buildings under construction for Doha Metro, Qatar



Medigadda Barrage Project



certification courses for Project EHS In-charges, 2-day Supervisor EHS Training for all site Supervisors (including JV & Subcontractor) and online EHS certification courses for technical employees.

- Total 853,700 man-hours of training on EHS were conducted.
- 23 EHS Awards were won by the business at different levels and categories from national and internationally renowned organizations including RoSPA, NSC India, BSC, and CII

The business aims for excellence in quality, to increase the satisfaction of customers and other stakeholders through effective cost-reduction and process improvements.

The business was successfully re-certified for the latest Quality Management System ISO 9001: 2015, with focus on risk-based thinking. Advanced concrete mix designs (M75 Self-compacting) are developed and being used for increased durability and for placing concrete in congested locations. The business established a concrete mix design using Ground Granular Blast Furnace Slag (GGBS), which is the latest development in the industry. Welding and heat treatment techniques were successfully developed for high-strength quenched and tempered steel for specialized projects.

Training is a necessary parameter for growth. The business has prioritized the training of its staff on the latest QMS. Training are provided in a focused manner for FLS and other trainees on concrete techniques.

The business continues its focus on digital initiatives including extensive use of BIM across the whole life cycle of projects. Other initiatives include vehicle tracking, project monitoring using mobile applications, P&M tracking, worker tracking, biometrics, tool tracking, material tracking, drones, geospatial surveys, etc.

Outlook

The Government sanctioned ₹ 5.97 lakh crore (USD 94 billion) as the budgetary allocation for Infrastructure in FY 2018-19, which is approximately 21% more than an estimated expenditure of ₹ 4.94 lakh crore in 2017-18. This increase reconfirms the Government's view that infrastructure development is the key to economic development. The Finance Minister has estimated that investment in excess of ₹ 50 lakh crore in infrastructure is needed to augment the economy and make it competitive with the other emerging economies. A majority of this allocation has been earmarked to build metros, bridges, hydro power projects and tunnels, which form the core expertise of the Heavy Civil Infrastructure business. With major projects coming up, including the high-speed rail between Mumbai and Ahmedabad, the Bharatmala and Sagarmala river-linking projects, hydel projects on the Indus and its tributaries, etc., the business is confident on achieving its revenue targets backed by a strong order book and promising prospects.

On the international front, the Middle East construction market is expected to pick up pace again this year, offering some promising prospects.

Break Water construction at Kudankulam Nuclear Project



Canopy erected for a station building at Riyadh Metro



Power Transmission & Distribution

Overview:
L&T's Power Transmission and Distribution business vertical is a leading EPC player in the field of power transmission and distribution and solar energy. It offers integrated solutions and end-to-end services ranging from design, manufacture, supply, installation and commissioning of transmission lines, substations, underground cable networks, distribution networks, power quality improvement projects, infrastructure electrification, solar PV plants, battery energy storage system and mini / micro grid projects. Besides being a dominant player in the Indian market, the business enjoys a significant share and a strong reputation in the Middle East, Africa and ASEAN markets.

L&T's substation business focuses on providing turnkey solutions for extra high voltage air insulated / gas insulated substations for utilities and power plants, EHV cable & communication backbone networks and complete electrical & instrumentation solutions for various infrastructure projects such as airports, metros etc.

L&T's Power Distribution business provides a gamut of EPC services related to urban / rural electrification, including last-mile connectivity, augmenting, reforming and strengthening of high voltage and low voltage distribution networks, distribution automation solutions and power quality improvement works.

L&T's Transmission Line business offers turnkey EPC solutions in overhead lines for power evacuation and transmission, bolstered by its state-of-the-art tower manufacturing units at Puducherry, Pithampur and Kancheepuram which have supplied over 15 lakh tonnes of tower components. The Testing and Research Station at Kancheepuram accredited by NABL is one of the largest in Asia and is also amongst the most renowned testing centres in the world. (NABL: National Accreditation Board for Testing and Calibration Laboratories).

L&T's Solar business provides single-point EPC turnkey solution for solar PV-related projects along with energy storage solutions. Its experience ranges from flat to highly undulated as well as to landfill topologies with specialized technologies including designing and executing contour-following solar PV power plants. The solar business has in-house capabilities of different module mounting structure types such as fixed tilt, seasonal tilt and HSAT to choose from for most optimal solutions. As grid stability and power conditioning requirements gain significance in the wake of large-scale renewable integration, standalone and PV integrated storage solutions are being offered.

The international units of the business in the Middle East, Africa and ASEAN regions offer complete solutions in the field of power transmission and distribution, including substations, power transmission lines, extra high voltage cabling, solar plants and Electrical, Instrumentation and Control (EI&C) works

100 MVAR STATCOM at 400 kV NP Kunta Substation, Andhra Pradesh



500 kV Tha Li-Khon Kaen 4 Transmission Line, Thailand



for infrastructure projects such as airports, oil & gas industries, etc.

The Middle East Business Unit caters to the UAE, Saudi Arabia, Qatar, Oman, Kuwait and Bahrain. The Africa unit is currently focused on the Northern and Eastern parts, and has established a presence in Algeria, Kenya, Ethiopia, Malawi, Botswana, Morocco and Egypt. The business is executing projects in the ASEAN countries of Malaysia and Thailand while seriously pursuing other opportunities in the region.

Business Environment

Thanks to a slew of Government schemes including 'Saubhagya', the distribution sector in India remained vibrant in 2017–18. Having achieved electrification of all the villages, now the focus is on electrifying all the households. Also, the urban distribution revamp programs continue aiming at multiple objectives such as improving reliability of power, making the network disaster-resilient and improving the aesthetics of cities of tourism and heritage importance. The business maintained its leadership position as a large EPC player in this segment, with key orders from the states of Uttar Pradesh, West Bengal, Jharkhand, Tamil Nadu, Karnataka and Andhra Pradesh.

The business is privileged to partner the Central and State Governments in illuminating thousands of households in economically backward areas and electrify hundreds of villages. In a large number of towns, it has significantly improved the quality of power and reduced AT&C (Aggregate Technical & Commercial) losses through distribution reformation projects.

With renewable power characterized by intermittency being added increasingly to the grid, advanced solutions to ensure voltage stability have been necessitated. L&T commissioned India's first STATCOM project of ±100MVAR capacity at NP Kunta substation in Andhra Pradesh. A major order was received from Power Grid Corporation of India Limited (PGCIL) for implementation of STATCOM in three locations in South India. Substation-related opportunities in 400kV & 765kV GIS / AIS segments were steady as Central and select State utilities concentrated on power system strengthening schemes to meet their demands. Though there were positive signs on the policy front, the general lack of investments in conventional power generation and industry segments continues. Gas and air-insulated substation orders were received from PGCIL and State utilities including two major 400kV GIS substation orders from South Indian transmission utilities. Several key substation projects were commissioned including 765kV gas insulated substations at Hyderabad, Nizamabad, Varanasi and Aligarh.

Though the centrally driven transmission schemes were less than the prevailing levels, the intrastate system strengthening projects by States such as Jharkhand, Karnataka, Kerala, Madhya Pradesh, Tamil Nadu and Uttarakhand continued to provide ample opportunities for transmission line construction. On the back of proven execution skills to complete projects within schedule, a repeat order from a reputed private developer was entrusted to the business. The Testing Station continues to attract orders from its customers worldwide – USA, KSA, China, Indonesia and Malaysia – to test some of the highest and tallest transmission towers in the world.

500kV HVDC Transmission Line at Kenya



The Transmission Line business has commissioned about 20 transmission corridors of 2800 km length in FY17-18. The 400kV Raipur–Jagdalpur project is the longest twin line in a single package with a length of 328 km. Key projects such as 765kV Lalitpur-Agra Transmission Line (328 km) and the 400kV Madhugiri–Gooty TL were commissioned for Power Grid. The 220kV Kishenganga–Amragarh TL has been successfully completed in Jammu & Kashmir, overcoming the tough challenges posed by the weather, terrain and local conditions. Other major projects commissioned include 400kV Banda–Allahabad TL in Uttar Pradesh and 400kV Salem–Rasipalayam TL in Tamil Nadu.

With the country achieving a milestone 1 lakh GWHr of renewable energy generation in FY 2017–18, L&T's Solar Business has seen remarkable growth. The business secured a cumulative 650 MWp+ capacity of grid- connected solar PV plants across India, including the prestigious order for 325 MWp in Rewa, Madhya Pradesh, which is also the single largest EPC contract in India to date; 140 MWp in Bhadla, Rajasthan and 187 MWp in Tamil Nadu. The business also won the prestigious Bihar State Rural Electrification project, the first-of-its-kind distributed generation project with a cumulative capacity of 12 MW solar and 105 MWh of energy storage, which aims to electrify 236 remote villages.

In the Middle East, though the macro economic scenario was mixed in 2017-18 as well, witnessing capex cuts and intensifying competition, the business could garner opportunities arising out of Expo 2020 related development in the UAE and stable T&D investment plans by KSA, Qatar and Oman. In the UAE, the business secured orders for constructing a number of 132kV gas insulated substations from Dubai Electricity & Water Authority and reputed private developers. Despite spend cuts induced by the drop in oil prices experienced earlier, causing a sense of anxiety in the business climate, L&T secured its longest transmission line in KSA (from Qassim to Madina – 421 km). Despite the imposition of trade embargo, the business secured a major order from a private developer in Qatar. L&T commissioned 33 substations in the Middle East in FY 2017-18. Having qualified for the highest voltage levels in its lines of business, new private customers have also been added.

In Africa, the business has made an entry into the Moroccan and Egyptian markets. The foothold gained in Algeria, Malawi and Kenya has grown stronger on the back of fresh orders.

With the completion of the substation projects on schedule in Malaysia, the business has demonstrated its capabilities and has won recognition in the ASEAN market. Major 500kV substation and transmission line orders have been secured in Thailand.

Significant Initiatives:

With a major thrust on digitalization as a key enabler, the business rolled out several initiatives, including 3D/4D BIM, deployment of drones and mobility devices for project monitoring, connecting plant and machinery for asset monitoring, using geospatial technologies for surveys, etc. Workmen-related processes are being linked through unique identification. Several operational excellence initiatives in the areas of on-time delivery, profitability enhancement, effectiveness, checks of process implementation, working capital management and risk management are being pursued.

220 kV Gas Insulated Substation at Mehairja, Qatar



756 kV Gas Insulated Substation at Varanasi



Initiatives undertaken to enhance safety in operations include e-learning modules, improvised safety cards for reporting unsafe acts/conditions, virtual reality-based training, upgrading Safe Operating Procedures (SOPs) to reflect changing work methods and mechanization, adoption of the Sagging Bridge (Stringing Working Platform) technique and the use of motorized winch machines in place of tractors, in final sag activities and enhanced training on behaviour-based safety, safety audit and training the trainers. An innovative programme has been developed to groom fresh diploma engineers to take up roles as EHS professionals.

Training programmes have been developed in collaboration with prestigious institutions to enhance operational excellence.

Many initiatives earned awards and recognition for the business during the year. These include:

- ISGF Innovation Award, Solar and Storage Project of the Year award from Solar Quarter for Bihar Microgrid project
- Prashasti Patr (Commendation Certificate) from the Bihar Government for meeting electrification targets
- MEED 'Power Project of the Year' award for the Oman project
- EIA Compliance Award for Lambir substation project from Sarawak Energy Berhad
- ASSE GCC HSE Excellence awards for several projects in Middle East
- RoSPA, British Safety Council and National Safety Council awards for safety performance for multiple projects
- Special appreciation was received from the Federation of Indian Chambers of Commerce and Industry (FICCI) for RAPDRP Ghaziabad Project for best practices in Safety

Outlook:

On the power distribution front, several projects remain significant: the centrally-driven scheme for last-mile connectivity, viz. Sahaj Bijli Har Ghar Yojana (Saubhagya), and various distribution reforms by State DISCOMs for reduction of AT&C losses, power factor improvement, network strengthening in disaster prone areas etc. Urban power infrastructure is expected to get a makeover, with underground cable networks, advanced metering facilities etc. considering the thrust on development of smart cities and heritage cities.

The increasing cost of land acquisition related delays have led power grid / State utilities to increasingly opt for GIS substations due to the small footprint they occupy. As the power transmission / transformation capacities to cater to the growing demand of urban centres increase, new opportunities will arise for EHV (Extra High Voltage) cabling projects in large cities keeping in view of the right-of-way, aesthetics and Operation & Maintenance aspects. The much-need impetus is expected to be provided by power quality improvement projects such as STATCOM, new clientele from TBCB (Tariff Based Competitive Bidding) players, state utilities strengthening their networks with funding from multilateral funding agencies, and infrastructure projects like metros and airports etc. The financial health of state utilities, the political situation in

Microgrid Project for Rural Electrification in Bihar



Restructured Accelerated Power Development & Reforms Programme, Varanasi



several states and the availability of funding will remain key determinants.

Apart from the domestic market, the business is foreseeing the pipeline of opportunities from SAARC countries like Bangladesh, Nepal etc., which are funded by international funding agencies such as JICA, ADB, IsDB, etc.

System strengthening in state utilities will provide a major impetus to transmission line prospects. Several interstate and intrastate transmission lines are expected to go through the Tariff Based Competitive Bidding route. In certain states, capacity enhancement using the already-existing corridor may provide opportunities as it eliminates the need for fresh acquisition of right-of-way, thereby reducing costs and saving time. The next phase of green energy corridors is on the anvil. Substantial activity with many prospects is evident in the SAARC countries viz. Bangladesh and Nepal, as they are coming up with several high-value prospects.

The solar power market is poised to remain upbeat, with yearly solar capacity additions pursuing an upward trajectory. The Private Power Purchase Agreement (PPA) market in select states will pick up based on encouraging open access policies and growing solar power viability. Clarity emerging on GST and duties will help the sector immensely. Advanced Battery Energy Storage Solutions will see a rise due to grid stability requirements and for electrifying rural households.

With upcoming state solar policies focusing on rooftop projects with net metering schemes, the prospects for the rooftop segment looks positive. To harness solar power for rural India, the Government of India has formulated Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM) scheme, which aims at solarizing the agriculture sector with ubiquitous use of solar power for tube wells and lift irrigation projects. Emergent areas like floatovoltaics hold promise.

In the Middle East, the business is cautiously optimistic in its outlook. The stable recovery of the oil price is expected to boost investments in the T&D sector. Infrastructure development will continue to be driven by mega events like Dubai EXPO 2020, FIFA 2022 and grand plans such as Saudi Vision 2030, Qatar National Vision 2030. Further GCC grid formation, upgradation to higher voltage levels, integration of renewable energy sources to the existing power grid and interconnections of transmission networks are expected to fuel growth in power distribution throughout the Middle East. The revival of the transmission & distribution scene in Abu Dhabi is a positive sign. In KSA, SEC (Saudi Electricity Company) continues to invest in power infrastructure projects. In addition, investment in the renewable sector by a leading investor and plans for developing a transnational city augur well for the KSA market. Power system capacity expansion to cater to infrastructure growth is proceeding as per plans in Qatar and Oman. Riding on a strong execution track record in Kuwait, the business is in an advantageous position to exploit opportunities from key customers in Kuwait.

Input costs are bound to increase with the introduction of VAT and removal of subsidies on fuel, power and water. However, these will have a similar impact on all the players.

275 kV Air Insulated Substation at Lambir, Malaysia



Prioritization of spending / budgetary allocation, friction between Qatar and other Gulf countries, the slowdown in Oman, and related delays in project finalization are potential risks.

The business is concentrating on key African economies that have a clear road map to build transmission and distribution networks to meet increasing demand. Grid strengthening, regional interconnection and rural electrification opportunities are being pursued in select countries. Renewable generation is another area that holds potential. Having established a creditable track record and subcontractor/ vendor ecosystem, the business is expected to significantly scale up under the right conditions.

The rising power demand in ASEAN region paves the way for significant investments in grid interconnections, grid development and strengthening. In addition, an interconnected ASEAN power grid is beneficial in many ways such as generation – demand balancing and renewable integration. With increasing share in Thailand and Malaysia, the business expects to exploit potential in Myanmar and other countries in the region.

The overall outlook for the PT&D sector remains promising on both the domestic and the international fronts. The business looks forward to consolidating its position in established markets and gain significantly in new growth areas, ably supported by its initiatives on cost leadership and delivery excellence.

Water & Effluent Treatment

Overview:
1.1 billion people worldwide lack access to water and 2.4 billion people are challenged by inadequate sanitation. Many of the water systems that keep ecosystems thriving and feed the growing human population have become stressed. Rivers, lakes and aquifers are drying up or becoming too polluted to use. More than half the world's wetlands have disappeared. Climate change is altering patterns of weather and water around the world, causing shortages and droughts in some areas and floods in others. At the current consumption rate, it is pegged that two-thirds of the world's population may face water shortages by 2025.

To cater to these various needs, L&T Construction's Water & Effluent Treatment business segment has enhanced its process knowhow and detailed engineering capabilities across all streams of Water and Wastewater business in India, Sri Lanka, the Middle East and Africa. Its formidable in-house engineering capabilities, coupled with impeccable project management skills, has put this segment much ahead of the competition.

114 MLD Water Treatment Plant at Ranchi, Jharkhand



Business Environment

The human population has successfully harnessed many of the world's natural waterways – building dams, water wells, vast irrigation systems and other structures that have allowed civilizations to grow and thrive.

Piped water systems have been set up by the Government in most cities. But a large percent of semi-urban areas are not covered by these, and rely on ground water. Piped sewerage systems feeding into large treatment plants exist only in bigger cities and metros. Most cities have septic tanks or local waste management. Hence there are opportunities in this area for providing water infrastructure facilities.

The mega Government policies to drive water infrastructure in India that include AMRUT (Atal Mission for Rejuvenation and Urban Transformation), Namami Gange, Pradhan Mantri Krishi Sinchayee Yojana and Delhi Mumbai Industrial Corridor Development. Stringent implementation of pollution norms is in place to encourage setting up of common effluent treatment plants. In addition, large investments have been proposed by multi-lateral funding agencies for water supply and sewer projects to improve the quality of urban life.

Desalination, water management, mega lift irrigation, mega treatment plants and smart cities have started fructifying in a large scale.

All these leave L&T's Water & Effluent Treatment business with huge untapped potential.

So far, the business has created water infrastructure to cater to the requirements of 30 million people. It has laid more than 3.5 lakh km of pipelines, designed and constructed more than 5300 Million Litres per Day (MLD) of water and wastewater treatment plants and brought more than 2 lakh hectares of land under irrigation.

The Water & Effluent Treatment Business has commissioned over 25 projects in FY 2017-18, including the following key projects:

a) Gadag Water Supply Scheme, Karnataka

b) Bisalpur Jaipur Water Supply Project, Rajasthan

c) Nagaur TM 01,02,03 Water Supply Packages, Rajasthan

d) Water Supply to Adilabad and Khammam Districts, Telangana

e) Rampur Sewerage Scheme, Uttar Pradesh

f) Sewerage Network and WW Treatment at Gayespur, West Bengal

g) Dahej Water Supply Intake 50 MGD, Gujarat

h) Sauni Link 4 Package 3, Gujarat

i) CETP at Narol, Gujarat

j) Infrastructure Development at NRDA, Raipur

k) D2A - Unaccounted for Water Project at Bengaluru

This year, the business has augmented its client-base by adding 6 new clients, securing 3 mega contracts over ₹ 1000 crore in value and won orders in various business

375 MLD Sewage Treatment Plant at Jebel Ali, UAE



Medak & Sangareddy Water Supply Project, Telangana



domains like water management, drinking water supply, municipal waste water collection & treatment, integrated urban infrastructure, common effluent treatment plants and lift irrigation schemes. These include:

a) Providing 24x7 water supply to Pune from Pune Municipal Corporation

b) Laying of sewer lines in an extended area of Bengaluru City from Bangalore Water Supply and Sewerage Board

c) Kundaliya Lift Irrigation Scheme from Water Resources Department, Government of Madhya Pradesh

d) Surya Water Supply Scheme from Mumbai Metropolitan Region Development Authority

e) Sauni Yojana Link 2 Package 6, Gujarat

f) Mallana Sagar Reservoir Reach 2, Government of Andhra Pradesh

g) Development of Integrated Infrastructure at Amaravati from Capital Region Development Authority, Andhra Pradesh

h) Seoni Water Supply Scheme from Madhya Pradesh Jal Nigam Limited

i) Cuttack Water Supply Scheme for supplying potable water to Cuttack District

j) India's First Brownfield Smart Infrastructure Project at Udaipur, Rajasthan from Udaipur Smart City Limited

Keeping in mind oil price volatility and other uncertainties, the business has cautiously evaluated projects on the international front this year. The business is all set to win major orders in the years ahead.

Significant Initiatives

The year witnessed significant initiatives being taken to ensure that the Water and Effluent Treatment business of L&T continues to be ahead of the competition, both in terms of market share and profitability. These initiatives include:

- Diversification into different lines of businesses
- Setting up spiral mills close to project sites for rolling HR coils into pipes
- The RACE initiative, realizing considerable savings
- Launching the Project Managers Development Program (PMDP) to get the next generation of Project Managers ready
- A dedicated O&M team to remotely monitor all the sites through a Remote Monitoring system (RMS). This enables getting expert guidance, troubleshooting support, etc.
- Introducing 'O&M-Cognizance', a daily E-learning programme that keeps the O&M team updated with current O&M practices

Awards & Recognitions

- Guinness World Record for the 'Largest Sustainability Lesson' conducted in a college as part of World Water Day Celebrations 2018

227 MLD Water Treatment Plant at Garden Reach, Kolkata, West Bengal



Floating Barge Intake at Sahibganj, Jharkhand



- Best of India Records for the 'World's Largest Water Conservation Campaign in schools on a single day'
- 'Most Admired Company of the Year – Water Sector' award from World Federation of Marketing
- 'People Initiative of the Year' awarded by ET Now for PMDP
- 5 awards from Water Digest including 'Best Urban Water Solutions Provider' and 'Best Rural Water Solutions Provider'.

The business has been driving digitalization over the past two years to improve efficiency and productivity. Initiatives implemented include:

- Digital Site Walk Through: A combination of hardware (SmartGlass) and software solutions used to observe the project progress, safety, quality, workmens' welfare and administration from any remote location.
- HR Dashboard: Provides a more advanced way to assess metrics and Key Performance Indicators, allowing organizations to present information in a more interactive and user- focused manner.
- Customer Relationship Management (CRM): A tool which enables effective management of the business, from the early stage of prospects to award of contract – and can be extended till O&M. The CRM platform supports the tendering process. Once the prospect is converted to NIT (Notice Inviting Tender), the Contracts team will use the module to work with various departments and for preparation of the bid. The tender opening will also be captured in the system for further data analysis.

Outlook

The Government has already set in motion an integrated Ganga conservation plan – 'Namami Gange' – which envisages investments for sewage infrastructure across several urban habitations along the river. The Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) has been formulated with the vision of extending the coverage of irrigation 'Har Khet ko pani' and improving water use efficiency 'More crop per drop' in a focused manner with end-to-end solutions on source creation, distribution, management, field application and extension activities. The Delhi-Mumbai Industrial Corridor (DMIC) is India's most ambitious infrastructure programme, aiming to develop new industrial cities as 'Smart Cities' and converging next-generation technologies across infrastructure sectors. The programme envisages development of infrastructure linkages like power plants, assured water supply, high capacity transportation and logistics facilities.

Hence, the projects pipeline related to drinking water, waste water and irrigation are expected to remain strong in India due to growing demand and Government thrust. Sector-specific focus is expected to shift towards rural drinking water, ETPs/STPs and irrigation projects. Major outlay based on the current status and priorities: Water projects expected in Gujarat, Karnataka, Uttar Pradesh, Bihar, Tamil Nadu, Rajasthan; Irrigation projects are expected in Tamil Nadu, Telangana & STPs expected in Uttar Pradesh and Bihar.

There is a push towards the PPP mode (HAM – Hybrid Annuity Mode) for STPs (Sewage Treatment Plant) causing big Infra developers to enter the water sector. There is the probability of this getting extended to WTPs (Water Treatment Plant) / ETPs (Effluent Treatment Plant).

Sewage Treatment Plant at Al Shamal, Qatar



Sauni Yojana Lift Irrigation Project, Gujarat



At present, the competitive landscape is such that L&T along with few selected players are only competing pan-India, while the smaller players are focusing on their home ground. Competitors tend to form JVs with regionally strong players and technology licensors for PQ and project execution.

In the international market, opportunities have been identified for water treatment, sewage treatment and desalination plants in Middle East. The business has already made its mark in Tanzania and Sri Lanka and more orders are expected from these geographies. Tireless efforts are in place to expand into other parts of Africa and Bangladesh.

Smart World & Communication Business

Overview:
L&T entered the Smart World & Communication business two years ago, specifically to address the need for a safe, smart and digital India. It has executed several projects under these segments, many in an advanced stage of implementation. The business is positioned well for accelerated growth for the year 2019.

The business has three segments – the first for Safe Cities; the second, Smart Infrastructure; the third, Telecom and Communication Infrastructure.

The Government of India continues its investments to leverage smart and digital technologies for cities and rural parts of India, focusing on a safe, smart and connected India.

In this domain, L&T is at the forefront, collaborating with the Government in leveraging technologies to meet those goals. L&T is perfectly positioned to build India's next-gen safe, smart and digital infrastructure. As a Master System Integrator, L&T has proven expertise in focused strategy, robust processes and comprehensive end-to-end solutions to cater to India's smart and digital requirements.

With its unique positioning and technology-driven portfolio, the business has been able to attract talent from across industries, comprising a diverse pool of resources spanning technology, software, hardware and domain specialists from relevant industry verticals.

Smart Cities

L&T has established itself as the leader in the smart city domain. Starting with the Jaipur Smart City Project – India's first 'smart city' – the business is currently executing five major 'smart city' projects that, inter alia, include Nagpur, Pune, Vizag, Raipur, and is positioned well in a few others.

L&T is executing India's First Integrated Smart City project for Nagpur City in Maharashtra, including the creation of a 'smart' strip of approximately 6 km with state-of-the-art systems powered by smart ICT interventions like smart transport, solid waste management, smart traffic, smart lighting, smart parking and environmental monitoring systems.

For the city of Pune, in partnership with Google, the segment successfully launched wi-fi services. Other smart elements under implementation are emergency call boxes and public address systems, environmental sensors, variable messaging displays, network connectivity, video analytics

L&T offers a bouquet of Smart City solutions



integration and state-of-the-art Smart City Operation Centre (SCOC).

In the city of Visakhapatnam, apart from the above-mentioned smart elements, L&T's project includes implementation of other smart elements such as solid waste management system, a first-of-its-kind smart pole, smart lighting and Enterprise Resource Planning. In February 2018, the Hon. Chief Minister of Andhra Pradesh inaugurated the Command Control Centre of the Vizag Smart City Project.

The business also commissioned wi-fi and a data centre for Chennai city.

In FY 2017-18, the segment secured the following orders:

a. Raipur Smart City Limited for Implementation of intelligent traffic management system, city surveillance system and integrated command control centre in Raipur city.

b. The first and highly prestigious order for implementation of smart meters in about 17 districts in Uttar Pradesh (for six DISCOMS) and Haryana (two DISCOMS). This is India's largest smart meter roll-out – implementation of 5 million smart meters across these two States. This is the first large-scale project involving deployment of all the applications on the Cloud, including head end system and meter data management system.

c. Tamil Nadu Data Centre Project for Tamil Nadu State Govt. and Bhubaneshwar Data Centre Project for National Informatics Centre, marking L&T's foray into the business of stand-alone data centre projects.

Communication & Telecom Infra

L&T provides end-to-end solutions for a range of requirements covering fibre- optic backbone, microwave and satellite communication, network and telecom infrastructure, wi-fi systems, early warning dissemination systems, emergency response systems, metro communication, etc.

Playing a key role, L&T supported Bharat Broadband Nigam Limited (BBNL) in the Bharat Net programme by deploying the Gigabyte Passive Optical Network (GPON) technology across eleven States in India, and also Network Operating Centres (NOCs) in Bengaluru and New Delhi. This has received much appreciation from the Department of Telecom, Ministry of Communication.

L&T also successfully created 1,900 wi-fi hot spots and 10,500 access points across 10 states in Phase 1 covering both urban and rural areas, as well as another 1,900 wi-fi hot spots and 1900 access points across 10 states in Phase 2 in rural areas.

L&T also commissioned a dedicated network for the Indian Air Force, connecting a number of Air Force stations pan-India.

As part of another Digital India initiative, L&T commissioned wi-fi access to around 300 colleges in a University in the State of Bihar on behalf of BELTRON.

L&T has commissioned the first phase of the Cyclone Early Warning Dissemination System (EWDS) – the first of its kind in India – for the State of Odisha. For Andhra Pradesh, the EWDS is at an advanced stage of completion.

L&T is executing the comprehensive metro communications package for the Lucknow Metro and a TETRA communications package for the Delhi Metro.

Command & Control Centre, Mumbai



In FY 2017-18, it won orders for similar packages for the Nagpur Metro in Maharashtra and the MEGA Metro for the city of Ahmedabad, Gujarat.

In alignment with the Government's state-wide area network initiative to provide digital connectivity between the State/UT Headquarters and the Block level via District / sub-Divisional Headquarters, L&T has won an order from the State of Jharkhand to cover 24 Districts across the State.

L&T has won a contract from Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) to create a 'Smart Connected Grid, Smart Transmission Network and Asset Management System' across the State of Rajasthan, covering about 624 power utility sub-stations.

Security Solutions Business

Video-based surveillance has emerged as a fundamental tool to support law enforcement agencies to accelerate the pace of detecting and preventing crime and improving emergency response systems for people in distress.

The core strength of the business lies in offering a holistic spectrum of sustainable and scalable security system solutions for pan-city and pan-state surveillance, homeland security systems, intelligent traffic management systems, critical infrastructure across ports, airports, metros, IT parks and public buildings, etc.

Starting in a small way with the Sabarmati Jail Surveillance Project and the development of surveillance and intelligent traffic management systems (in Ahmedabad, Gandhinagar and Vadodara) for the Government of Gujarat, L&T has commissioned the largest surveillance project of its kind for Mumbai.

On 5th September 2017, the Chief Minister of Maharashtra declared India's largest city surveillance project 'go-live'. This is the 'Mumbai City Surveillance Project', comprising ~5,000 cameras at over 1500 junctions in city. As part of this project, L&T has delivered state-of-the-art command control centres for the city, which is being utilized by the City's Administration and Police, not only for surveillance activities but also for overseeing natural emergencies and the strife-like situations that the city goes through from time to time.

The business is currently executing the largest city surveillance (over 10,000 cameras) and traffic management network for the cities of Hyderabad and Cyberabad.

In Rajasthan, three city Command Control Centres at Bharatpur, Jodhpur and Bikaner and the Dial 100 Emergency Response System were also successfully commissioned in FY 2017-18.

Awards

The business has received various awards, particularly for Smart City initiatives and Surveillance Projects. Awards received during the year include:

Award Category	Project
Smart Urban Traffic Management Initiative	Hyderabad Intelligent Traffic Management System
Best Smart Cities Initiative	Nagpur Smart Cities
Smart Surveillance Initiative	Mumbai City Surveillance
Best Innovation Initiative	Nagpur Smart City
Best Project in Building Smart Cities	Pune Smart City
Tourist Attraction City	Jaipur Smart City

Intelligent Parking Management System



Award Category	Project
Adaptation & Resilience	Odisha EWDS
Smart Solution of the Year	Nagpur Smart Strip

Outlook

FY 2018-19 looks promising for the business, given the boost the Government has given to safe and smart cities and other digital initiatives.

The Union budget for FY 2018-19 has allocated over ₹ 25000 crore – an increase of 22% over last year's allocation – towards various initiatives in the areas of smart, digital, etc. This augurs very well for the interest pursued by the business.

Several Tier-II cities are expected to roll out surveillance projects. Additionally, the transportation sector is also moving towards surveillance and traffic management systems. A few of the RFPs are in an advanced stage of preparation, such as railway surveillance and highway traffic management system.

Under the Central Government's Smart City Mission for developing 109 smart cities across India, the cities have already been shortlisted and several are at advanced stages of RFPs and have received Central Govt. funding. These cities will be coming up with RFPs shortly, and the balance cities are likely to follow in FY 2018-19. Equipped with diversified smart offerings, L&T is well-placed to address these opportunities.

In addition to the above, special focus is laid on the modernization of defence and homeland security. In the defence sector, perimeter surveillance systems to the Navy and Air Force are also shaping up.

The Bharat Net programme is one the world's largest network infrastructure projects. It aims to digitally connect 250,000 villages (gram panchayats) across the country and unite India digitally. The second phase of the Bharat Net program has been floated and aims to deploy network infrastructure to the 140,000 gram panchayats on a fast-track basis.

The objective of the Bharat Net programme is to facilitate the delivery of e-governance, e-health, e-education, e-banking, Internet and other services to the rural India, thereby enhancing the quality of rural life.

Along with rural digital initiatives, the Government is also focussing on increasing the number of wi-fi hotspots across the country. BSNL is planning to ensure that there are half a million more hotspots by the end of December 2018. The aim is to digitally touch India's 1.25 billion population.

One of several initiatives of the Government in the energy sector is the drive for replacement of old analog meters with new, tamper-proof, digital smart meters for domestic consumers.

The metro initiative is gaining further impetus, with the addition of metros for cities of Mumbai, Bengaluru, Hyderabad, Nagpur, Ahmedabad, Chennai, Jaipur, and Kochi in the next few years. In addition, there are proposals for Mass Rapid Transport Systems for Pune, Chandigarh, Ahmedabad, Kanpur, Ludhiana, Bhopal, Indore and Faridabad.

Both technically and financially, the Government has been supporting the set-up and upgrade of State Wide Area Networks (SWAN). The business expects opportunities in State Wide Surveillance.

Information Kiosk at Jaipur - a Smart City solution



Power Business

Overview
L&T's Power business offers concept-to-commission integrated business solutions to the thermal and nuclear power industries. It undertakes large EPC projects on a lumpsum turnkey basis in the fields of coal, nuclear and gas based power plants in India and overseas. The business is planning to undertake STG Island contracts in upcoming PHWR nuclear-based power plants.

The business has a track record of executing large-size and complex projects with capabilities that include in-house engineering, state-of-the-art manufacturing facilities, project management expertise and a healthy and encouraging work environment.

The business boasts of a state-of-the-art facility at Hazira (near Surat), where it manufactures ultra-supercritical / supercritical boilers, turbines, generators, pulverizers, axial fans, air-preheaters and electrostatic precipitators. The facility is responsible for adding more than 7GW of supercritical power generation capacity to the Indian Power sector since its inception.

The business has the following subsidiaries:

L&T-MHPS Boilers Pvt. Ltd., a joint venture with Mitsubishi Hitachi Power Systems Limited (MHPS) Japan, engineers, designs, manufactures, erects and commissions ultra-supercritical / supercritical boilers up to a single unit of 1000 MW in India. The Company is also looking forward to gaining a foothold in the selective catalytic reduction system market in India, which is likely to open during 2018-19.

L&T-MHPS Turbine Generators Pvt. Ltd., a joint venture with Mitsubishi Hitachi Power Systems Limited (MHPS), Japan and Mitsubishi Electric Corp. (MELCO), manufactures STG equipment of capacities ranging from 500 MW to 1,000 MW. The Company is engaged in the engineering, design, manufacture, erection and commissioning of ultra-supercritical / supercritical turbines and generators in India.

The business also has a joint venture with Sargent & Lundy LLC, USA (S&L), a global consulting firm in the power industry, offering complete power plant engineering and consultancy services – from concept to commissioning. Another joint venture with Howden Group, UK, enables the manufacture of fans and air pre-heaters.

Presently, the business is very active at various sites in India for its coal-based power plants, and in Bangladesh for its gas-based power plants.

Business Environment:
The lack of momentum in industrialization and moderate economic growth have directly impacted the power sector in recent times.

The power sector is facing various challenges like shift of focus towards renewables, decline in thermal PLF, financial stress, promoter's inability to infuse equity and service debt,

2x660 MW Supercritical Thermal Power Plant at Nigrie in Singrauli district, Madhya Pradesh. L&T executed Boiler and Turbine Island on EPC basis.



falling electricity prices at exchanges, non-availability of long term PPA, coal linkages, water availability, land issues, etc. The Government's focus on renewables has particularly impacted the capacity generation of thermal power plants.

Further, the excess manufacturing capacity in the market continues to put pressure on the prices. During these trying times, the business sees the opportunity to reorganize, consolidate, cut costs and improve efficiencies to make it more competitive in the market to secure future orders. The business will continue its stand of not bidding at margin diluting prices. Instead, it will work in an organized manner to make itself cost-competitive to win and successfully complete such projects.

There is some cause for cheer, despite the challenges being encountered by the power sector in the past few years. The business is confident of revival of capacity enhancement in the thermal power sector to match the projected rise in demand for power, in line with economic growth in the country. In this context, the business will continue to focus on coal and gas-based power projects and its adjacencies like replacement of old power plants, R&M and new business for FGD / SCR systems, sub-critical plants, nuclear STGI plants, etc.

During the year, the business continued its foray into Bangladesh, with one more 400 MW combined cycle gas-based complete EPC contract.

The business has successfully commissioned two gas-based combined cycle power plants in Bangladesh, and has added capacity of more than 600 MW to the grid. Further, two gas-based power plants totalling 800 MW are under construction, and will be completed well within the contractual period.

The success in Oman in the HRSG segment of gas-based power plants and export jobs through joint ventures continues to mark the business's capability to meet international execution standards, and proves its competitiveness among international players.

The business is poised to focus on new territories outside India to mitigate the risk of low domestic demand.

The business has also diversified into environmental solutions, actively started to participate in FGDs, and is hopeful of making a breakthrough in the upcoming tenders. It will also participate in the replacement project market, which is estimated to be around 46 GW, and will see the replacement of old and inefficient power plants in the country.

The business continues its operational excellence on the jobs in hand by completing the various milestones of the projects in record time. The dedication of the Mahagenco–Koradi project to the nation (3x660 MW) is an example of this operational excellence. The business, despite its quest to complete project milestones on time, has never lost sight of the safety and quality of execution. The receipt of various national-level awards on safety and quality is a testimony to this.

Nuclear power, being a clean source of energy, is going to play a key role in the Indian power sector in the next few years. The Government has an ambitious plan to increase the nuclear power production to 23 GW by 2031 from the current level of 7 GW. The business sees

360 MW Combined Cycle Power Plant, Bheramara, Bangladesh, built on EPC basis



225 MW Combined Cycle Power Plant, Sikalbaha, Bangladesh, built on EPC basis



large-value opportunities in this segment. The business has incorporated the manufacturing capability to produce turbines of 700 MW capacity related to PHWR nuclear power plants.

Significant Initiatives:

The business has deep-dived into cost-optimization programmes, and is confident of successful implementation in the upcoming tenders. Internationalization and portfolio enhancement continue to remain the focus of the business. Enhancing its capability towards these initiatives, the business is geared to benefit from any opportunity available in these areas.

The business is also giving due importance to digitalization. It aims to achieve cost reduction, carry out smart operations and shorten project timelines through these initiatives.

Smart asset monitoring using IoT and smart manufacturing initiatives have been identified as important digitization measures to improve business processes and optimize equipment utilization.

The business has carried out various initiatives to improve its localization of manufacturing activities.

It regularly reviews its internal control processes, and has ensured an adequate internal control system commensurate with the size, nature and risks of its business operations. It also continues with its risk mitigation initiatives through risk management practices and regular reviews.

Outlook:

Looking ahead, the power sector in the country is set to grow to meet the increased demand due to the expected GDP growth in the country. The growth in industrialisation is the key to economic growth, which in turn will lead to a major thrust in the power sector, as power is required to support industrialisation.

Government initiatives like Ujwal DISCOM Assurance Yojana, rural electrification programmes, the programme on 24x7 power for all, and centralised purchase of 2500 MW of power from stressed power projects by the Central Government for 3 years are some of the measures being implemented towards raising the power demand so that the power sector embarks on a sustained recovery path. The business sees that the power sector is expected to unfold many more such positive trends in the areas of generation, transmission and distribution to increase the demand.

Coal will continue to be the mainstay of the domestic power sector for providing stable, reliable and robust base load power supply – though the emergence of alternative sources in the form of renewables is another challenge for the business.

The business sees opportunities in the 'replacement market' and in 'FGD systems' in the near future. The business is ready to capitalise on any opportunity in these diversified areas.

Excess capacity and aggressive pricing will continue to haunt EPC players, and would reflect in the pricing and financials.

South East Asia continues to offer good opportunities for gas-based plants, which are not expected to revive in India in the near future. The business has taken various steps to enter targeted markets like Bangladesh, Sri Lanka, the UAE and Indonesia for gas-based projects.

Boiler manufacturing facility, Hazira, Gujarat.



Turbine manufacturing facility, Hazira, Gujarat



Heavy Engineering Business

The Heavy Engineering business is structured into two business groups:

- Process Plant Equipment and Nuclear
- Defence and Aerospace

Process Plant Equipment and Nuclear

Overview

L&T's Heavy Engineering (HE) business is amongst the top 5 global fabricators to supply engineered-to-order critical equipment, piping and systems for core sector industries - Fertilizer, Petrochemical, Refinery, Oil & Gas, Gasification, Thermal & Nuclear Power, including critical revamp and up-gradation projects. These equipment and systems are the most critical part of major investments. The business has achieved international recognition through an impeccable track record of executing large and complex projects. Capabilities include state-of-the-art technology, engineering analysis, globally benchmarked, fully-integrated manufacturing facilities, a Research and Development centre, and an experienced and highly skilled talent pool. The sustainability and safety standards at manufacturing facilities are on par with international standards.

The business is a leading supplier of hydro-processing reactors, ethylene oxide reactors, fluid catalytic cracking reactor regenerator systems, high-pressure breech lock heat exchangers, waste heat boiler packages, ammonia converters, urea reactors, urea strippers, methanol converters, coke drums, proprietary internals and other critical equipment for process plants. Nuclear power sector supplies include equipment such as steam generators, end shield assembly and pressurizers.The manufacturing facilities are located in Mumbai, Hazira (near Surat) and Vadodara. The business also provides modification, revamp and up-gradation services in niche areas. The Piping business unit fabricates critical piping spools for applications in the power, refinery, petrochemical, fertilizer and chemical sectors (for high-pressure, temperature and corrosive services) and has a track record of exporting piping spools globally.

The business has a JV with Nuclear Power Corporation of India (NPCIL), which holds a strategic facility to cater to the demand for critical forgings required for the Indian Nuclear Power programme and for other crucial sectors like Defence, Hydrocarbon and Oil & Gas.

Business Environment

A sluggish global economy impacted the business for the first 3 quarters of 2017-18. Key markets, viz. USA, Brazil and China, offered very few opportunities. Other major markets targeted i.e. Iran and Russia, were impacted due to geopolitical reasons. The Middle East economy slowed down due to lower oil prices. Worldwide, most countries

Two trains of FCC Packages (8,650 MT) for Petronas RAPID Project, Malaysia



responded to the slowdown with restrictive import policies and the demand for localization. On the domestic front, major economic reforms, viz. Demonetization and the introduction of the Goods & Services Tax (GST) led to a delay in the tendering process and investments.

The order inflow for the Nuclear business was impacted due to slow progress in order placements. Surplus capacities and limited demand led to aggressive competition and put extensive pressure on pricing and deliveries. The business focused on operational excellence to deal with the challenging market scenario and regained its competitiveness. Major orders executed in 2017-18 include equipment for RAPID, EXXON, KNPC AL ZOUR, CPCL, IOCL, KBR Lotte Chemicals etc. Major orders received include orders for reactors, columns and vessels from HPCL including heaviest hydro processing reactor by L&T – 1840 MT, coke drums from Marathon USA, a major nuclear order for steam generators and end shields for GHAVP, Haryana.

Significant Initiatives

In order to maintain its leadership position, the business has drawn up a five-year Strategic Plan focusing on profitable growth. Major initiatives include product portfolio restructuring, key account management, talent management and organization excellence. Digitalization has been identified as a key driver for improving quality and productivity. The culture of continual improvements in operations helps the business attain global benchmarks.

The Product & Technology Development Centre of the business is focusing on the development of new products and manufacturing technologies. The areas of focus include welding and metallurgy, heat transfer, hydrodynamics and computational fluid dynamics.

Outlook

With the uptick in crude oil prices, there is revival in the demand for oil in international markets. Global growth started picking up towards the end of FY 2017-18, and the business outlook for the Process Plant sector looks optimistic, with major investment proposals expected in South East Asia, MENA and the domestic market. Major investments are expected in five to six refineries around the world in view of the increase in global demand. Foremost opportunities include Takreer in Abu Dhabi, DUQM in Oman, KNPC in Kuwait and Thai Oil in Thailand.

The domestic market is also showing signs of revival of the Capex cycle by major players in the petrochemical sector. Investments are expected in the domestic sector by IOCL, HPCL, HMEL and BPCL for capacity enhancement and BS-VI upgradation to comply with the applicable fuel standards. This is going to benefit the business in the form of steady order inflow in the medium term. In the Fertilizer sector, major opportunities include revival of sick FCI and HFCL units, energy saving and capacity enhancement projects driven by the New Urea Policy 2015 (NUP 2015). The upcoming opportunities in Talcher Fertilizer will also open fresh avenues of business growth.

In the Nuclear sector, fleet procurement opportunities in 700 MWe PHWR projects will provide large growth opportunities in FY 2018-19.

Heavy Thick Vessels (3,312 MT) for KNPC Al-Zour Refinery, Kuwait



Methanol Converter



Defence and Aerospace

Overview
L&T's defence business provides indigenous solutions across the spectrum – from platforms to surveillance-to-strike capabilities. Having started as a diversification initiative primarily with the R&D model, the business has metamorphosed through growth phases, developing technologies, products, systems, and providing solutions across the communication, weapon & weapon delivery systems, and platforms for naval applications. Currently, the business has grown into an integrated portfolio and serves the Armed Forces and the Defence Research & Development Organisation (DRDO).

The Defence business is structured into two business groups:

1. Defence & Aerospace
2. Defence Shipbuilding (reported under 'Others' segment in financial statements)

1. Defence & Aerospace
L&T's Defence and Aerospace (D&A) business is today engaged in design-to-delivery solutions and serially produces these across its chosen defence segments. For over three decades, L&T has focussed on design, engineering and building Indian products, systems and technologies with Defence Research and Development Organisation, India (DRDO), as well as with its in-house research and development. The business has developed and is into manufacturing artillery systems, air-defence systems, land & naval weapon systems with associate fire-control solutions, naval equipment & systems, engineering systems for land and naval forces, military bridging systems, communication systems, missile propulsion air frames and rocket motors for space-launch vehicles.

L&T has stayed committed to 'Make in India', and has invested in creating multiple work centres across the country dedicated to the defence business. These include the assembly & integration facility at Talegaon near Pune, missile sub-system manufacturing facility at Coimbatore and the defence electronics facility at Bengaluru. Besides these dedicated facilities, specific work-centres are set up at Hazira (near Surat) for the strategic programme, Ranoli (near Vadodara) for advanced composites, at Powai (Mumbai) for prototype development and testing, and a site at Vishakhapatnam operating under the GOCO model for a strategic programme. L&T continues to develop indigenous systems and solutions for the 'Indigenously Designed, Developed and Manufactured' (IDDM), 'Make' and 'Buy and Make Indian' category of programmes under the Defence Procurement Policy. It has planned investments in its Product & Technology Development Centre at Powai and at Bengaluru for technologies of the future.

The business has a Joint Venture (JV) with MBDA (world leader in missiles and missile systems), and is well-poised to develop and produce futuristic missiles and missile systems to meet the growing potential requirements of the Indian Armed Forces.

K9 Vajra-T 155mm/52 Cal Self-Propelled (SP) Tracked Gun



Pinaka Multi-barrel Rocket Launcher



2. Defence Shipbuilding

The shipbuilding business operates two defence shipyards – one at Hazira Manufacturing Complex (since 2007) and a greenfield mega shipyard at Kattupalli near Chennai (since 2012). Located across a sprawling 1225-acre complex, the Kattupalli Shipyard is India's largest shipyard, designed in-house, and built to globally benchmarked technological practices. Dedicated, independent Design Centres for warships and submarines are equipped with integrated 3D design, analysis, virtual reality and Product Lifecycle Management, interfaced with project management and ERP systems in line with global best practices.

The shipyards have successfully delivered interceptor boats, offshore patrol vessels and a floating dock for the Indian Navy, with the remarkable achievement of each vessel being either ahead of time or on schedule – a new benchmark in the Indian shipbuilding industry.

Business Environment

In line with the motto of 'Make in India' and 'Ease of doing business' agenda, the Government has brought about major improvements in policies in the Defence sector. The enabling policies include release of a Strategic Partnership Policy, Simplified Make II Procedure, announcement of Defence Industrial Corridors and a draft Defence Production Policy. With these policy initiatives moving towards creating a level playing field over the past three years, the import content has shown a downward trend.

The Capital Budget for Defence in FY 2018-19 has grown by around 7% as compared to that during FY'18. The major allocation of the capital budget is to meet existing commitments of MoD, and the allocation to undertake new acquisitions is likely to be under pressure. With the preferential categorization of acquisition programmes towards indigenous sourcing, India's imports are expected to continue to show downward trends, going forward. There is also active support and facilitation by the Government towards indigenous defence production and export.

In the Aerospace segment, L&T collaborates with ISRO as technology partners for the development of special-purpose test facilities for India's space programmes. In the wake of meeting increasing demands of the space sector in a timely manner, ISRO is exploring outsourcing of launch vehicles and sub-assemblies to the private sector.

Significant Initiatives

The business is focused on achieving a profitable growth as per its Strategic Plan. It has been built on the strengths of R&D and Design, matched by great production performance over the past three decades, with unstinted technology, product development and investments in innovation. The new Integrated Reporting Standards which the management has decided to embrace from FY 2018-19 stresses upon the need to look at sustainability even more comprehensively, and commitment to social programmes. The business continues to efficiently leverage human capital, invest across work centres towards digital transformation, focus on conserving and utilizing alternative sources of energy, and further enhancing efficient process and business sustainability, besides protecting the environment.

L&T is building 54 Interceptor Boats for the Indian Coast Guard



One of seven offshore patrol vessels designed and built by L&T



The Government has awarded L&T the largest-ever contract on a private player for Tracked SP Artillery Howitzers. Therefore, L&T is setting up an Armoured System Complex at Hazira to serially produce these K-9 Vajra Howitzers. This programme has served as the clear indicator of the MoD's commitment to push the 'Make in India' agenda.

Outlook

With the draft Defence Production Policy highlighting the vision 'to make India among the top five countries of the world in Aerospace and Defence industries, with active participation of public and private sector…' the preference for indigenously designed and developed systems will result in opportunities in adjacent domains. Over the medium-term, significant opportunities are envisaged in programmes for new-build naval (surface as well as underwater) platforms, refit of conventional submarines, artillery and air defence guns, close-in weapons systems, military bridging systems, missile programmes (repeat orders), and sub-systems for space launch vehicles. L&T is poised and positioned to play a proactive role in ensuring self-reliance of our nation through successful 'Make in India' initiatives.

With regard to implementation of the Strategic Partnership Policy, Request for Information (RFIs) for conventional submarines (P75I) and the Future Ready Combat Vehicle (FRCV) armoured platform were issued this year to foreign OEMs. EOIs to Indian as well as foreign OEMs are expected to be issued. L&T is likely to be positioned to be selected as a Strategic Partner in key segments. The JV with MBDA is well positioned to address IDDM opportunities, 'Buy Indian' programmes as well as 'Buy and Make Indian' programmes with access to latest state-of-the-art technologies like the Fifth Generation technology for Anti-Tank Guided Missile (ATGM).

With sharper focus on gaining growth momentum, the business reiterates its commitment to nation-building.

The Floating Dock designed and built for the Indian Navy.



Electrical & Automation Business

Overview

L&T's electrical and automation (E&A) business manufactures a wide range of products and system for distribution, regulation and control of electricity along with metering products. The business is a major player in the system integration business. Its products include low and medium voltage switchgear products, electrical systems, marine switchgear, industrial and building automation products, energy management systems and metering solutions that cater to industry, utility, building, infrastructure and agriculture segments. The E&A business is structured into two Strategic Business Groups (SBGs) – Products SBG and Projects SBG.

The business has been increasing its penetration in new segments like telecom, smart e-cities, healthcare, etc., by offering innovative solutions, while consolidating its position in the retail segment with a new range of consumer products.

The major strength of the business is its elaborate in-house design and development facilities for new products and life cycle management of its existing range of products. The business has six DSIR-approved R&D facilities and dedicated test laboratories in India that specialise in diverse skill sets. These centres network with international labs, testing centres and academic institutions to keep abreast of new technology trends and introduce them to customers in different segments. The business also has well-developed tooling facilities with state-of-the-art manufacturing systems and processes in place for high precision tools, which are a pre-requisite for high-quality products.

Additionally, its six Switchgear Training Centres at Pune, Lucknow, Coonoor, Vadodara, Delhi and Kolkata promote good electrical practices in the industry.

Manufacturing operations are located at facilities at Navi Mumbai (Mahape & Rabale), Ahmednagar, Vadodara, Coimbatore and Mysore in India as well as in Saudi Arabia, UAE (Jebel Ali, Dubai), Malaysia, Indonesia and the UK.

Business Environment

With a notable rebound in global trade, the world economic growth rate reached 3.6 % in 2017. This was driven by an investment recovery in advanced economies, rebound of the European economy, continued strong growth in emerging Asian markets, and signs of recovery in several commodity exports. The global growth rate is expected to clock up to 3.9 % in 2018, which would be highest in this decade. The geopolitical situation across the world is also changing fast.

The private investment climate in India has remained subdued due to stresses in the balance sheet. The dust around GST implementation is yet to settle. The year witnessed a good monsoon, as well as policy announcements in many sectors such as infrastructure,

L&T offers India's widest range of switchgear to a variety of sectors



power, health, sanitation, etc., creating an environment for further growth in the economy, which grew by 7.2% in 2017.

Implementation of initiatives like Dindayal Upadhyaya Gram Jyoti Yojana, UDAY, SAUBHAGYA, Smart Grid, Pradhan Mantri Krishi Sinchayee Yojana and increased focus on renewable energy are visible on the ground. Other Governmental initiatives like Make in India, Smart Cities, increased infrastructure spending, etc., also hold promise. The rising oil and metal prices, slow climate of order finalisation and liquidity issues continued to pose challenges for the businesses.

With the formation of UDAY, the liquidity position of utilities has improved, thereby giving more powers to state utilities to decide and award orders. This has resulted in improved order intake by the metering business. The switchboard business posted a good performance for the year, except that the international order intake was lower. Overall, the domestic business posted improved performance over the previous year. VAT implementation with effect from 1st January 2018 in the Middle East, e.g. KSA and the UAE, has so far been smooth.

Significant Initiatives:

In its endeavour to deliver quality products and solutions at competitive prices, the business always revalidates its processes, providing vigour and sustainability to its operations. The business launched 'Project Optima' for all domestic businesses and TAMCO. The project is an operational excellence initiative, aimed at achieving refined cost structures, improved operational efficiency and faster throughput. The outcome of the programme has been encouraging. Various recommendations of the project have been implemented, contributing to improved efficiency and cost reduction.

In FY 2017-18, the R&D spend by the business was approximately 2 % of total sales revenue. During the year, the business filed 76 Patents, 1 Trademark and 32 Design applications. Focused R&D activities have enabled the Electrical Standard Products business unit to have a healthy New Product Intensity (NPI) index of approximately 25% - an index which measures the sales of new products introduced in the market during the last five years with reference to the total sales in the financial year.

The Standard Products business implemented a SAP tool known as 'Advanced Planning and Optimisation' (APO) for end-to-end supply chain management. The tool aims at improving capability to give a reliable commitment of delivery date to customers while receiving orders, based on real-time visibility in the supply chain. It works on the Theory of Constraints (TOC) and uses a diagnostic metrics framework based on Supply Chain Operation Reference (SCOR).

In line with its 'Shrink to grow' initiative, the switchboard business has successfully shifted its Low Voltage switchboard manufacturing operations from Ahmednagar to Coimbatore campus, which helped in creating additional manufacturing capacity for Medium Voltage products.

The business participated in Asia's largest electrical fair 'ELECRAMA' held at Greater Noida in March, 2018 and showcased a wide range of offerings, including products which are lined up for launch in the coming months.

Air Insulated Switchgear (AIS) from TAMCO Malaysia, an L&T Group company.



Subsidiaries such as LTEASA and Servowatch also undertook business re-structuring exercises to achieve efficiencies in business operations by reducing fixed overheads.

The business has undertaken numerous initiatives to improve the use of technology and prepare for the digital future. This will enable the generation of informative dashboards from diverse data sources, improve efficiency, ease out manual work by machine computing and build artificial intelligence. Initiatives implemented during the year include:

A. Mobile Applications

- AutoNaT mobility solution for E&A employees
- StockNaT mobile app for channel partners and customers
- Retail Management Solution for retail sales force, distributors and retailers

B. Collaboration, Document Management & Workflow – To create a centralised document repository with work flow functionality

C. Analytical Reports & Dashboards – Real-time information on key business metrics.

Listed below are few initiatives on which significant progress has been made:

1. Asset Intelligence Management (use of Internet of Things)

- Optimising productive time of machines
- Tool life monitoring and asset tracking

2. Training and education using Augmented Reality / Virtual reality

- Guided servicing of 'Omega' Air Circuit Breaker using Augmented Reality
- Interactive Induction Training module for new joiners using virtual reality

Product Launches

In FY 2017-18, the business introduced various new products in the power distribution, motor control and power quality market segments to further strengthen its leadership position. Notable additions include higher rating air-break and vacuum contactors, 4-Pole MCCBs, electronic trip units - SR 18G with enhanced features, S-Line copper busways and S-Line aluminium busways for lower (250A) ratings, Ti-APFC panels as per IEC61439, APFC relays, etc.

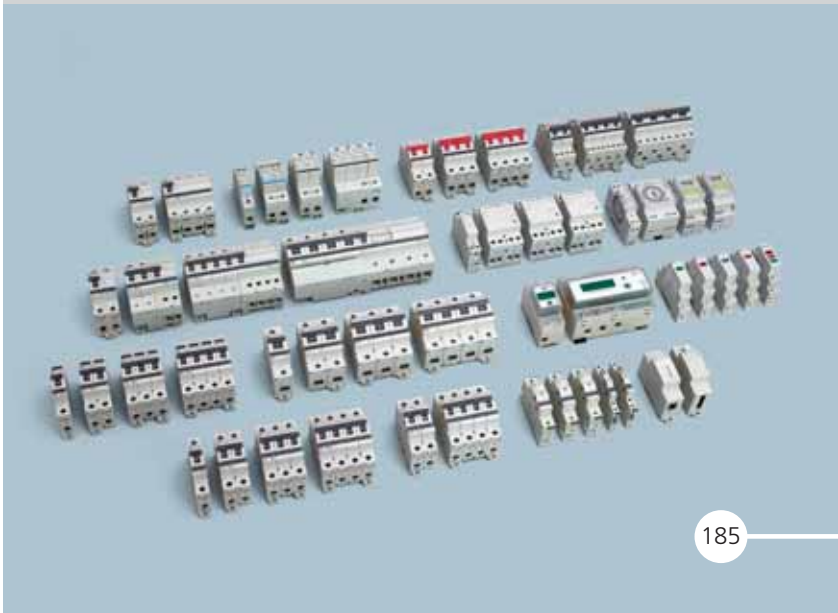
L&T's Metering & Protection Systems business was engaged in developing new cost-optimized metering platforms offering better features to maintain competitiveness in the market, and the development of new products to meet the unfulfilled needs of customers. During the year, the business launched 1-phase and 3-phase kWh meters in whole current small form factor and prepaid category. It also actively launched 1-phase and 3-phase smart meters on various communication platforms in line with emerging demands and trends.

L&T's Electrical Systems & Equipment (ESE) business introduced outdoor cabinets for the telecom segment and feeder pillars and front RMU with FRTU (Feeder Remote Terminal Unit) for the utilities segment. For the international market, a Sub-Main Distribution Board (SMDB) was introduced to cater to the infrastructure segment such as

T-era Panels



AU Solutions for final distribution – a comprehensive range for real world applications.



metros, airports, smart e-cities, and high-end residential complexes. ESE also started manufacturing Ring main units (RMU) and introduced a new variant to its GIS (Gas insulated switchgear) range.

L&T's Control and Automation (C&A) business successfully adapted its in-house developed software for SCADA, reducing dependence on imported technology. The business also put in significant efforts towards developing drives using FPGA (Field Programmable Gate Array devices) and batch controllers.

Business Outlook

In an environment where uptick in private capex is not visible, liquidity continues to remain a worry; and with core sectors not holding any promise, fresh order bookings continue to be a challenge. As per industry estimates, the LV Switchgear market is expected to grow by 8 to 10 % and reach ₹ 7,600 crore by 2020.

With the increase in commodity prices and consolidation of procurement for state DISCOMS, profitability in the metering business is expected to remain under pressure. The market for conventional meters is expected to remain flat. However, in view of the SAUBHAGYA scheme, the market for smart meters seems to be growing. The trend is towards higher technology products like AMR, prepaid and smart meters. UDAY and other centrally funded schemes like DDUJY and IPDS will lead to improvement in payment position at utilities.

The automation business is expected to build on its success in the infrastructure sector. Government regulations, which have made use of RCCB mandatory, will help the modular device business to grow. Various announcements made in the Fiscal Budget FY 2018-19 such as replacement of existing pumps with energy efficient pumps and increase in area under drip irrigation are expected to contribute to higher growth in the agricultural product business. With new medium voltage products, the switchboard business will be in a better position to increase its market share in DISCOMS. Telecom enclosures still look promising and are expected to generate revenue for the business.

The Marine business envisages a positive sentiment through the 'Make in India' initiative taken by the Government for emphasizing on indigenous content – which has given us an edge over foreign suppliers. FY 2018-19 will see the conclusion of orders for the electrical and degaussing equipment for 24 ships of the Indian Navy. This provides the potential to fill up the order book after a lean patch during the last few years.

With the oil prices improving, investment in the oil & gas sector of the GCC continues to improve. Growth in the MENA region is expected to accelerate to 3 % in 2018. Within MENA, GCC economies are expected to lead due to stronger growth in the region, supported by easing fiscal adjustment, infrastructure investment such as the UAE Expo 2020, and reforms to promote non-oil-sector activity. In Kuwait and Oman, for all major EPC awards, In-country Value (ICV) content and Export Credit Agencies (ECA) are likely to impact the businesses. Major growth is expected from the infrastructure segment. With the addition of focused products for infrastructure in the product basket, we are hopeful of getting a significant share of Infra business.

Mumbai International Airport's Network Operations Centre



Smart, prepaid meters



Hydrocarbon Business

Overview

L&T Hydrocarbon Engineering Ltd. (LTHE) delivers integrated design-to-build world-class solutions for the global oil & gas industry, including oil & gas extraction and processing, petroleum refining, chemicals & petrochemicals, fertilisers and cross-country pipelines and terminals. The Company's in-house capabilities, synergized through strategic partnerships, enable it to deliver a single-point solution for every phase of a project – from front-end design through detailed engineering, procurement, fabrication, project management, construction and installation up to commissioning services.

The key aspects of LTHE's business philosophy are on-time delivery, cost competitiveness, high quality standards, with a focus on best-in-class HSE and IT security practices. Integrated strengths, coupled with an experienced and highly-skilled work force, are the key enablers in delivering critical and complex projects. Over the years, we have garnered a reputation for simultaneously executing multiple projects. We believe in an attitude and approach that allows for flexibility of operation and agility in response.

The business has repeatedly delivered, large, critical and complex projects, globally, by virtue of its customer focus and responsiveness, experienced and highly skilled human resources, excellent Quality and HSE practices and culture of excellence. The business has a fully-integrated capability chain, including in-house engineering and R&D centres, modular fabrication facilities with waterfront, as well as onshore construction and offshore installation capabilities. The principles of the Company's business philosophy are striving for excellence in corporate governance, HSE and quality standards, extensive IT-enabled processes, digitalization, state-of-the-art IT security practices, on-time delivery and cost-competitiveness.

The Company's major facilities in India include Engineering & Project Management Centres at Mumbai, Vadodara, Chennai and Bengaluru and Fabrication Yards at Hazira (near Surat) and Kattupalli (near Chennai). Its overseas presence is primarily in the Middle East in UAE (Sharjah), Saudi Arabia (Al-Khobar), Kuwait and Oman (Muscat). The business also has a major Modular Fabrication Facility at Sohar in Oman, held through a subsidiary.

The Company caters to clients across the hydrocarbon value-chain through the following business verticals:

- Offshore
- Onshore
- Construction Services
- Modular Fabrication Services
- Engineering Services

Bassein Development Project for ONGC including platforms (Living Quarters & BH Wellhead), pipelines, bridges and modifications



Offshore

The business offers turnkey EPCIC solutions to the global offshore Oil & Gas industry encompassing wellhead platforms, large integrated process platforms and modules, subsea pipelines, brown field developments, offshore drilling rigs (upgrade and new-builds), floating production storage & off-loading (FPSO) modules, deepwater subsea systems, offshore windfarm projects and decommissioning projects. For nearly three decades, the business has repeatedly demonstrated its ability to offer custom-designed, cost-competitive solutions to the industry, with an impeccable on-time delivery record meeting international quality and HSE standards. It has successfully executed large offshore platforms and pipeline projects on the east and west coasts of India, the Middle East, South East Asia and Africa, for global companies such as ONGC, GSPC, British Gas, Saudi Aramco, ADNOC Offshore, Bunduq, Qatar Petroleum, Maersk Oil Qatar, PTTEP, Petronas Carigali and Songas.

Its Offshore Engineering Centre has comprehensive engineering capabilities covering the complete project life cycle from feasibility studies, concept, FEED, 3-D model based detailed engineering and special studies to commissioning for offshore projects. Value engineering is one of the core elements in the Company's project execution, and operational excellence is a key value driver in the Offshore Engineering Centre's global delivery model. The Company's business processes are oriented towards creating value and improving the quality of deliverables on a continual basis. Its engineering expertise is backed by an institutionalized system of route maps, standard operating procedures and knowledge management.

The business owns and operates a self-propelled heavy-lift-cum- pipe-lay vessel – LTS 3000 – through its joint venture, L&T Sapura Shipping Private Limited.

The business secured an EPCI contract, in consortium, for three gas production platforms with associated subsea lines and umbilical's tie-ins and hook-up under a Long Term Agreement (LTA) with Saudi Aramco.

On the domestic front, the business secured an EPCIC contract for Bassein Development of ONGC involving 3 well platforms, a 23-km subsea pipeline, composite subsea power cable, clamp-on works on an existing platform and modification work on nine existing platforms in the western offshore basin in India. Two other major contracts are T&I (Transportation & Installation) contracts of ONGC, one for replacement of well fluid, gas lift and water injection pipelines along with brownfield modification works on existing platforms in the western offshore field and the other for extracting gas from Daman field situated in the south-western part of the Tapti-Daman block at Mumbai Offshore. During the year, the Company successfully completed the Bassein development and S1 Vashistha deepwater projects for ONGC.

Onshore:

The vertical provides engineering, procurement, construction and commissioning solutions for a wide range of hydrocarbon projects covering upstream oil & gas processing, refining, petrochemicals, fertilisers (ammonia & urea complexes), cryogenic storage tanks & regasification terminals including LNG and cross-country pipelines. It has a record of successful simultaneous execution of

Sailing out of Wellhead Platform Topside from Kattupalli Facility



Additional development of Vasai East Project on India's West Coast for ONGC



multiple mega projects with diverse technologies from process licensors like UOP, Axens, Technip, Haldor Topsøe, CB&I Lummus, Black & Veatch, Ortloff, ExxonMobil, BOC Parsons, Invista and Davy Process Technology. The Company has built capability and resources to execute multiple large-value complex projects simultaneously, meeting stringent delivery schedules.

Its Design Engineering Centres – L&T-Chiyoda for onshore engineering and L&T-GULF for pipeline engineering – enable the Company to offer the complete spectrum of FEED, process and detailed engineering to clients. The Company's subsidiary, Larsen Toubro Arabia, is registered as In-Kingdom EPC ('IK-EPC') company in Saudi Arabia, and addresses onshore IK-EPC opportunities.

The business has executed Lump-Sum Turnkey (LSTK) projects for various Indian oil majors like IOCL, MRPL, ONGC, OMPL, BPCL, HPCL, Reliance Industries, etc., as well as fertilizer companies like NFL, GNFC, RCF, GSFC and others.

Internationally, the business group is prequalified by major international oil & gas producers, and has a successful track record of project execution with international bellwethers such as Saudi Aramco, ADNOC Gas Processing, Petroleum Development Oman (PDO), Kuwait Oil Company (KOC), Kuwait National Petroleum Company (KNPC), Petronas, Dolphin Energy and Chemanol.

During the year, the business received orders from Hindustan Petroleum Corporation Limited for carrying out Full Conversion of a Hydrocracker Unit as well as for a Crude Distillation Unit (CDU) & Vacuum Distillation unit (VDU), both for Visakhapatnam Refinery Modernisation project at Andhra Pradesh, and from the Adani Group, involving two LNG Storage Tanks for an LNG Terminal at Dhamra port, Odisha.

On the international front, the business received EPC contracts for the Haliba Development Project in the UAE from Al Dhafra Petroleum Company Limited and from Kuwait Oil Company for building 48" Crude Transit Line (TL-5) from North Kuwait to Ahmadi.

During the year, the business successfully achieved mechanical completion of a Coke Drum System Package for Aishwarya project at Haldia Refinery for Indian Oil Corporation Limited, and a New Gathering Centre, GC-30 in North Kuwait for Kuwait Oil Company.

Construction Services:

The business undertakes turnkey construction of process plants for refineries, petrochemicals, chemical plants, fertilizers, gas-gathering stations, crude oil & gas terminals and strategic storage facilities including underground caverns and above-ground facilities covering civil works, structural, piping, equipment, electrical & instrumentation erection, heavy lift and execution of cross-country oil & gas pipelines.

The vertical's major capabilities include heavy lift competency, advanced welding technologies, high levels of automation, management of manpower and material in large volumes at construction sites and Quality / HSE systems conforming to international practices. The business has also invested in strategic construction equipment, a range of pipeline spread equipment, automatic welding

900 TPD ammonia plant of National Fertilizers Limited, Panipat.



Coke Drum System Package for IOCL, Haldia



machines and other plant and machinery for electro-mechanical construction works.

The business has executed projects for major private sector customers like Cairn Energy, Reliance Industries, HPCL Mittal Energy (HMEL) as well as major oil PSUs like BPCL, HPCL, IOCL, ONGC and international customers like ADNOC Gas Processing, ADNOC Refining, ADNOC Onshore, Saudi Aramco, Sadara, Dolphin Energy, etc.

The Company's country-specific entities render construction support to international onshore projects – Larsen & Toubro Electromech LLC in Oman, Larsen & Toubro ATCO Saudia LLC in Saudi Arabia, Larsen & Toubro Kuwait Construction General Contracting WLL in Kuwait.

During the year, the business received an additional order for a new coal bed methane facility being developed in central India.

The business successfully completed composite work of the low-cost expansion project at GGSR Bathinda (Punjab) for HPCL Mittal Energy Limited and laying of a pipeline (12′ /8″ x 176 km) and associated facilities from Dahej to Navsari and a spur-line from Dahej to Hazira for the Dahej Nagothane Ethane Pipeline Project of Reliance Gas Pipeline Limited.

Modular Fabrication Services:
The business offers comprehensive modular Engineering, Procurement and Fabrication (EPF) solutions for setting up projects, primarily in the offshore and onshore oil & gas segments. World-class modular fabrication facilities at Hazira (India's west coast), Kattupalli (India's east coast) and Sohar (Oman) have a combined annual capacity in excess of 160,000 MT, depending on the product mix, and are equipped to undertake mechanical design of modules including structure, piping, pressure vessels, fabrication and construction engineering. Fabricated modules are tested and pre-commissioned at site for trouble-free and rapid hook-up. The facilities have state-of-the-art equipment to deliver complex modules and structures, duly tested at the facilities, and offer competitive and year-round delivery capability with robust QHSE practices.

These facilities are situated on the waterfront, with easy access to clients across the globe, and have load-out jetties for dispatch of large and heavy modules via ocean-going vessels and barges. These facilities are accredited with global certifications including API, ASME and NB and pre-qualifications from major oil & gas customers.

The business executed a total of 21 challenging projects across the offshore and onshore landscape for various prestigious domestic as well as international majors in the oil & gas sector in FY 2017-18. A significant milestone was, successful on-time delivery of the offshore Production Deck Modules (PDMs) Project for Saudi Aramco. These PDMs will be installed at Safaniya oil field – which is the world's largest offshore oil field.

During the year, Company strategically entered into a new product line – and won its first Electrical House (E-House/ Power house) project. The business has also received several orders for the supply of static equipment for ongoing refinery projects in the Middle East and India.

HMEL Bhatinda Refinery, India. Scope included EPC of 2 x 44,000 MTPA Hydrogen Generation Units and mechanical construction of 7 processing units



Engineering Services:
The vertical offers end-to-end engineering solutions covering the entire spectrum of engineering across the oil & gas value chain, covering services from concept to commissioning, troubleshooting, EPCM, PMC, Field Engineering, Asset Integrity Management and Operations & Maintenance.

The business has a large resource pool of over 4 million engineering hours. A large portfolio of industry-standard software tools, robust IT infrastructure and in-house R&D facility augment its capabilities. Benchmarked through leading certification and accreditation systems, the engineering work processes ensure consistent product quality and on-time delivery.

During the year, the business has signed a Memorandum of Agreement with Institute of Chemical Technology (ICT), to build ethanol plants based on fully indigenous technology developed by ICT for producing 2G ethanol.

The business secured various engineering contracts from GCPT, KCCEC, HPCL, ISCO, Al Ghanim, IOCL, etc. and EPCM contracts from GACL.

Business Environment:
After a prolonged depressed market, signs of recovery are now visible, with upward movement in crude oil prices due to production cuts by OPEC countries and Russia. However, uncertainty with respect to crude oil prices still exists over the medium to long-term, leading to continued diligence by the oil & gas industry in making strategic investment decisions.

This year has also witnessed several consolidations, partnerships and co-investments among EPCI players. Companies are adjusting their business models to a period of recovery. Oil majors are adjusting their portfolios by adding renewables to their energy slate. IOCs and NOCs are looking to diversify risk through co-investment outside their home countries such as Kuwait in Oman, Saudi Arabia in India and China in UAE. Service providers are hedging risks through consolidation.

Localization is increasingly becoming a key differentiator. ADNOC has started implementation of the In-Country Value (ICV) program while Saudi Aramco is implementing its In-Kingdom Total Vale Add (IKTVA) program with the objective of growing and diversifying the economy and creating opportunities for their nationals in the private sector. The South East Asian region continues to protect local players under the 'Bumiputra' concept.

Competition remained stiff, with some of the competitors exercising subsidized prices for limited market potential and with new entrants achieving pre-qualifications. Regional players are bidding for Indian projects with an intent to load their assets and new competitors have also started bidding for domestic prospects. Commodity prices are firming up and forex rates continue to be volatile.

Significant Initiatives:
The business has set a vision to 'Revolutionize the Hydrocarbon Industry' and mission of 'Execution Par Excellence'.

During the year, the business announced the relaunch of LAKSHYA 2021, in which strategic imperatives have

Major role in construction of world's largest Pet Coke Gasification Complex and Ethylene cracker for Reliance Industries at Jamnagar, India



been identified for each of its verticals. The Company lays continued emphasis on sharper bidding to enhance its market share and execute its projects well to protect bid margins. The business embarked upon an Operation Excellence initiative, which is aimed at achieving refined cost structures, alignment for timely project deliveries, and optimizing fund deployment. This initiative has started yielding results for the Company, as reflected in enhanced cost-competitiveness in its bids and further improvement in its bottom-line for projects under execution.

The Company's capability-building initiative has made significant progress in terms of building its portfolio and project leadership as well as functional group development. This initiative is aimed at building globally-benchmarked project leadership teams for executing large international projects, and developing and institutionalizing an international project capability development engine.

Innovation will be a key differentiator for disrupting set norms and the way business is conducted in the hydrocarbon sector. An Innovation Think Tank has been formed to channelize the efforts of the organization towards enhancing its capability and capacity to enable sustainable growth and achieve execution par excellence in every sphere of the enterprise.

The business has continued creating strong central functions to maximize synergy and to build a platform for easy transition from vertical to project-centric regional structure. The Centralized Supply Chain concept was rolled out and operational improvements institutionalized.

The Company is enhancing its current practices through digital / new-age technological advances. The business has also launched a digital transformation initiative towards further improving productivity across its functions.

Risk Management: Pro-active Risk Management has been identified as a key strategic initiative to ensure sustainable growth. Risk Management is an integral part of the overall governance process to identify, segregate, mitigate, control and monitor various risks at business, prospect and operational levels.

The Company's risk management policy and guidelines have helped it to create a consistent set of standard risk tracking templates and measure the risk levels. This enables it to develop the ability to anticipate and respond to emerging challenges in a timely manner. Each project goes through a structured pre-bid risk review and periodic execution risk reviews, enabling effective monitoring and raising timely alerts. The Company promotes a culture of transparency in flagging emerging issues as early warning signals to management for timely attention.

Internal Controls: The management has established internal control systems commensurate with the size and complexity of the business. The internal control manual provides a structured approach to identify, rectify, monitor and report gaps in the internal control systems and processes. The Group follows well-documented Standard Operating Procedures (SOPs). The operating effectiveness of various controls is periodically tested, and deficiencies (if any) are promptly rectified.

Human Resource Development: The business has implemented several initiatives focused on acquiring and nurturing talent. It firmly believes that people are its greatest asset, and has adopted various policies and

Group Gathering Station-11 for RIL's Coal Bed Methane Field Development Project at Shahdol, Madhya Pradesh, India



initiatives in order to sustain healthy employee relations, growth and development as well as work satisfaction. The Company's commitment to creating a highly engaged work force is demonstrated through deployment of the GENIE: Engagement survey, business specific and managerial level interventions, communication with Senior Management through forums like 'Town Hall', webcast and video conferencing. The 'I-Too' recognition framework, initiatives like ICONS, long-service awards, team building workshops, non-monetary recognition events, etc. are periodically undertaken to enhance employee motivation.

Health, Safety, Environment (HSE) & Sustainability:
The business considers safety a core value, and is committed to achieving HSE excellence at the workplace by ensuring the health and safety of people and the protection of the environment. Through its 'Zero Incident Credo', the Company strives for continuous improvement in the protection and development of the health, safety, and environmental assets of its employees and stakeholders. HSE Assurance Audits were conducted to ensure the effective implementation of the HSE management system across the Company.

The Company released its Sustainability Report – 'Sustainability Par Excellence' – in January 2018, in line with Company's Mission 'Execution Par Excellence'. It covers the sustainability-focused initiatives taken across the Company, and highlights the need to enhance performance across all sustainability parameters – safety, energy, water conservation and productivity.

During the year, the Company achieved its best-ever safety performance through a 71% reduction in Total Recordable Incident Rate (TRIR) and 50 % reduction in Lost Time Injury rate (LTIR), which are comparable to the best global industry standards.

The Company received many accolades in FY 2017-18. The KOC - GC30 project received the ASSE GCC HSE Excellence Gold Award 2017 from ASSE Kuwait Chapter. MFF Kattupalli received safety awards from the British Safety Council, RoSPA and the Golden Peacock award. The Offshore business vertical received an award from National Safety Council, Maharashtra Chapter, for achieving 'zero accident frequency rate' consecutively for 3 years.

As a responsible Corporate Citizen, the Company is committed to implementing projects that will contribute to the quality of life, including schools, hospitals, skill training institutes, water supply and distribution and sanitation facilities.

Outlook:
Gradual firming up of the crude oil price is expected to lead to increased project budgeting by IOCs and NOCs. A major section of this investment is expected to come from North America and the Middle East.

Despite lack of appetite by Korean competitors, competition intensity is expected to remain high until 2019 at least, due to the resurgence of European and the emergence of the Chinese competition. Clients are expecting EPC contractors to share the benefit of Value Addition over the tenure of the project. Project schedules are also becoming increasingly tighter.

In the domestic offshore sector, ONGC has reported significant oil & gas discovery in its Mumbai High fields,

Production Deck Modules (PDMs) for Saudi Aramco ready for despatch from Modular Fabrication Facility, Hazira



with potential reserves of 29.74 MTOE. Under the Open Acreage Licensing Policy (OALP), EOIs have been received by the Government of India from private players for the shallow water basins. These developments will translate into EPC tendering by 2020-2022. ONGC is progressing on its investment for development of deepwater field KG/98-2 on the east coast of India. This will provide significant opportunities to the Company's offshore and fabrication verticals over the medium term, given its strategically located Kattupalli yard on the east coast and its tie-up with McDermott and GE to develop cost-effective subsea solutions. A number of brownfield and decommissioning projects are expected to come up in the near future. Saudi Aramco is expected to spend USD 3 billion each year on offshore capital projects to maintain production.

India has an ambitious plan to nearly double its refining capacity to about 438 MMTPA by 2030. The gas energy mix is also expected to shift from the current level of 6.5% to about 15% by 2022. The demand for petrochemicals is expected to go up by 10 MMTPA by 2020. Over 11,800 km of PNGRD-authorized pipeline projects are pending implementation.

The Indian Public Sector refineries have embarked on capacity expansion plans. Some of these refineries also have investment plans for integrating petrochemical projects along with refinery upgrade. This will offer opportunities to the Onshore and Construction Services verticals.

The roll-out of a comprehensive Urea Policy by the Government has led to the revival of public sector urea plants at Gorakhpur, Sindri and Barauni. Energy-efficiency improvement projects are being actively pursued by fertilizer units.

The Government is focusing on setting up LNG infrastructure and investments in LNG receiving plants. Both land-based terminals as well as Floating Storage Regasification Units (FSRU) are on the anvil.

The GCC will see higher outlays for downstream and petrochemical projects, particularly in Saudi Arabia, the UAE and Kuwait. Saudi Aramco plans to spend over USD 300 billion over the next 10 years, while UAE and Kuwait are planning to spend USD 109 billion and USD 112 billion respectively over next 5 years. The integrated refinery and petrochemical complex model continues to gain momentum.

Towards providing geographical risk diversification, the Company is looking to explore newer markets which offer good long-term business potential, and has undertaken intense pre-qualification efforts. Algeria, Iraq and Indonesia will see increased levels of activity, and will potentially offer differentiated margins.

Shale gas / oil will drive petrochemical and fertilizer investment in the US, offering opportunities for high-value engineering and modular fabrication services.

With strong capabilities and capacities built over the years, the business is well-positioned to leverage these opportunities.

3-D model of Normal Paraffin & Derivative Complex under execution



One of our 'high-end' engineering design centres



Information Technology Business

Overview

The Global IT-BPM industry grew by 4.3% and the IT-BPM market (excluding hardware) stood at USD 1.3 trillion in CY17. Indian IT-BPM industry revenues (including hardware) stood at USD 167 billion in FY18. The industry added ~USD 12 billion in incremental revenues last year, representing year-on-year growth of ~8% in USD terms. IT-BPM export revenues for the industry for FY'18 are expected to reach USD 126 billion, i.e. growth of 7.7% over the past year. Domestic IT-BPM revenues are estimated at USD 26 billion, a growth of 8% from USD 24 billion in FY'17. IT-BPM export revenues are expected to grow by 7-9% in FY'19, and the domestic market is likely to grow by 10-12% next year.

Digital technologies are increasingly becoming all-pervasive and are not only blurring the boundaries between business units (technology, finance, marketing, etc.) but also between companies; it is now no longer tech and non-tech companies. Many companies – especially in the banking, automotive and manufacturing spaces – are re-branding themselves as tech companies.

Source: NASSCOM IT-BPM Strategic Review 2018

Our Business

Larsen & Toubro Infotech (LTI) (NSE: LTI), is a global technology consulting and digital solutions company helping more than 300 clients succeed in a converging world. With operations in 27 countries, LTI goes the extra mile for its clients, accelerating their digital transformation with its Mosaic™ platform, enabling clients' mobile, social, analytics, IoT (Internet of Things), cloud and cyber security journeys. In 2017, NASSCOM ranked LTI as the sixth-largest Indian IT services company in terms of export revenues. LTI was amongst the top 15 IT service providers globally in 2017, according to the Everest Group's PEAK Matrix for IT service providers. Its clients comprise some of the world's largest and best-known organizations, including 60 global Fortune 500 companies. LTI offers an extensive range of IT services to its clients in diverse industries such as Banking & Financial Services, Insurance, Manufacturing, Energy & Utilities, Consumer Packaged Goods, Retail and Pharma, High-Tech and Media & Entertainment. Its range of services includes application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions, cyber security and platform-based solutions. The Company serves its clients across these industries by leveraging its domain expertise, diverse technological capabilities, wide geographical reach, an efficient global delivery model, thought partnership and 'new age' digital offerings.

Headquartered in Mumbai (India), LTI is part of the L&T Group. The Company has inherited the promoter Group's engineering and innovation mind-set, domain expertise, and large programme management capabilities. It leverages the strengths and heritage of the L&T Group, imbibing

Larsen & Toubro Infotech's (LTI) global headquarters in Mumbai. The Company's solutions focus on improving efficiencies for its clients.



its virtuous risk management and corporate governance practices.

1. **Strategy**
   LTI's overall business strategy for long-term growth has the following key elements:

   - Client-centricity
   - Deliver amplified outcomes to our clients
   - Investing in new technologies to build differentiated service offerings
   - Transforming as an organization to align ourselves in this dynamic world
   - Focusing on new large transformation deals
   - Expanding in new geographies
   - Investing in new avenues through partnerships, alliances and acquisitions

   Client-centricity is at the nucleus of the Company's strategy, with primary focus on solving complex problems at the convergence of the digital and physical world for its clients. LTI's long association with key clients and understanding of their business and investment in account management teams has positioned it well to deliver profitable growth. The Company has posted significant improvement in client satisfaction over the last two years.

The Company is focussed on amplifying outcomes for its clients by:

- Enabling new business models
- Enabling revenue growth
- Transforming customer and employee experiences
- Next-gen efficient operations

LTI sees its customers' world changing through tectonic changes in technology. There are three things that are happening in the industry: First, there are exponential technologies that are available today. Second, these are all-new technologies, and they are new for everyone – no one has the incumbency advantage. Third, to help clients navigate and win in these times, one needs deep business knowledge to imagine and co-create with the customer. To facilitate and deliver amplified outcomes to its clients, the Company has embraced the concept of 'Shoshin', beginner's mind – a mind that has openness, eagerness, and lack of preconceptions. In the beginner's mind, there are many possibilities; in the expert's mind, there are few. Expertise is important however, and what is needed is the willingness and openness to keep learning – and then keep building expertise.

The Company's relentless focus on digital, analytics, automation, IoT and cloud technologies through its proprietary Mosaic™ platform is helping it stand out in the marketplace. Its cutting-edge work in these areas

Larsen & Toubro Infotech's (LTI) Mosaic™ Experience Centre demonstrates exponential technologies





has been recognized by leading industry tech analysts in numerous studies.

The Company continues to move on its own path of transformation – 'Change from Within'. The Company executed a comprehensive brand launch and global rollout during FY'18. LTI's modern corporate identity reflects its aspiration to be a next-generation IT services company with deep understanding of physical and digital convergence. LTI also expanded its European footprint by setting up its latest development centre in Poland in FY'18.

To accelerate its revenue growth, the Company has adopted a three-pronged approach, focusing on partnerships, acquisitions and association with start-up ecosystems. Together, these would assist in driving amplified outcomes for its clients. In FY'18, the Company acquired Luxembourg-based Syncordis S.A., a leading core banking implementation services provider. This acquisition is poised to aid in growing LTI's presence in Europe by deepening capabilities in the Banking & Financial services sector. The Company has also created 360-degree relationships with a few select partners, viewing them as global growth engines. The Company is creating an ecosystem to partner with innovators around the world and co-create value for clients through association with 600+ start-ups, using inputs from L&T's other businesses.

2. Opportunities

The Company has strong domain expertise derived from its parentage. It is at an inflexion point, being the right size to attain the agility of a start-up while maintaining the stability of an established player – which gives it a competitive advantage over its peers.

a) **Banking & Financial Services:** In the US market, the softening of regulatory changes has resulted in more funds being diverted to digital and data projects, with an intent to increase efficiency. They are increasingly adopting cloud infrastructure to drive down costs through radical automation and superior asset utilization. They are moving towards master data management and analytics to allow for a single view of the customer and easier regulatory response and operations. However, in Europe, the focus will remain on modernizing core banking operations. The anxiety towards Cloud and Blockchain has subsided to a certain extent as banks see these as technology enablers rather than mass disruptors. Clients are relying on strategic partners, such as LTI, to help establish the new iterative model that some banks are looking to adopt.

b) **Insurance:** Spend on digital transformation is the emerging trend in this sector, despite the pressure on run-the-business spend. Life annuity insurers are focused on digital, optimized workflow and operating efficiencies as they face changing customer expectations. Property and casualty insurers are focused on analytics and speed-to-market, as market competition and the threat of adverse selection drives their need for better and faster product deployment. LTI has built deep expertise in leading insurance products like Duck Creek, Insurity and Guidewire, and has unique offerings (digital and non-digital) that can help clients reduce turnaround time for operations, one of the core enablers for cost reduction.

c) **Manufacturing:** There are three key trends emerging in this vertical. First, cloud-enabled IT modernization has become mainstream, and more and more clients are embarking on programmes to move majority workloads to the cloud and reduce the cost of maintaining internal data centres. Second, manufacturing entities are proactively assessing ERP modernization, especially in SAP and Oracle economies. Third, clients in this industry have or are building definitive roadmaps for creating digital-ready application landscapes for agility. With its focus on Industry 4.0, LTI is uniquely positioned to address the digital transformation journey for its clients.

d) **Energy and Utility:** Clients in this space are focusing on technology to streamline operations for cost reduction. Digital investments are majorly focused on IoT, Analytics, Mobility and Cloud adoption. Advanced analytics is a major investment area for oil & gas companies. Augmented reality and drones to aid worker productivity, and wearables to provide over-the-shoulder coaching to workers are some of the next-gen areas where LTI sees traction in this market.

e) **CPG, Retail and Pharma:** Large players in CPG/retail industry segment are facing intense local competition. Consumers are seen to drift towards more online purchases, and it becomes imperative for these large players to directly engage with the consumers. LTI has helped clients in their participation across the customer journey through smart support, chat bots and automated interactions, and will continue to enhance its offerings to reinforce such digital interaction.

f) **Hi-Tech, Media and Entertainment:** In the M&E space, the changing demographic mix is leading to shifting spend patterns and is impacting ad-supported businesses. The Company sees hi-tech clients focus on faster speed-to-market initiatives, energy-efficient smart devices and industry models shifting towards pay-per-use models.

Digital Business

Digital strategy is evolving with unprecedented speed of change in our clients' businesses. It is creating new businesses and new paradigms for clients. The Company aims to be the digital transformation partner for clients to build their digital business and thrive in the digital era. New methodologies, like design-driven delivery, help collapse layers and be more agile for clients.

For LTI, Digital will not just be a set of capabilities. It will be a Way of Working (WoW) and has these core components:

- Cutting-edge capabilities
- Next-gen delivery models
- Extreme domain focus
- Business outcome as a success metric
- Digital inside

Mosaic™ – LTI's proprietary digital transformation platform: Mosaic™ is a converged platform providing data engineering, advanced analytics, process automation, IoT connectivity and an improved solution experience to its users. The Mosaic™ ecosystem enables entities to undertake quantum leaps in digital transformation and bring an insights-driven approach to decision-making.

Human Capital

LTI provides a range of professional skills to develop the finer aspects of executing its roles. The Company's Anytime, Anywhere, byte-sized programmes help employees to quickly brush up their skills, learn new skills or simply collaborate and learn.

The Company institutionalized its five key beliefs across the organization:

- Be agile
- Go the extra mile
- Push frontiers of innovation
- Keep learning
- Solve for society

As on March 31, 2018, LTI's headcount was 24,139. During FY'18, the Company added 2900+ net new hires. Compared to FY'17, LTI improved on attrition – the full-year attrition was 14.8% in FY'18 as compared to 16.9% last year.

Outlook, Risks and Concerns

The businesses of LTI's clients are being impacted at an unprecedented speed by the world of digital and exponential technologies. LTI has made proactive investments in digital technologies, bringing its in-house expertise together under the Mosaic™ platform and enhancing these offerings through acquisitions. Today, enterprises want to work with partners that are agile, can de-clutter new technologies and can co-create solutions with them. LTI's sustained investments in digital and exponential technologies are establishing the Company as the partner-of-choice for its customers worldwide.

In FY'18, LTI delivered an industry-leading revenue growth of 16.7% in USD terms. With intense focus on client success and comprehensive transformation capabilities across digital, analytics, IoT, automation and cloud, LTI is optimistic about its future.

Technology Services Business

Overview

L&T Technology Services Limited (LTTS) is a leading global pure-play Engineering Research & Development (ER&D) services company. LTTS offers design and development solutions throughout the product development chain, and provides services and solutions in the areas of mechanical and manufacturing engineering, embedded systems, engineering analytics and plant engineering. Headquartered in India, LTTS employs over 12,000 personnel spread across 16 global delivery centres, 28 global sales offices and 39 innovation labs in India as of March 31, 2018.

The Company's customer base includes over 50 Fortune 500 companies and 51 of the world's top ER&D companies, across industrial products, transportation, telecom & hi-tech, medical devices and the process industries. The key differentiators for LTTS are its domain expertise and multi-vertical presence in major industry segments. LTTS also provides service offerings in the domains of Embedded Systems, Application Engineering, Verification and Validation and Mechanical & Digital Manufacturing Services.

The services and solutions provided by LTTS in its key industry segments are as under:

Transportation

LTTS offers engineering services and solutions over the complete spectrum of the transportation industry that includes OEM and Tier 1 suppliers in the automotive, trucks & off-highway vehicles, aerospace and rail sectors. The segment delivers end-to-end services from concept to detailed design through manufacturing, testing, after-market and sourcing support helping OEMs and Tier1 suppliers develop products in a cost-effective manner. LTTS also helps its clients develop cutting-edge transportation technologies such as autonomous driving, electric vehicle and drones. LTTS's domain expertise, glocalized and customer-centric approach, proprietary solutions and a repository of over 150 co-authored patents drive innovation and sustain business growth. The adherence to safety protocols, design and processes and the use of cross-disciplinary engineering facilitates give a superlative experience to LTTS's customers.

Telecom & Hi-tech

LTTS's expertise in digital engineering – such as the Cloud, IoT, Artificial Intelligence, Data Analytics & other areas in the telecom domain – enables its partners to leverage the right telecommunications strategy. With expertise in product variant development, 5G capabilities, simulation & automation, and product & mid-life support, LTTS is a one-stop solution for its clients. It also provides futuristic solutions and IP cores that address some of the pressing needs of the semiconductor industry. LTTS's Narrow Band IoT (nBIoT) solution provides complete IoT device management designed with low memory and a low power footprint, enabling easy integration to custom target platforms.

Headquartered at Knowledge City, Vadodara, L&T Technology Services helps clients build smart products, enable smart manufacturing and offer smart services.



LTTS's experience in Product Development, Digitalization, User Experience Engineering and Testing & Certification enables its customers to expand to new markets, innovate newer and smarter products, and roll-out products faster and cheaper. The Company's designs for 3D cameras, speech recognition, smart glasses and connectivity programmes involving wireless mesh networks are seeing increasing traction from the industry.

Industrial Products

LTTS's Industrial Products practice helps OEM customers across building automation, home and office products, energy, process control and machinery. The Company's expertise in engineering industrial products helps its customers drive innovation and efficiency, and retain a competitive edge. LTTS helps streamline the product development value chain, enabling customers spearhead business growth.

This Industrial Products segment offers end-to-end product development counsel, leveraging expertise spanning software, electronics, connectivity, mechanical engineering, industrial networking protocols, user interface / user experience (UI / UX), test frameworks and enterprise control solutions.

Plant Engineering

The plant engineering practice provides end-to-end engineering services to leading plant operators across the globe. LTTS provides services in E/EPCM, Engineering Reapplication and Global Rollouts, Plant Sustenance and Management, Regulatory Compliance Engineering along with chemical, consumer packaged goods (FMCG) and energy and utility sector clients. LTTS specializes in traditional EPCM and operational maintenance projects, as well as contemporary digital engineering enterprises. The Company is advancing its engineering footprint to encompass the digital sphere, and is working with customers on 'Smart Manufacturing' technologies such as automation, IoT, analytics, and augmented reality (AR).

Medical Devices

LTTS' domain expertise, supported by robust technological capabilities, helps medical device OEMs address industry challenges, accelerate time to market, and optimize costs. LTTS focuses on delivering solutions in diagnostics, patient mobility services, musculoskeletal services, life sciences, surgical services, cardiovascular, home healthcare and general medical.

Business Environment

According to Zinnov, corporations spent more than USD 1 Trillion in 2017 on ER&D activities such as product and process development, manufacturing engineering and other allied engineering. Of this, the 500 biggest corporate spenders in ER&D globally (G500 ER&D spend) contributed nearly 60% i.e. USD 665 billion.

Global Corporate Engineering Spend



Source: Zinnov

It is expected that the global ER&D spend will reach USD 1,341 billion by 2022. This momentum is majorly affiliated

L&T Technology Services' Bangalore campus



Smart manufacturing services facilitate real-time visibility of plant operations



to growth in sectors like automotive, pharmaceuticals, software & internet, semiconductor and consumer electronics. Corporates are expanding in various areas to be competitive and relevant. Corporates are building onshore labs / centres of excellence, developing new IPs and engaging in M&A activities for expansion.

Significant Initiatives

LTTS aspires to continue being a global leader in the ER&D segment. The Company has undertaken several significant initiatives to achieve this objective. These initiatives include:

- **Talent & Delivery**
  LTTS is leveraging hotspots across the globe to tap into the engineering talent having experience in Digital Engineering, Design & Application Engineering, etc. to improve its onshore presence in low-cost geographies. Towards this objective, LTTS has launched a Centre of Excellence in Jerusalem, Israel which acts as a global hub for developing advanced solutions in Video, ASIC Design and Security. It also offers the full scope of engineering services in the areas of Telecom, Semiconductors, Medical Devices, Automotive, IoT and Plant Engineering.

- **Specialised Infrastructure**
  LTTS is focused on driving innovation and is adopting solutions in line with technological trends. To promote its culture of innovation, LTTS is investing in infrastructure and co-innovation to build innovation hubs and to facilitate solutions and offerings across industry verticals.

- **IP & Solutioning**
  LTTS is concentrating on building re-usable IP products and frameworks to enhance competitive differentiation. Proprietary platforms like UBIQWeise 2.0™, i-BEMS, WAGESAPP and IPs like MIPI and USB help LTTS in retaining its competitive advantage across industry segments.

- **Technology Events**
  Continuing its efforts to identify and nurture future innovators, LTTS, for the second year, held TECHgium®, the pan-India platform for budding engineers to showcase their innovations. The response was very encouraging, with 220 institutes and over 17,000 engineering students signing up for the TECHgium® 2018, including marquee institutes like IITs, BITS Pilani, Delhi College of Engineering and NIT.

  LTTS invested over 100 working hours to mentor students shortlisted for the PoC round, with subject matter experts from respective industry domains mentoring the students. As a result, the winning teams in TECHgium® came up with remarkable solutions around IoT, Machine Learning, Advanced Image Processing and Smart Tools.

  LTTS also held an innovative technology hackathon nicknamed 'Just Code' across its global delivery centres to enable employees to convert their ideas into demonstrable products. The hackathon successfully ended with the creation of hundreds of PoCs across several technologies, including Media Processing and Entertainment, Cloud Programming, Sensor Fusion, Automation, Machine Learning and Artificial Intelligence.

- **Patents**
  At the end of financial year 2018, the patents portfolio of LTTS stood at 328, out of which 245 were co-authored with its customers and 83 were filed by LTTS.

Digital solution for automobile manufacturing displayed on the shop floor



An engineer wears a VR headset in an R&D lab



- **Awards & Recognition**
  LTTS has won a string of high profile industry accolades which are a testament to the Company's culture of innovation and best practices in technology and people management. Key accolades include:

  - The Golden Peacock Innovative Product/Service Award 2018 for LTTS's i-BEMS framework. This is the second year in succession that the Company has won a Golden Peacock trophy. In March 2017, LTTS was awarded the Golden Peacock National Quality Award for its best-in-class engineering services and solutions.

  - LTTS has been positioned in the 'Winner's Circle' for excellence in innovation and execution by HfS Research, the Service Research Company™. In its 'Blueprint Report for Automotive Engineering Services for 2018', HfS rated LTTS among the top 5 innovative organizations in the world.

  - The Company was also positioned in the 'Winner's Circle' of HfS's 'Blueprint Report on - Embedded & Semiconductor Engineering services 2017'. Not only was LTTS lauded for its excellent delivery capability, account management, partnership, hardware expertise, technology, in-house tools and IP solutions but it was acknowledged by HfS for its recognizable investments in future capabilities and strong client feedback to drive new insights and models.

  - LTTS cemented its position as a leader in overall ER&D Services across 10 verticals and as overall leader in Product Engineering Services in the Zinnov Zones 2017 Ratings.

  - It was rated as an 'Expansive and Established player' in the Zinnov Zones 2017 IoT Technology Services study, and positioned in the Zinnov Leadership Zone across seven unique expertise areas.

  - The Company was awarded the prestigious NASSCOM Digital Skills Award for 2017. NASSCOM, through this award, gave formal recognition to LTTS's continued success in aligning its offerings with the rising customer demand for digital engineering.

  - LTTS's culture of innovation and compelling portfolio of solutions led the Confederation of Indian Industry to recognize the Company as one of the most innovative organizations in India in the services category.

  - LTTS was positioned in the Leaders Category by independent global research firm, NelsonHall, in its evaluation for Internet of Things (IoT) services providers. LTTS was the only global pure-play engineering service provider to be positioned in the Leaders Category.

  - LTTS won the Businessworld magazine's 3rd HR Excellence Awards 2017 for 'Excellence in Change Management & Excellence in Compensation and Benefits'

Outlook

Technology has evolved over the past decade at such a rapid pace that the present times can be considered as the era of What You Perceive is What You Get (WYPIWYG). Devices have become smart, and customers expect them to become smarter by the day. Only the organizations that evolve with technology can succeed in this new world

Augmented Reality empowers manufacturers to gain insights into their product models and equipment health



of unlimited possibilities. ER&D service providers need to identify opportunities and evolve technologies to 'Build the New' and 'Renew the Old' thus creating value proposition. Intelligent Products, a sensor-enabled IoT platform with analytics coupled with digital engineering, is the key to evolution from old to new.

Digital Engineering is driving ER&D growth globally which is visible from the high concentration of investment made by global corporates. As per Zinnov, in 2012, the Digital Engineering spend was USD 121 billion which was 13% of the total ER&D spend. In 2017, it went up to USD 219 billion, having 20% share of total ER&D expenditure. By 2022, it is expected to reach USD 489 billion with 36% weight in total ER&D. Software will be the major factor driving growth in digital engineering, followed by embedded and mechanical.

There is increased wallet-spending on Digital Engineering because of crucial factors like technology innovation, business model innovation and growth of tech giants and start-ups. The world will see increased R&D activity in machine learning, human machine interface, artificial intelligence, collaborative robotics, etc.

In order to become 'the architect' of disruptive technologies that will help customers be ahead of the curve, LTTS has strategically decided to invest across futuristic technological areas, namely Digital Engineering, Smart Manufacturing, Perceptual Engineering and Pervasive Technologies.

- LTTS is focusing on and investing in Digital Engineering areas like Industrial IoT, Augmented Reality, Smart Supply Chain & Logistics, Power Electronics, Connected Vehicles, Imaging Algorithms & Edge Detection and Video Surveillance.

- LTTS has taken big strides in smart manufacturing, with cutting-edge projects that make a plant connected and intelligent. One of LTTS's recent smart manufacturing projects involved integrating a new model into existing manufacturing lines using virtual simulation of robotic welding, PLC programming and HMI design.

- Perceptual Engineering is another focus area where machines are made intelligent enough to interact with the five senses. LTTS has developed machine learning and deep learning technology for smarter solutions, and is deploying them into a variety of industries - Security & Surveillance, Robotics, Natural Language Processing and Image and Video Analytics.

- Pervasive technologies use sensor fusion which combines sensors to produce data and signal computing. This helps to analyse and connect systems, enabling businesses to transform to digital service-led models. Recognizing the power of the embedded sensor, LTTS has made a head-start in this area by undertaking some interesting projects for customers.

The above areas are the four pillars of modern-day industrial digital evolution which will lead the way for the Company to push the frontiers of innovation. These four are not mutually exclusive, they are in fact interconnected threads of technology, with considerable overlaps. Through these technology pillars, LTTS will be relevant today, tomorrow and the day after, to become the global leader in engineering services in the years to come.

Engineering industrial products helps clients drive innovation and efficiency and retain their competitive edge.



Financial Services Business

L&T Finance Holdings (LTFH)

L&T Finance Holdings is one of the leading private non-banking financial services companies in India. The businesses are Rural Finance, Housing Finance, Wholesale Finance, Investment Management and Wealth Management.

RURAL FINANCE

LTFH's strength in Rural Finance lies in the use of cutting edge technology and deep analytical skills to increase market penetration, improve portfolio quality and most importantly for timely detection of early warning signals.

(a) **Farm Equipment Finance:** In FY18, the tractor industry grew by 22% to a record high of 7.11 lacs tractors sold. With expectations of a normal monsoon and other determinants of farmer's cash flows like reservoir storage, extent of irrigated area, area under sowing, minimum support prices staying positive, the industry is expected to record ~10% growth this year.

Continuing on the upward trajectory of gaining market share, LTFH increased market share from 6.8% to 12.5% in the last year. LTFH has shown healthy growth in their disbursements by 107% and loan book by 28% over the previous year.

LTFH has a competitive advantage in terms of differentiated value propositions for preferred OEMs and top dealers, analytics driven target allocation based on the portfolio performance, extensive focus on early bucket collection to maintain portfolio quality and best in class TAT proposition to customers and dealers on decision making and disbursement.

In this segment, the future strategy of LTFH is to create a portfolio with the optimum mix of preferred OEMs and geographies and build on allied businesses e.g. Refinance certified used and implements in order to provide a comprehensive product suite to its customers and roll out a digital proposition to improve service levels further.

(b) **Two-Wheeler Finance:** During FY18, the two-wheeler industry grew by 15% to 2.06 crore units of two wheelers sold in the market. With increased urbanization and sustained focus on road infrastructure developments, the market is expected to get a boost. The industry is expected to show a growth of ~12% in the coming year, with good performance from both motorcycles and scooters.

Through rigorous execution of the digital proposition on the ground and domain expertise, LTFH has been able to increase its market share from 5.9% to 8.2%.

LTFH's robust digital & data analytics- based architecture gives it the competitive edge



With this clear strategy, LTFH has been able to grow the business by 70% and loan book by 57% through increased penetration in its identified branches.

LTFH has a competitive advantage in this segment in terms of ability to execute strategy on the ground with required scaling-up, effective use and implementation of data analytics along the customer life cycle and best in industry Turnaround Time (TAT) and technology for customer selection and on-boarding.

In this segment, the future strategy of LTFH is to constantly recalibrate its sourcing and collection scorecard to stay ahead of the competition, create a leadership position with a quality portfolio in existing and new geographies and intervene early in collections through the use of analytics to enhance portfolio quality.

(c) **Micro Loans:** The micro loans industry has seen a change post demonetization with a few players having slowed down on account of high delinquencies, while a few others awarded the SFB license have tended to show lower focus on micro lending. The industry has grown by ~25% over the previous year. The market is expected to sustain the growth levels over the coming year.

LTFH has been able to increase disbursements by 105% and loan book by 113% on the back of increasing penetration in existing geographies, opening new geographies in existing states and new states viz. Bihar, Assam and Tripura.

LTFH has a competitive advantage in terms of risk mitigation through various market and credit checks, robust early warning systems with triggers in place to maintain delinquencies, extensive use of analytics across the customer life cycle and deep market penetration and a rural presence across geographies.

The future strategy of LTFH is to introduce digital initiatives to ensure best TAT in the industry, retain the customer base with a holistic association approach and constantly strengthen the risk framework.

WHOLESALE FINANCE

LTFH has very clearly established a leadership position in core areas of renewables, road refinance and transmission. LTFH has built a sustainable advantage in terms of the strong underwriting ability and sell-down capabilities.

(a) **Infrastructure financing:** Being a key driver for the Indian Economy, the infrastructure sector is contributing to India's overall development. India has an investment requirement of worth ₹ 50 lakh crore in infrastructure by 2022 to increase growth in GDP, connect and integrate the country with a network of roads, airports, railways, ports and inland waterways, besides providing power for all.

An efficient down-selling desk, through increase in its sell-down volume by 70% kept the overall infrastructure finance book growth at 11%, whereas disbursement grew by 39% from ~₹ 13,000 crore to ₹ 18,055 crore in FY18. The business vertical saw its fee income grow by 45% during the year. The asset base of the Infrastructure Debt Fund (IDF) increased by about 74% to ~ ₹ 7,000 crore from around ₹ 4,000 crore, a year earlier.

Cutting-edge technology and deep analytical skills help deliver better results in the Rural Finance sector



In FY18, LTFH was awarded 'Best Renewable Energy Financier of the Year 2017' by the Renewable Energy Investment and Finance Forum in both Solar and Wind Sectors for outstanding achievements in financing the renewable energy industry.

LTFH has a competitive advantage in this segment in terms of growing the IDF book with segment-leading profitability and structuring capabilities, a robust down-selling desk with strong relationships with banks, both public and private Financial Institutions, and a vibrant Debt Capital Market desk with structuring strengths in credit bonds.

In this segment, the future strategy is to leverage industry dominance in the renewable and roads sectors to further enhance fee income through efficient underwriting and placement, use existing client and market relationships to cross-sell other products and deepen expertise in social infrastructure segments, hospitality and health care.

(b) **Structured Corporate Finance:** Bank credit off-take was largely muted in financial year 2017-18 with stiffening of interest rate towards the year-end.

Despite the slow off-take of bank credit and a rising interest rate scenario, LTFH's Structured Corporate Finance business saw a profitable growth in its asset base. The asset book grew by ~20% on a YOY basis while disbursement growth was ~19%.

LTFH has a competitive advantage in this segment in terms of nimbleness to respond to the need for structured solutions and strength in large ticket underwriting, enabling comprehensive refinancing solutions.

In this segment, the future strategy is to leverage infrastructure financing expertise and relationships to enhance profitability through structured products and develop best-in-class speed of response and commence down-selling.

(c) **Debt and Capital Market (DCM):** LTFH's DCM business invests in non-convertible debentures issued by companies across multiple sectors and segments, either by way of private placement or public issue.

In FY18, the DCM desk acted as arranger for issuances aggregating to ~₹ 4,700 crore of funds raised. In FY18, the DCM desk also made a mark in new segments – that of municipal bonds and state level undertakings, which are expected to grow significantly going forward. The desk also commenced trading in sovereign securities.

LTFH was ranked number one in India Rupee Loans Mandated Arranger and India Rupee Loans Book-runner in Q1 FY18 Thomson Reuters' League Table and was the only Indian player in the Top 10 of APAC Project Finance Loans Book-runner and Mandated Lead Arranger in Q1 FY18 Bloomberg Global Syndicated Loans League Table, for the quarter ending March '18.

LTFH has a competitive advantage in terms of its ability to act as lead arranger for transactions and large ticket size underwriting capability and wide distribution network across financial markets.

LTFH is a leader in the core areas of renewables, road refinance and transmission.



In this segment, the future strategy is to focus on new market segments and leverage the merchant banking licence to act as arrangers for mandates

HOUSING FINANCE

(a) **Home Loans & LAP:** During CY17, domestic housing credit grew by 17% to reach ₹ 15.9 lakh crore as on Dec '17. This is largely due to marked recovery in the real estate market, improvement in sales velocity and stabilization of RERA and GST.

Home Loans and LAP registered a 23% growth in YOY disbursements from ₹ 2,979 crore in FY17 to ₹ 3,679 crore in FY18. This was backed by over 100% growth in home loan disbursements in Q4 FY18 on account of better traction in retail conversion of home loans for real estate financed projects

LTFH has a competitive advantage in terms of its digital lending model to provide best-in-class TAT and comprehensive use of analytics for business generation and portfolio risk management.

In this segment, the future strategy is to leverage relationship with real estate developers for sourcing of home loans and continue focus on increasing the share of direct sourcing volumes through the use of analytics and strong focus on early bucket delinquency through dynamic alignment of credit and collection policies.

(b) **Real Estate Finance:** The Real Estate sector has transitioned towards a more transparent and regulated industry after demonetization, RERA and GST. Government initiatives like 'Housing for All' have improved demand as well as supply for affordable housing. Supply of commercial real estate has rationalized over the last 5 years, leading to an uptrend in occupancy and rentals.

LTFH has identified a harmonious balance in using the group synergies, lending to 'A' category and 'B' category builders and monitoring the progress, collection and early warning signals of the projects. During the year, LTFH established itself as one of the key lenders in real estate financing with a clear focus on Category A & B developers across 6 cities. The Real Estate Finance business registered significant growth, with a loan disbursement of ₹ 7,107 crore and a loan book of ₹ 10,092 crore in FY 18.

LTFH has a competitive advantage in this segment in terms of strong structuring and underwriting capabilities with a focus on project completion, comprehensive and robust Early Warning Signal (EWS) framework and a comprehensive product suite to address top developers' funding requirements.

In this segment, the future strategy of LTFH is to focus on Category A and B developers with more than 70% of exposure towards Category A developers, continuing focus on implementing an action-plan based on EWS and leveraging the L&T ecosystem for business growth and market intelligence.

MUTUAL FUNDS

The Mutual Fund industry in India witnessed a 26% growth in FY18, taking the Average Assets under Management (AAUM) to ₹ 2,305,212 crore as compared to ₹ 1,829,583 crore AAUM recorded in FY17.

Close project and loan monitoring safeguard our home loans business



Robust fund performances and distributor relationships power our Mutual Funds business



The average AUM of LTFH has increased by 68% and stands at ₹ 65,932 crore in FY18 as against ₹ 39,300 crore in FY17. This has helped us reach a market share of 2.86% in FY18 as compared to 2.15% in FY17. The Mutual Fund business has outperformed the industry growth rate of AAUM, with Equity to AUM reaching to 58%.

LTFH has competitive advantage in this segment in terms of robust performance of the fund's equity schemes and strong distributor relationships.

In this segment, the future strategy of LTFH is to focus on building core assets to achieve the dual purpose of achieving higher profitability and stability in overall AUM, increase SIP book to ensure steady flows and deepen the presence in key counters to gain a higher share of assets

WEALTH MANAGEMENT

Looking at India's strong economic growth outlook and favourable demographics, the Indian Wealth Management market is on a continued path of growth. The focus on tailor-made client-centric products, rising financial literacy and use of technology, is creating huge opportunities for the Indian Wealth Management industry.

FY18 was a very positive year with tremendous growth for the business – profits have grown from ₹ 5 crore in FY17 to ₹ 29 crore in FY18. The Average Assets under Service (AAUS) grew by almost 34% during the year with the FY18 AAUS being more than ₹ 18,000 crore. LTFH's revenue in this business vertical witnessed a rise of 88.22% during the year, for FY18 being at ₹ 93 crore.

LTFH has a competitive advantage in this segment in terms of a robust business model based on the fundamental tenets of client centricity, intellectual property and execution efficiency, a strong and expanding distribution reach with a diversified product range and cutting-edge portfolio analytics for tailored customer-centric advice and new customer acquisition.

In this segment, the future strategy of LTFH is to focus on technology-based solutions to deliver superior analytics and investment advisory to strengthen existing relationships and forge new and meaningful relationships, acquire new clients and increase sales strength across geographies.

**(Source: IBEF Financial Services Report Published in September 2017).*

Significant Initiatives

(a) **Human Resources:** The Human Resources function plays a pivotal role in this transformation journey by ensuring organizational efficiency and promoting the right culture. To sustain growth, LTFH is investing in building its talent pool by developing skills internally and attracting the best talent in the industry. As on 31st March 2018, LTFH had a total workforce of 15,126 employees across all subsidiaries.

A culture of 'Results not Reasons': After another year of delivering excellent results, LTFH is constantly working towards strengthening its foothold in each business and striving to reach a dominant position. Achieving these results was no mean feat, but LTFH succeeded because of its strong core values and the inculcation of a culture of 'Results not Reasons', which gave razor sharp focus to meet its goals.

Scalability: LTFH continuously evaluates and optimizes the organization structures in line with its business priorities. The Human Resources department worked in tandem with the business to ensure that there were the 'right people' to meet growth ambitions. LTFH had significant growth ambition which called for new geographic expansion as well as growth in existing geographies.

Capability building: Another important agenda was to augment capabilities at the middle and senior management levels. For building the leaders of tomorrow, LTFH continues to give cross-functional exposure through various projects and internal job postings. LTFH invites world class faculty for senior management training sessions to facilitate discussions on business practices and issues. LTFH organizes individual level coaching with experienced business practitioners for leadership development.

Driving Productivity: The ultimate metric for success is continuous improvement in productivity. LTFH takes pride in calling itself a performance driven organization. A rewards and recognition mechanism is implemented across LTFH to keep the morale high and formally appreciate the efforts of a competitive and talented workforce.

(b) **Risk Management:** Risk management forms an integral part of the LTFH's businesses. LTFH has a robust and comprehensive credit assessment and risk management framework to identify, monitor and manage risks inherent in its operations. The Risk Management framework covers various families of risk like credit risk, market risk and operational risk.

Credit Risk: With the objective of growing fearlessly in the segments in which LTFH is operating, target markets are clearly identified and understood with scoping of opportunity given the competitive landscape. Credit underwriting standards, at micro and macro

levels, determine the minimum acceptable level of risk appetite acceptable while building up the business portfolios.

Market Risk: On the market risk front, liquidity, interest rate and concentration risks are the key drivers. On a day-to-day basis, a Treasury Strategy team manages these risks with an oversight from market risk function, under the overall supervision of ALCO and periodic reviews by the Risk Management Committee.

Operational Risk: Operational risk is inherent to processes and systems and a dedicated team monitors operational risks and incidents, including the robustness of various processes, systems and information security related matters. Operational processes have been streamlined with critical processes being centralised to ensure consistency, control and oversight.

LTFH was awarded the 'Golden Peacock Award for Risk Management 2017' for robust risk management processes. This prestigious award is being given annually by the Institute of Directors, New Delhi for over 25 years as recognition of high standards in various domains of corporate governance.

(c) **Digital & Analytics:** LTFH has designed an architecture that enables it to enhance its 'right to win' in focus products by offering a unique proposition to the customers in terms of Turnaround Time (TAT). LTFH wants to inculcate Digital & Analytics (D&A) into the culture of LTFH. In order to achieve the same, LTFH has initiated a project to rewire the complete business operations, where technology will orchestrate processes. The IT architecture has been completely revamped to create a digital workplace. The following initiatives are currently being taken by the Company:

1. **Automation:** All the processes in the customer life cycle are being relooked at and LTFH wants to achieve straight-through processes across all its retail businesses.

2. **Technology Infrastructure:** From using on premise technology infrastructure to cloud- based infrastructure, LTFH intends to leverage the power of cloud computing during peak hours.

3. **Integrated Operations:** LTFH has created a service-oriented architecture by deploying an Enterprise Service Bus which enables it to bend as an when requirement changes and interact with data that could be accessed from anywhere in the world.

4. **Fintech Partnership:** LTFH has started collaborating with fintechs, where innovative services are being consumed as a service rather than developing it in house.

5. **Data Analytics:** LTFH has set up a full-strength data analytics team to enable the Company to take data-based decisions.

(d) **Corporate Social Responsibility:** LTFH aligns its social responsibility theme and commitment with the United Nation's global development agenda of Sustainable Development Goals (SDG). Key initiatives are woven around sustainable livelihoods of rural communities facilitated by two spaces of intervention – Integrated Water Resource Management (IWRM) and financial inclusion / literacy for women empowerment.

The IWRM programme engages with the communities to prepare and implement interventions which address their core needs on water conservation and rejuvenation.

Through financial inclusion and digital financial literacy, LTFH has designed a programme 'Digital Sakhi' which is making efforts to create livelihood opportunities for women by educating them to imbibe nuances of digital financial literacy. The women are equipped with a mobile tablet with preloaded digital financial literacy (DFL) modules to disseminate information on digital payments and other relevant government schemes in the community.

CSR Programme Outcomes:

- **23% increase** in ground water level, **22% increase** in water storage created by water structures, and **17% increase** in household annual incomes due to IWRM project.
- **13.86% increase** in knowledge level, **11.6% increase** in household average monthly savings of the **100** Digital sakhis.
- **60% increase** in the volume of work, **14.08% increase** in overall annual revenues and **13.24% increase** in annual profits of the 1000 women entrepreneurs.
- **100 employee** volunteers clocking **167 hours** contributed towards CSR activities reaching **494 beneficiaries**.
- Access to **healthcare** services and **breast cancer screening** provided to **1,34,296 beneficiaries**.

Developmental Projects Business

Developmental Projects business segment comprises:

(a) Infrastructure projects executed through its joint venture company L&T Infrastructure Development Limited and its subsidiaries and associates (L&T IDPL Group)

(b) the Hyderabad Metro Rail project, executed through its subsidiary L&T Metro Rail Hyderabad Limited

(c) Power development projects executed through its subsidiary L&T Power Development Limited and its subsidiaries (L&T PDL Group) and

(d) Kattupalli port held for sale under its subsidiary Marine Infrastructure Developer Private Limited.

The operations of the Developmental Projects business segment primarily involves development, operation and maintenance of basic infrastructure projects in the Public Private Partnership (PPP) format; toll collection including annuity based road projects, power development and power transmission, and providing related advisory services. Significant cash generating assets have been created under the current business model, which are being explored for monetization on a continuous basis in order to maximize value creation for the benefit of stakeholders.

L&T Infrastructure Development Projects Limited (L&T IDPL)

Overview

L&T Infrastructure Development Projects Limited (L&T IDPL) is one of India's biggest Developers of Public-Private-Partnership (PPP) infrastructure projects. Since its inception in 1995, L&T IDPL has executed and financed landmark infrastructure projects across Transport and Energy, including Highways, Ports, Airports, Transmission lines, Hydel Energy and Urban Infrastructure, including Water. L&T IDPL currently operates 16 completed infrastructure projects in transport and energy across 8 Indian states, with a mix of toll and annuity assets. As of March 2018, L&T IDPL's portfolio had an estimated total project cost of ₹ 17718 crore.

Canada Pension Plan Investment Board (CPPIB), the largest pension fund in Canada, invested ₹ 2000 crore as share capital in L&T IDPL in 2014-15. This is the first direct private investment by a Canadian pension fund into an Indian Infrastructure Development company.

Over two decades of extensive experience in working with Governments, multi-lateral agencies, international and domestic financial institutions and corporate entities has helped L&T IDPL to develop proven competencies in project financing and execution,

Rajpura Supercritical Thermal Power Plant



across viability assessment, financial closure, project management, operations & maintenance and portfolio management of infrastructure assets in various sectors.

In addition to its project portfolio, L&T IDPL has installed Wind Energy Generators (WEGs) with a capacity of 8.7 MW in Tamil Nadu in March 2010. The energy generated is utilized for captive consumption. The WEGs are eligible for 16,128 Carbon Emission Reduction (CER) certificates per year until 2022 as a result of the carbon reduction by these wind generators.

Business Environment

During 2017-18, the business environment has been quite vibrant. L&T IDPL focused on excellence in O&M (operation and maintenance) of its existing 16 assets while there was constant evaluation of emerging opportunities in the PPP space. This evaluation was carried out for both new construction projects as also existing Government owned infrastructure assets that have been completed and are being offered for O&M. Notable developments in both sets of opportunities and the business environment are as follows:

Roads: Construction of highways reached 9,829 km during FY 2017-18, with an all-time high of 27 km per day. This represents a 20% growth over the previous year. Expenditure of ₹ 1,16,324 crore was incurred on construction of national highways during 2017-18. The PPP space witnessed a revival of sorts with the following key developments:

1. Launch & listing of the first Infrastructure Investment Trust (InvIT) in May 2017 (six toll-road assets comprising 3,645 lane km) triggering other developers to explore this opportunity to monetize mature road assets and bring down debt exposure.

2. Road developers, who until recently focused on projects that required them to invest heavily and bear major risks over long periods, have shifted to focus to an asset-light model like Hybrid Annuity Model (HAM), introduced in order to re-balance the risk sharing. Of the total length awarded by NHAI in fiscal year 2018, awarded 150 road projects of 7,400 km worth ₹ 1,22,000 crore. Of the total length awarded, 3,396 km (~46%) was awarded on Hybrid Annuity model at a cost of ₹ 76,500 crore and 209 km (~3%) on Toll mode at a cost of ₹ 2,500 crore. Commercial banks have selectively financed these HAM projects based on the standing of the developer/ sponsor. There is growing competition in the HAM model with most contractor-developers now bidding for projects.

3. Successful bid-out by NHAI of the first Toll-Operate-Transfer (TOT) bundle comprising of 9 NH projects realizing about ₹ 96.81 billion for operational road projects aggregating to a length of about 700 km.

4. Implementation of GST and E-way Bill; the unified tax regime has obviated the need for interstate check posts which has resulted in reducing the travel time of long-haul trucks and other cargo vehicles by over one-fifth and improved the turnaround time of the fleet. Improved traffic numbers coupled with positive WPI growth has led to a double-digit growth in revenues for most road developers.

Hyderabad Metro Rail project



5. Introduction of FASTags (electronic toll collection) by NHAI has led to decongestion at toll plazas and prevention of toll revenue leakage. L&T IDPL toll plazas witnessed a substantial increase in electronic tolling from 7% in Dec 2016 to 24% in June 2018.

6. As per the Economic Survey 2017-18, the road sector alone has NPAs of ₹ 36,596 crore. Rising NPAs, higher risk provisioning assigned to road sector and dwindling profits in the road sector have made banks reduce exposure to the infrastructure sector.

7. Commitment by several large pension funds and long term infra-focussed funds to the Indian infrastructure space along with NIIF of the Union Government is expected to boost the secondary market for TOT projects.

Transmission Lines: Around 23,119 circuit kms of transmission lines and 86,193 MVA of transformation capacity was added during FY 2017-2018. REC TPCL (REC Transmission Projects Company Limited, a 100% subsidiary of Rural Electrification Corporation) the Bid Process Coordinator (BPC) for Transmission Lines on the TBCB (Tariff Based Competitive Bidding) route has awarded two bids during FY 2017-2018.

A large number of Intrastate Transmission Line bids are expected in the coming years.

During the first quarter of FY 2018, an InvIT was successfully launched and listed in the Transmission Line sector (two power transmission projects with a total circuit length of approximately 1,936 ckms, and 6,000 MVA of transformation capacity).

Significant Developments in the current year

During 2017-18, L&T IDPL completed two of its highway projects, L&T Deccan Tollway and L&T Sambalpur Rourkela Tollways, both of which achieved commercial operations and commenced toll collection. These two highways are generating revenues of about. ₹ 60 Lakhs per day.

Overall, gross toll revenue of ₹ 1892.94 crore grew by 19% over the last fiscal, despite muted WPI growth of 3%

Electronic toll collections through FASTag saw a large jump. Further to the push of less-cash drive of Government of India, L&T IDPL FASTag collections went up by 87% (June 2017 to June 2018).

The transmission line business had gross collection of ₹ 202.26 crore as annuity payments.

In May 2018, L&T IDPL became the first infrastructure sponsor to successfully launch a private placed InvIT (infrastructure investment trust) with an initial portfolio of five road assets. This InvIT raised ₹ 3700 crore, with 55% of the funds coming from international investors from Canada and Germany. InvIT has enabled L&T IDPL to monetize five of its assets, repaying bank loans and providing growth capital; It also provides L&T IDPL a platform for operating assets, both existing and future.

Vadodara-Bharuch Toll plaza, Gujarat



Outlook:
In the coming year, L&T IDPL would constantly evaluate new opportunities with worthwhile returns, with a special focus on highways and transmission lines, while other sectors could be taken up on a project-wise basis. L&T IDPL would also focus on operational excellence for its existing asset portfolio. To ensure this, L&T IDPL is undergoing Project LEAP, a Business Excellence Initiative.

L&T IDPL looks forward to more PPP infrastructure projects in both project construction and asset monetization. We also hope for quicker dispute resolution processes, wherein several of our claims and court cases may see final determination. L&T IDPL would also engage with all stakeholders to ensure accounting policies and other enabling environment is conducive to its business.

L&T IDPL would also evaluate operational assets from the secondary market and shall seek to acquire such assets (primarily covering Highways & Transmission Lines) which meet the investment benchmarks. L&T IDPL would also seek to re-enter projects in Bulk/Industrial Water and Railways.

L&T Metro Rail (Hyderabad) Limited

Overview
L&T Metro Rail (Hyderabad) Limited (L&TMRHL) was incorporated on 24th August, 2010 as a special purpose vehicle to undertake the business to construct, operate and maintain the Metro Rail System in Hyderabad under the PPP (Public Private Partnership) model on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Company entered into a Concession Agreement with the erstwhile Government of Andhra Pradesh on 4th September, 2010. The agreement also provides for development and subsequent monetization of Transit Oriented Development.

The Metro Rail system includes construction of three elevated corridors from Miyapur to L. B. Nagar, Jubilee Bus Station to Falaknuma and from Nagole to Shilparamam, covering a total distance of 71.16 km. The concession period of the project is for 35 years including the initial construction period of 5 years. The Concession period is extendable for a further period of 25 years subject to fulfilment of certain conditions by the Company as set out in the Concession Agreement.

The estimated project cost is ₹ 16,375 crore which includes the cost of rail system and 6 million TOD which is to be funded by a term loan of ₹ 11,478 crore, equity share capital of ₹ 3,439 crore and Viability Gap Fund from Government of ₹ 1,458 crores. The company has tied up its entire debt and achieved financial closure on 1st March 2011. The Government of Telangana has declared the appointed date as 5th July, 2012 upon fulfilment of the condition precedents (CP) from both the parties i.e. L&T Metro Rail (Hyderabad) Limited and the State Government.

The Company is executing the project, covering a total distance of 71.16 km in 3 different corridors. This entire distance is further sub-divided into 6 stages for ease of implementation. The project cost

Visakhapatnam industrial water supply project, Andra Pradesh



incurred during the year 2017-18 is ₹ 2,241 crore and cumulative up to 31.03.2018 is ₹ 14,723 crore. The Hon'ble Prime Minister inaugurated a 30 km stretch of the Metro Rail System on 28th November, 2017 connecting Miyapur to Ameerpet in Corridor 1 and Ameerpet to Nagole in Corridor 3.

The overall physical progress of the project as on 31.03.2018 is 81%. Construction works in Stage 4 and 5 are nearly complete. The Company is aiming for the commencement of commercial services from Ameerpet to LB Nagar and Ameerpet to Hitec city before December 2018. Stage 6/1 is slated for completion during first quarter of next financial year.

As per the Concession Agreement (CA), the scheduled Commercial Operation (COD) date for the entire project length of 71.16 km was 5th July, 2017. However, due to delays in getting RoW and confirming alignment changes, the construction of the project has got delayed. The lenders have accorded sanction of extension of time for COD up to two years i.e., up to 5th July, 2019 with a corresponding increase in the loan period. As per the revised schedule, the loan repayment will start from 30th September, 2020. The corresponding cost implications are being assessed for claiming compensation.

TOD Projects commenced commercial operations at Punjagutta (0.48 million sq. ft. office space during Nov. '17 and mall space during Feb. '18) and at Hitec city (0.21 million sq. ft. mall space during Feb18). Two other malls at Errum Manzil (0.35 million sq. ft.) and Musarambagh (0.24 million sq. ft.) are nearing completion. Strategies to develop the Raidurg site, which is a large parcel of land, at a prime location and has a potential of 3.20 million sq. ft. of mall space and office buildings, are underway.

Viability Grant of Funding (VGF) is being released by the Central Government from time to time as per eligibility and the total VGF drawn stood at ₹ 1204 crore as on 31st March, 2018.

Business Environment

About 10 million transport trips are performed every day in Hyderabad city and the major share is taken by bus transport (50%). The city roads are congested, with only 8% road area and a very low average speed (about 8 kmph). The Company is poised to provide safe and punctual travel and has been working on various value-added initiatives including last mile connectivity, digital ticketing and a Mobile app to minimize commuters' pain points, ensuring higher ridership on the metro system.

Non-fare revenue generation through cross-selling of products to commuters is being increasingly explored. This will be further strengthened by Metro expansion, which will result in higher ridership. The Government of Telangana has plans to implement Phase II of the Metro project, covering 85 km (including the Airport link). This will enhance the average ridership on the Metro system significantly due to the network effect.

The Company has been granted rights for Real Estate development with strategically located land parcels

Kudgi Power Transmission Line project, Karnataka



interspersed at prime city locations, adjoining metro Stations and metro corridors. Developments would encompass Grade-A commercial developments for IT/ITES Office, Healthcare, Retail and Hospitality. Advertisement space offers good revenue potential through unlocking various innovative products and services.

Significant Initiatives

The Company has tied-up with a solar power developer for generating captive solar power of about 10 MW at a very competitive price, which will generate about 10% of energy requirement of Metro trains. The Company has also received concessional rate of ₹ 4.95/- per Unit (cheapest in the country) for electricity.

The Company is exploring various non-fare revenue generating options through optimization of resources developed in-house for the past 5 years, namely:

- Leasing out space for erecting mobile towers.
- Skywalks connecting the malls & metros leading to increase in footfall and increased ridership
- Tie up with cab operators
- Leasing out Optical Fibre
- Training our upcoming metro staff with the existing infrastructure
- Consultancy services for other metros.

The Company has developed models to obviate TOD related threats, while leveraging the various advantages of the offering like metro-rail connect, strategic locational offering, etc., and has also obtained automatic step-in-rights by the Government for specific retailers by which, the risk in the event of termination is mitigated. The Company has also re-negotiated contracts with various project contractors to minimize the claims, on account of extension of time.

Outlook:

The Company is planning to open another two stages of Metro (Stage 4 & Stage 5) in FY 2018-19, thus taking the total metro operations to 56 km, with an expected overall ridership of approx. 6.15 lakhs per day. Measures like fare integration with other transport modes and collaborations with various feeder services for first and last mile connectivity are being taken to strengthen fare revenue. The Company is also exploring other Non-Fare Revenue initiatives like consultancy services with in-house competency on Metro system, Wi-Fi, Radio, etc., that will add extra revenue to the Company.

Buoyed by the success of Phase 1 Malls, the Company intends to start with a 0.5 million sq. mall at Raidurg along with 0.15 million sq. mall at Rasoolpura. Discussions with customers to kick start a few other developments of the portfolio are underway. Measures are being taken to upfront the cash inflows on advertisement services by entering into longer tenure contracts.

L&T Power Development Group

Overview

L&T Power Development Limited, a wholly-owned subsidiary of L&T, is engaged in developing, operating and maintaining power generation assets.

The portfolio comprises projects in thermal and hydel power generation projects aggregating to 2270 MW.

Hydel Power Projects

Hydel projects with an aggregate capacity of 870 MW are in various stages of execution.

A brief status is depicted below:

Name of Project	Capacity (MW)	State	Name of Subsidiary	Current Status
Singoli-Bhatwari Hydro Electric Project	99	Uttarakhand	L&T Uttaranchal Hydropower Limited	Advanced stage of construction, Dry-commissioning of Unit-1 expected by Mar'19
Tagurshit Hydro Electric Project	74	Arunachal Pradesh	L&T Arunachal Hydropower Limited	Evaluation of viability/exit
Sach-Khas Hydro Electric Project	267	Himachal Pradesh	L&T Himachal Hydropower Limited	
Reoli-Dugli Hydro Electric Project	430			
Total	**870**			

Thermal Power Projects – Nabha Power Limited (NPL)

NPL owns and operates a 2X700 MW supercritical thermal power plant at Rajpura, Punjab. Under the Power Purchase Agreement (PPA) with Punjab State Power Corporation Limited (PSPCL), which is for a period of twenty-five years, the entire power generated from this plant is sold to PSPCL. The plant is built on super critical

technology of Mitsubishi, Japan. It is the first 'made in India' supercritical power plant to be commissioned and operational in the country.

The plant sources its fuel from South Eastern Coalfields Ltd. (subsidiary of Coal India Limited) under a 20-year Fuel Supply Agreement (FSA). The Company also secured approvals to arrange coal from alternative sources to make up for any shortage in supply of coal under the FSA. The State Government has allocated the perennial source of water for the plant from the Bhakra-Nangal distributary. The plant is operated by an in-house team of experienced operations and maintenance professionals.

The power plant has been running successfully for over four years with an availability of 85% during FY18. NPL has been the most reliable source of power for the state of Punjab and has supported its requirements with uninterrupted supply during peak season.

NPL also happens to be the lowest cost power producer within Punjab with benchmark-setting operational efficiency.

Business Environment

India's Electricity Generation grew at 6% in FY 18 and there was addition of 5.44 GW of Thermal Energy Capacity Additions in the same period. The Power Demand in Punjab was 4671 MW (Q4 2018), registering a 10% increase over the demand in the corresponding period last year.

During the year, the power sector was grappling with a severe coal shortage. NPL had a lower Plant Availability Factor (PAF) due to a forced shutdown in October '17 on account of coal shortages. However, the plant imported coal to augment coal supplies and ensured a PAF of 85%.

Third Party Sampling and testing through CIMFR (Central Institute of Mining and Fuel Research) has been operating quite well to mitigate the grade slippage issues in linkage coal.

Significant Milestones and Initiatives

- Favourable judgement from the Supreme Court for recovery of coal washing and transportation cost
- 85% availability achieved
- Best-ever Station Heat Rate of 2300 kcal/kwh achieved
- Lowest ever Auxiliary Consumption of 5.08% achieved
- Demineralised Water Cycle at all-time low of 0.4%
- 200 KW Roof top solar panel commissioned, CO2 emission reduction 220 Tons p.a.
- Reliability Centred Maintenance approach implemented
- Performance linked allocation made for improvement in coal quality
- Reduction in interest cost through reduction in borrowing and lower interest rate achieved through innovative financing instruments
- Awards received:
  - Excellent Energy Efficiency Unit, CII, Hyderabad
  - Top Plant Award, Power Magazine, USA
  - Best Thermal Generation Unit, IPPAI
  - Gold Award in Environment, Health & Safety, Grow Care India
  - Best IPP award, Asian Power Magazine
  - Best Employer Brand Award, EBI
- CSR initiatives in the area of development of village infrastructure, education, skill building, gender equality, health and environment were implemented during the year

The Company is committed to generate reliable and environment- friendly power under safe working conditions. Emphasis is laid on continual improvement of processes and practices to achieve improved environmental, health and safety performance. Training on HSE for employees and stake holders is undertaken on a regular basis to foster a culture of health and safety.

Outlook

The major focus areas for NPL during FY19 would be maximising plant availability, improving operational efficiency, enhancing fuel quality, resolving the regulatory issues, collection of disputed receivables, cost reduction initiatives and Health, Safety and Environment compliances. With issues relating to coal allocation under Fuel Supply Agreement coupled with logistic constraints, fuel availability continues to be challenging in FY 19 too. Procuring higher quantities of imported coal, encouraging PSPCL for diversion of coal lying in other Power Plants to NPL

and pursuing increase in coal allocation would ensure Fuel Security.

Increasing global warming and need for long-term sustainable energy security have renewed the focus on the traditionally most clean hydro-power. Accordingly, the Government is considering policy initiatives for the revival of the hydro-power sector. The Company expects that approval and timely implementation of these initiatives by the Government in the near future may positively impact the hydro-power development in the country.

Marine Infrastructure Developer Private Limited : Kattupalli Port

Kattupalli Port at Chennai, a container port with a capacity to handle 1.2 million TEUs per annum has a container terminal with two container berths, and has been accorded SEZ co-developer status. During the year 2015-16, the Company (L&T) entered into an agreement with Adani Group (a port operator) to demerge the port business and divest the stake in the resulting company. In the current year 2018-19, the Company has divested its ownership and has completed the transfer of the port ownership in entirety.

Financial Review 2017-18

I. L&T CONSOLIDATED

A. PERFORMANCE REVIEW

The Company performed well on all the parameters during the financial year 2017-18, with pick-up in domestic investment climate. The slew of measures implemented over the last year or so - including demonetisation, Real Estate Regulatory Act, Goods & Services Tax, Insolvency & Bankruptcy Code have resulted in some short-term disruptions. In the long term, however, these are expected to give rise to a new economic order. This will have potential to significantly enhance revenues and channelize the funds for inclusive economic development. The Government's thrust on strengthening infrastructure and the 'Make for India' concept for key strategic areas, will provide opportunities to the Company's various business segments. Also, the rise in commodity prices is likely to result in capacity additions by the industry. During the year, the Company was beneficiary of the initial impact of such measures, which is expected to gather momentum as we go forward.

On the global front, uncertainties continue, as developed economies have started backing protectionist policies and the geo-political climate is giving rise to new trade partners, impacting the way of doing business. However, with hardening of oil prices, the investment momentum in Middle East, a major market for the Company outside India, is expected to improve. The Company continues to be selective in addressing the international market. The business environment remained competitive, with both domestic and international players fighting for the opportunities available.

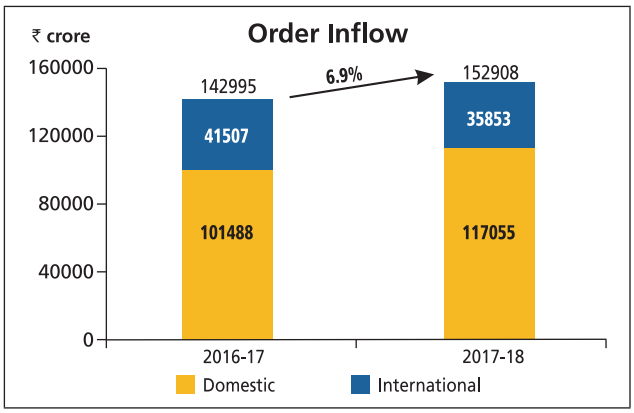
Against the backdrop of such an environment, the Group recorded satisfactory growth during the year with steady performance of its businesses in diverse sectors. The Company continued to focus on its goal of maximizing shareholder value creation by exiting non-core businesses, implementing operational excellence initiatives to have profitable growth and containing working capital along with better fund management. During the year the Company sold two of its subsidiaries EWAC Alloys Limited and L&T Cutting Tools Limited. The Company is awaiting regulatory approval for conclusion of its stake sale in a container port in Tamil Nadu. In November 2017, L&T Metro Rail (Hyderabad) Limited, a subsidiary company, commissioned a 30 km stretch of metro rail network in the city of Hyderabad. Another subsidiary company viz. Nabha Power Limited, which houses two thermal power plants at Rajpura, received a favourable Supreme Court judgement on matters affecting the viability of the Company. The year also saw growth consolidation in some businesses, while the listed entities within the group - L&T Infotech Limited, L&T Technology Services and L&T Financial Services - recorded notable growth, with expansion of business and new acquisitions.

As at March 31, 2018, L&T Group comprises 93 subsidiaries, 8 associates, 34 joint venture companies and 33 joint operations. Most of the group companies are strategic extensions of the project and product businesses of L&T. Project business catering to the hydrocarbon sector is housed in a separate set of group companies to provide the business with focus and independent functioning. The majority of the subsidiaries support L&T's core businesses and enable access to new geographies, products and business segments. Certain distinct service businesses - such as Information Technology, Technology Services, Developmental Projects and Financial Services - are housed in separate subsidiary and joint venture companies of L&T.

Order Inflow & Order Book

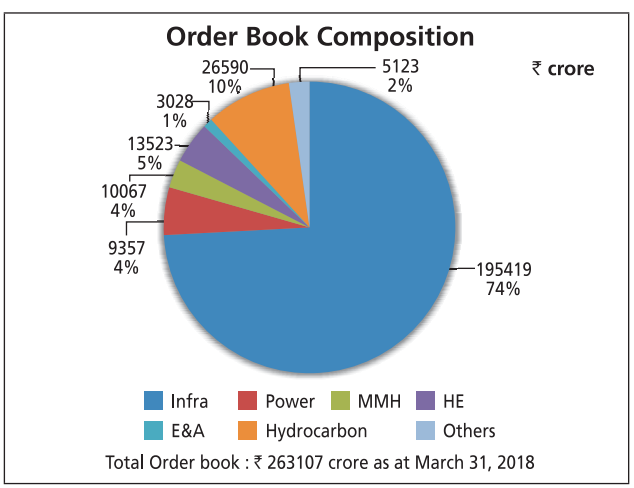
L&T Group achieved an order inflow of ₹ 152908 crore during the year 2017-18, achieving a growth of 6.9% over the previous year. The revival of the domestic market compensated for the slight lull on the back of depressed oil prices in Middle East, the major market for the Company. The domestic market evidenced a pick-up in capex finalization by public sector and Government undertakings. Also, the year saw movement in the award of orders from the private sector, resulting from strengthening of commodity prices and improvement in investment climate. Domestic order inflow increased by 15.3% to 76.6% of total order inflow, despite ordering momentum yet to gather pace in sectors like Defence, the preference there being on public sector enterprises. International order inflow declined by 13.6% to 23.4% of total order inflow. Further, geographical spread of order inflow changed during the year, with the Middle East contributing a lower share of 44.8%, which was earlier 64.9%.

Order Inflow growth was mainly driven by the Infrastructure segment, contributing 57.1% of the total order inflow for the year. Infrastructure growth was led by some large value, prestigious orders received in Heavy Civil Infrastructure, Building & Factories and Water & Effluent Treatment. The respective businesses of the Company have been beneficiaries of the improved investment environment in India – accruing from the National Highway Authority of India, Dedicated Freight Corridor, Saubhagya Scheme, Mass Transit Systems, Airport expansion programmes, Andhra Pradesh Infrastructure Development, Refinery Expansions, Water Management programmes, in addition to some private sector expansion capex.



A robust order book of ₹ 263107 crore as at March 31, 2018 gives multi-year revenue and margin visibility to the Company. With current year order inflow being domestic centric, the composition of international order book declined to 23.8% as at March 31, 2018, as compared to 26.7% in the previous year. As a result of introduction of Goods & Services Tax, the order book has been adjusted, since revenue excludes GST.

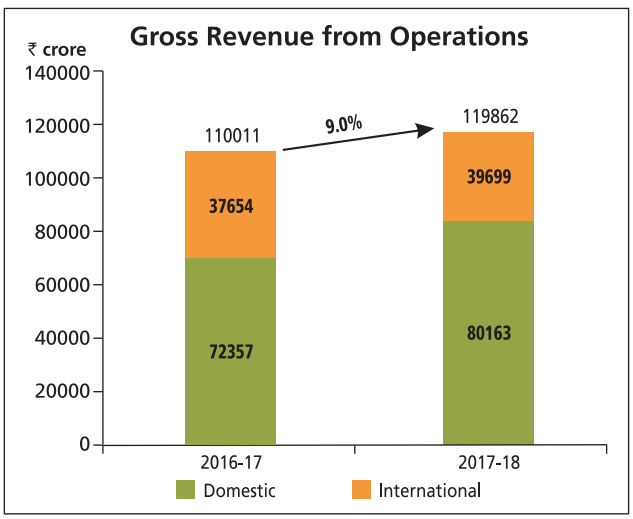
Infrastructure segment continues to contribute 74% of the consolidated order book, comprising mainly Heavy Civil Infrastructure 18%, Building & Factories 17%, Transportation Infrastructure 14%, Power Transmission & Distribution 14% and Water & Effluent Treatment 11%. With reduced opportunities in the Power sector, the share in order book has declined from 5% to 4%.



Revenue from Operations

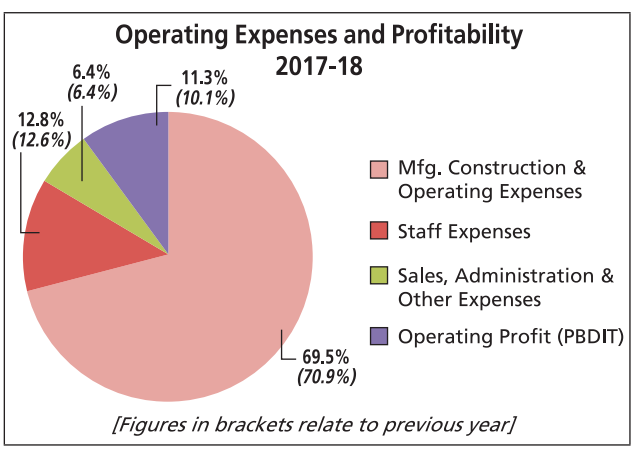
L&T Group recorded revenue of ₹ 119862 crore during the year, registering a growth of 9%. Adjusted for Excise Duty in the previous year, the growth on a like-to-like basis was 9.5%. Revenue earned from international operations comprised 33% as compared to 34% in the previous year.

The growth in revenue was achieved despite transitory disruptions due to GST implementation during the year. Growth was largely contributed by Heavy Civil Infrastructure, Water & Effluent Treatment, Transportation Infrastructure, Hydrocarbon, Heavy Engineering and Services business. Delayed order awards impacted Metallurgical & Material Handling, while limited opportunities and intense price competition impacted revenue accruals in Power and Valves businesses respectively. Growth in L&T's Electrical & Automation business was supported by improved demand for standard products, particularly the metering systems.



Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses at ₹ 83305 crore increased by 6.7% over FY 2016-17, registering improved operational efficiency. These expenses mainly comprise cost of construction material, raw materials and components, subcontracting expenses and interest costs of Financial Services business.



Staff expenses for the year 2017-18 at ₹ 15292 crore increased by 10.4% over the previous year. Staff Cost as a percentage of revenue marginally increased to 12.8% from 12.6%, mainly due to addition of resources for growth of the IT & TS businesses. The Company continues to focus on improved productivity, digitalization and manpower rationalization.

Sales and administration expenses increased by 10.1% y-o-y to ₹ 7693 crore, mainly due to higher provisioning by Financial Services, Development Projects, Infrastructure and Hydrocarbon business, partly compensated by exchange gains.

The Group operating profit at ₹ 13571 crore for the year 2017-18 registered a healthy growth of 22% y-o-y. The EBITDA margins for the year also improved by 120 basis points to 11.3%. The closure of legacy projects in the Hydrocarbon business, cost optimization measures in product businesses, monetization of a Realty asset, the favourable Supreme Court judgement in the Nabha Power case and the strong growth of IT&TS businesses - contributed to the improvement in 2017-18, as compared to the previous year.

Depreciation & Amortization Charge

Depreciation and amortization charge for the year 2017-18 decreased by 19% to ₹ 1929 crore, compared to ₹ 2370 crore in previous year. The decrease was largely due to impairment in the asset values in some of the businesses, in the previous year.

Other Income

Other income at ₹ 1412 crore, which increased by 5% over ₹ 1344 crore, consists of profit on sale of liquid investments, interest and dividend income from treasury investments. The growth was on account of higher gains from deployment of surplus funds generated through operations, and through divestment of stake in subsidiaries.

Finance Cost

The interest expenses for the year 2017-18 at ₹ 1539 crore was higher by 15% in comparison to ₹ 1339 crore for the previous year. The increase was attributable to the impact of interest cost in L&T Hyderabad Metro Rail upon partial commencement of operations in November 2017, and cessation of capitalization of interest on Seawoods assets, on it getting ready for sale. Further, higher proportion of interest bearing advances in Infrastructure businesses and increase in LIBOR rates resulted in increasing the average borrowing cost for the year to 7.3%, as compared to 6.9% in the previous year.

Exceptional Items

Exceptional items of ₹ 123 crore during the year represent gain on divestment of stake in two wholly owned subsidiaries, EWAC Alloys Limited and L&T Cutting Tools Limited, net of provisions made towards uncertain recovery of outstanding from a customer referred under Insolvency & Bankruptcy Code.

Tax Expense

Income Tax charge for FY 2017-18 increased to ₹ 3199 crore compared to ₹ 2007 crore in FY 2016-17 mainly due to increased profits and higher Effective Tax Rate, on account of increased disallowances in respect of earlier years.

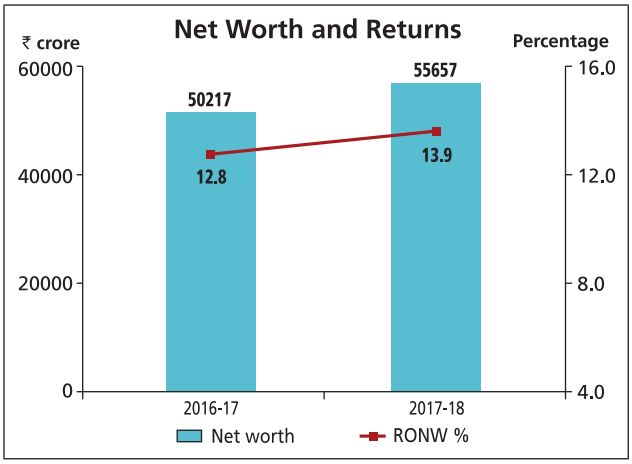
Profit after Tax & EPS

Consolidated Profit after Tax (PAT) at ₹ 7370 crore for the year 2017-18 rose by 22% over the previous year at ₹ 6041 crore.

Consolidated Earnings per Share (EPS) including exceptional items for the year 2017-18 at ₹ 52.62 were higher by 22% over the previous year.

Return on Net Worth

The Net Worth of the shareholders, as on March 31, 2018, at ₹ 55657 crore, reflects an increase of ₹ 5440 crore, as compared to the position as on March 31, 2017. Return on Net Worth (RONW) for the year 2017-18 was higher at 13.9%, driven by increase in net earnings, as compared to 12.8% in the previous year.



Liquidity & Gearing

Cash flow from operations decreased to ₹ 6428 crore as compared to ₹ 12399 crore in the previous year mainly due to higher levels of working capital, which partially negated increase in operating profits. The group earned

a significantly higher income from investing activities - namely dividends, proceeds from sale of treasury investments and divestment activities - which was used to repay certain high cost borrowings and meet interest and dividend.

The Group incurred capital expenditure of ₹ 2015 crore during the year, mainly on construction activity of L&T Metro Rail Hyderabad project. There was a net increase of ₹ 3254 crore in the cash balances as at March 31, 2018 as compared to the beginning of the year.

Consolidated Fund Flow Statement	₹ crore	
Particulars	**FY 17-18**	*FY 16-17*
Operating activities	6428	*12399*
(Purchase)/Sale of other investments	2169	*(8136)*
Net (investment)/ divestment	477	*3*
Payment (to)/from minority interest (net)	1413	*2059*
Treasury and dividend income	3283	*1158*
ESOP proceeds	50	*53*
Sources of Funds	**13820**	*7536*
Capital expenditure (net)	2015	*2821*
(Borrowings)/Repayment of Borrowings	3691	*693*
Dividend paid	2390	*2093*
Interest paid	2471	*2174*
Increase/(Decrease) in cash balance	3254	*(245)*
Utilisation of Funds	**13820**	*7536*

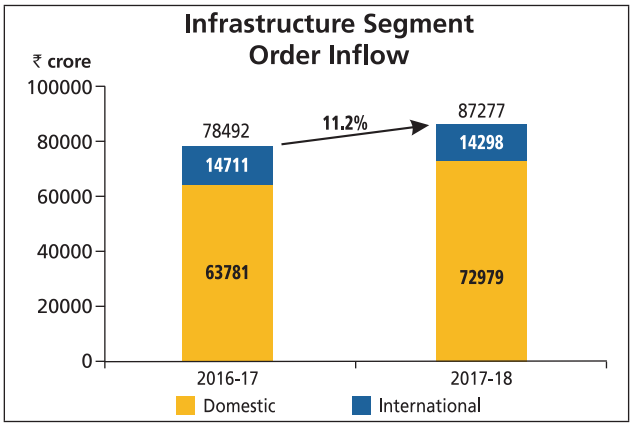
The total borrowings as at March 31, 2018 stood at ₹ 107524 crore as compared to ₹ 93954 crore as at March 2017. The gross Debt Equity ratio as of end March 31, 2018 stood at 1.75:1, same as at March 31, 2017. Net Debt Equity ratio, however, as on March 31, 2018 is 1.47:1 as compared to 1.39:1 as on March 31, 2017.

B. SEGMENT WISE PERFORMANCE (GROUP)

1. Infrastructure Segment

The Infrastructure segment won orders worth ₹ 87277 crore, higher by 11% over the previous year, mainly from domestic public sector and government customers. Large orders were won by Heavy Civil Infrastructure, Transportation Infrastructure and Water & Effluent Treatment. Although, liquidity constraints of customers, aggravated by demonetization continue to impact growth momentum in Buildings & Factories, during the year, the business was successful in winning a few large-value orders. The relatively new business of Smart World & Communication registered growth on receipt of smart city and telecom orders.

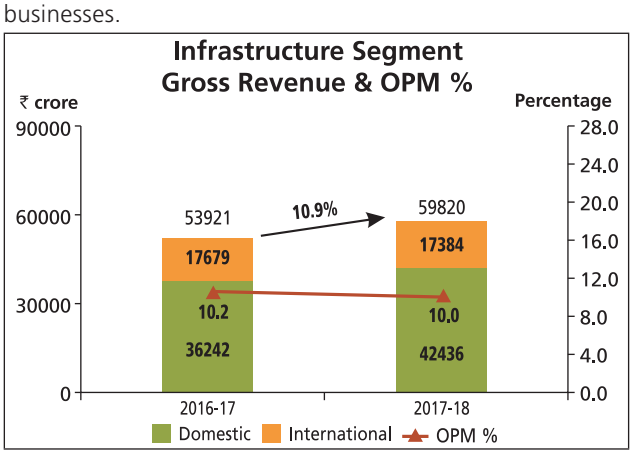
Overall Infrastructure business saw reduced opportunities in the Middle East arising out of fiscal policy measures in those countries. International order wins of the Infrastructure segment, mainly in Power Transmission & Distribution and Transportation Infrastructure businesses, constituted 16% of the total order inflows for the segment.



The Infrastructure segment clocked a gross revenue of ₹ 59819 crore for the year 2017-18 registering 10.9% growth over the previous year. Execution of orders in hand progressed well majorly in Heavy Civil Infrastructure, Water & Effluent Treatment and Transportation Infrastructure. Building & Factories and Smart World & Communication faced some execution impediments by way of fund allotment / liquidity crunch, customer clearances and work-front availability. Right-of-way and environment clearances continue to hamper execution in some of the projects.

Revenue from international operations constituted 29% of the total revenues of the segment during the year as compared to 33% in the previous year, with a reduced international order book.

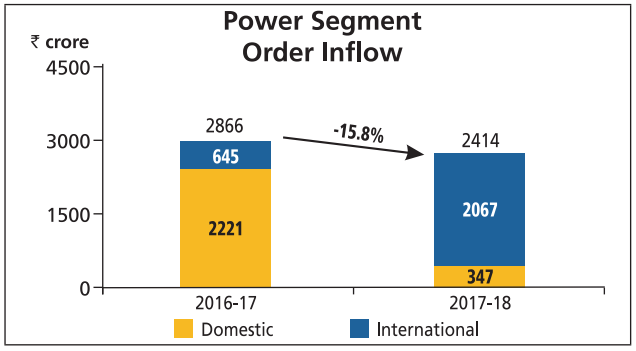
The Infrastructure Segment's operating profit was higher by 10% on y-o-y basis at ₹ 5902 crore for 2017-18, though operating margins dropped marginally from 10.2% to 10% due to certain stressed international projects in Transportation Infrastructure and Buildings & Factories businesses.



The Funds employed by the segment at ₹ 17511 crore as at March 31, 2018 increased by 8.7% vis-à-vis March 31, 2017, with increased volumes. Increase in Gross Working Capital levels due to build-up of project work-in-progress, not due for invoicing and collection, was partially compensated by better vendor credit management and increase in customer advances on new order wins.

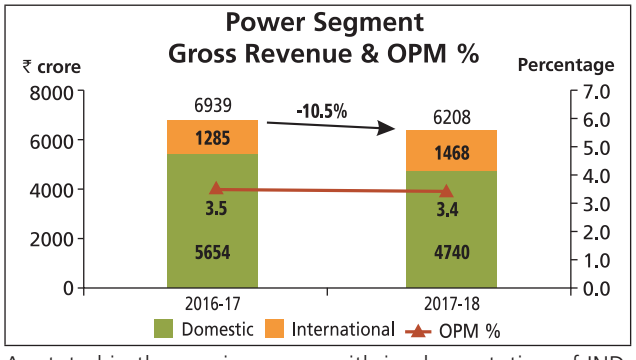
2. Power Segment

The Power segment bagged orders worth ₹ 2414 crore as compared to ₹ 2866 crore in the previous year. The orders won during the year were majorly export orders. The domestic sector continues to be plagued with lower levels of coal-based power plant ordering in the face of over-capacity in boiler and turbine production as well as aggressive pricing by competitors. The order inflow was low, also due to the segment losing one large-value domestic order and non-participation in another large-value order due to unfavourable terms.



Power segment revenue declined y-o-y by 10.5% to ₹ 6208 crore, as jobs under execution moved closer to completion and new awards were delayed. Revenue from international projects at ₹ 1468 crore represented 24% of the total revenue for the segment, largely contributed by gas-based power plant jobs under execution in Bangladesh.

Operating margin decreased by 10 basis points to 3.4% during FY 2017-18, as compared to 3.5% in 2016-17 on account of change in job mix.

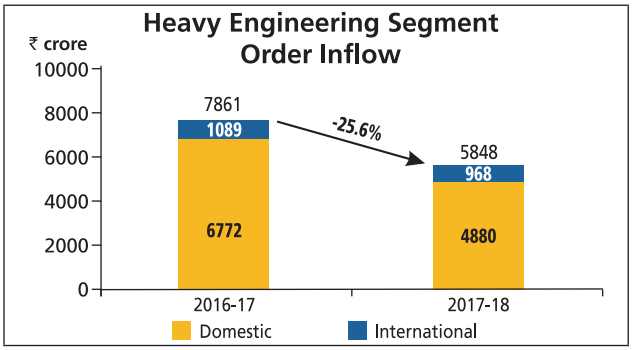


As stated in the previous year, with implementation of IND AS, the Joint Venture operations are consolidated only at PAT level. This impacts the operating margin for the Power business, since the EPC margins reported as segment margins do not include the performance of joint ventures, which have a better margin profile.

The funds employed by the segment stood at ₹ 790 crore as at March 31, 2018 - higher than ₹ 485 crore as on March 31, 2017 - with release of payments to vendors and higher carrying value of Investment in Joint Ventures under the Power Group, consolidated through equity method under IND AS.

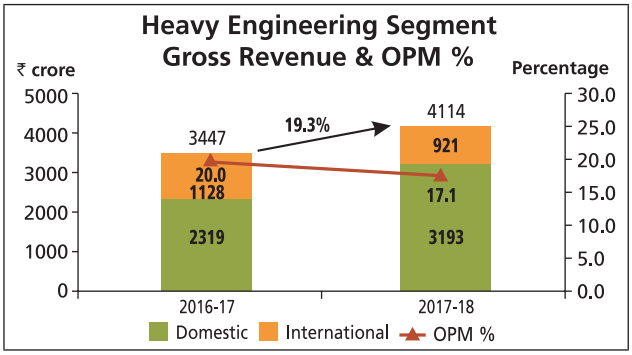
3. Heavy Engineering Segment

The Heavy Engineering segment recorded order inflow of ₹ 5848 crore for the year ending March 31, 2018 - lower by 25.6% as compared to the previous year, which had a large-value Defence order. The current year had a mix of orders from the Nuclear Power Corporation of India and some defence sector orders. International orders constituted a nominal 2.7% of the total international order inflows.



Segment gross revenue of ₹ 4114 crore improved by 19% compared to the previous year on the back of execution progress on defence jobs received in the previous year. Revenue from international operations constituted 22% of the total revenue for the segment.

The segment recorded a 6.4% increase in the operating profit for the year at ₹ 655 crore against an operating profit of ₹ 615 crore in the previous year. The operating margin declined from 20% in previous year to 17.1% in current year upon change in job mix.

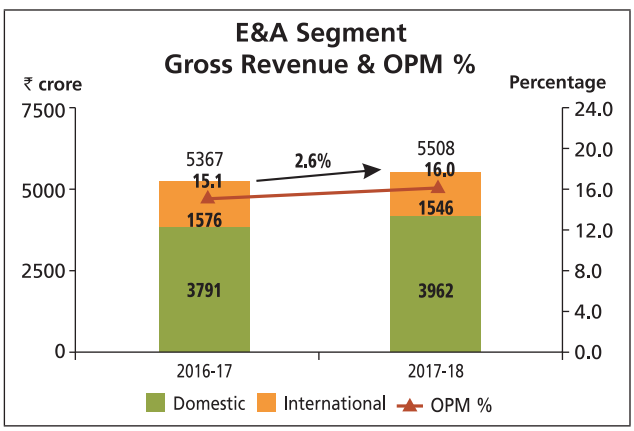


Funds employed by the segment as on March 31, 2018 at ₹ 1379 crore increased 6% y-o-y, on account of increase in construction work-in-progress awaiting invoicing milestones, which was partially offset by receipt of customer advances and higher vendor credit.

4. Electrical & Automation Segment (E&A)

The E&A segment performed well, despite the transitionary challenges of GST. The Standard Products business contributed higher sales of final distributed products, agricultural starters and energy meters. The business recorded a gross revenue of ₹ 5508 crore for the year, an increase of 2.6% over the previous year and adjusted for excise duty in previous year, the growth is 11%. With lower than expected volumes in international group companies, revenue from international operations declined to 28.1% of the total revenues of the segment.

Segment operating profit for the year improved to ₹ 822 crore, a 17% increase over previous year. Operating margins improved during the year by 90 basis points to 16%, owing to favourable product mix and improved operational efficiencies.

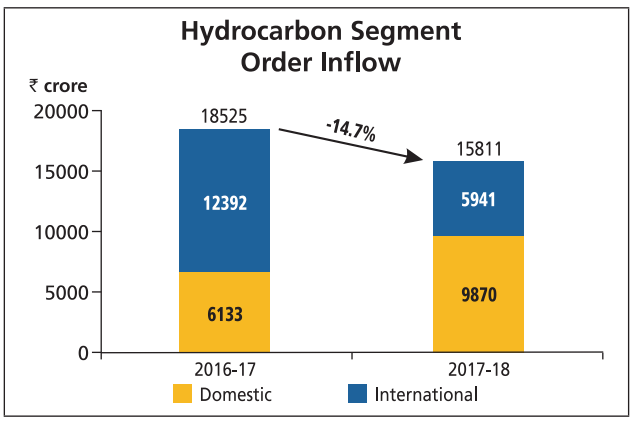


Funds employed at ₹ 2271 crore decreased by 6.5% y-o-y aided by higher credit from vendors.

The Company has signed definitive agreements with Schneider Electric, a global player in energy management and automation, for strategic divestment of the Electrical & Automation business for an all-cash consideration of ₹ 14000 crore, subject to regulatory approvals. The transaction will cover all operations, except Marine Switchgear business and Servowatch Systems business.

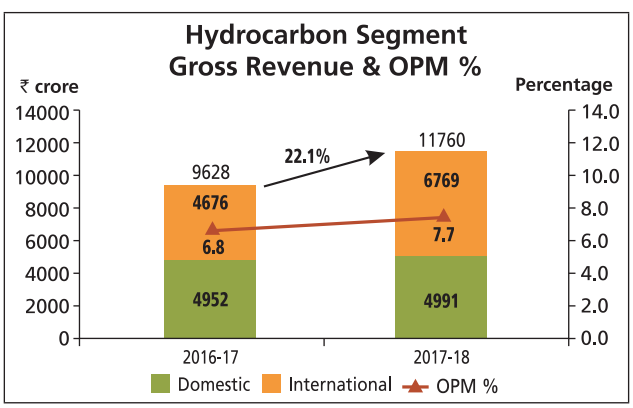
5. Hydrocarbon Segment

Hydrocarbon segment sustained its strong performance momentum from the previous year. The segment secured fresh orders aggregating to ₹ 15811 crore during the year, driven by a number of onshore and offshore orders in domestic sectors and from the Middle East region. International orders accounted for 37.6% of total order inflow for 2017-18 as compared to 66.9% in the previous year, which included a large-size order in the offshore area of work.



Segment revenue grew by a healthy 22% y-o-y at ₹ 11760 crore for the year, through strong execution progress, particularly, with respect to fast-track projects received during the year. International revenue contributed 57.6% of the total revenue of the segment as compared to 48.6% in the previous year, due to higher proportion of international orders in the opening order book.

Favourable claim settlements and close-out of stressed jobs resulted in a higher operating profit of ₹ 904 crore as compared to ₹ 657 crore in the previous year and the consequent margin improvement from 6.8% to 7.7%.

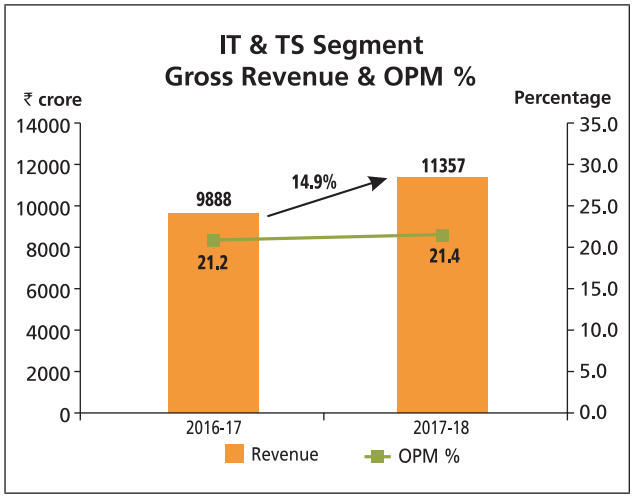


Funds employed by the segment at ₹ 1385 crore increased by 21.6% as compared to March 31, 2017 with deployment of surplus funds in treasury investments and higher carrying value of investments in the Joint Ventures under IND AS.

6. IT & Technology Services (IT & TS)

The IT & TS segment comprises the L&T Infotech group of companies and the L&T Technology Services group of companies, which were listed in FY 2016-17. The segment recorded gross revenue of ₹ 11357 crore for the year ended March 31, 2018 recording a growth of 14.9% over the previous year. International revenue constitutes 91% of the total revenue of the segment.

The Segment Operating profit stood at ₹ 2391 crore for the year 2017-18 as compared to ₹ 2063 crore in the previous year. Operating margin improvement of 20 basis points, is on account of improved operational efficiencies.

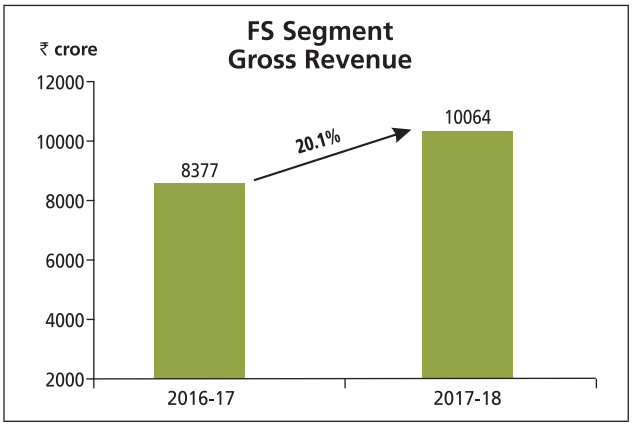


The Funds employed by the segment at ₹ 5373 crore as at March 31, 2018 are higher by 26% as compared to March 31, 2017 due to increase in unbilled revenue, investments and goodwill on acquisition of new subsidiaries.

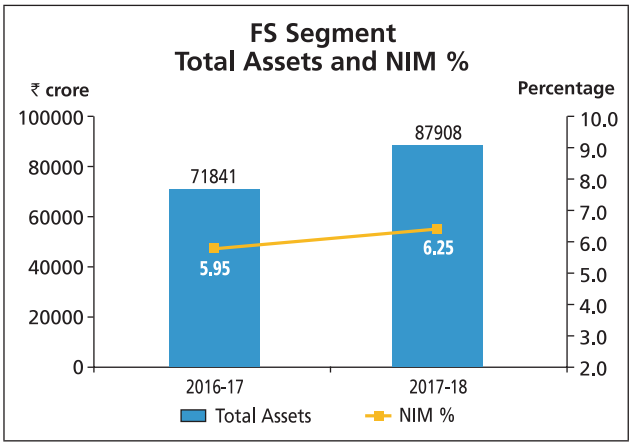
During the year, the Company further divested 1.32% stake in L&T Infotech and 1.13% stake in L&T Technology Services, towards meeting the regulatory requirement of minimum public shareholding of 25% within three years from listing of its shares.

7. Financial Services (FS)

The Financial Services segment comprises Rural, Wholesale and Housing Finance as well as Investment and Wealth Management businesses housed within L&T Finance Holdings Limited (LTFH) and its subsidiaries. The general insurance business was divested during FY 2016-17. Excluding the general insurance business, Segment revenue grew 20% y-o-y at ₹ 10064 crore during the year ended March 31, 2018 on a comparable basis aided by growth in the loan assets and disbursements in all its focused businesses.



Disbursal of fresh Loans and Advances in Wholesale, Real Estate, Micro Loans and Farm portfolio amounted to ₹ 78590 crore during the year ended March 31, 2018 - a significant growth of 68% y-o-y. In line with the disbursements, the Asset Book in focused lending businesses stood at ₹ 82692 crore as at March 31, 2018 recording a growth of 28% y-o-y. Net interest margins at 6.25% improved over 5.95% in the previous year.



The Gross Non-Performing Assets (GNPA) ratio decreased from 7.11% (restated) as at March 31, 2017 to 4.80% as at March 31, 2018. LTFH, however, has been strengthening its balance sheet throughout the year by making accelerated provisions in addition to those required under regulations. Consequently, the coverage on GNPA increased from 31% (restated as per new RBI norms) in the year ended March 31, 2017 to 53% in the year ended March 31, 2018 indicating a much stronger balance sheet. As a result of this, the Net NPA ratio has reduced from 5.02% (restated) to 2.34% over the same period.

LTFH also witnessed strong growth in its Investment & Wealth Management businesses. Average Assets under

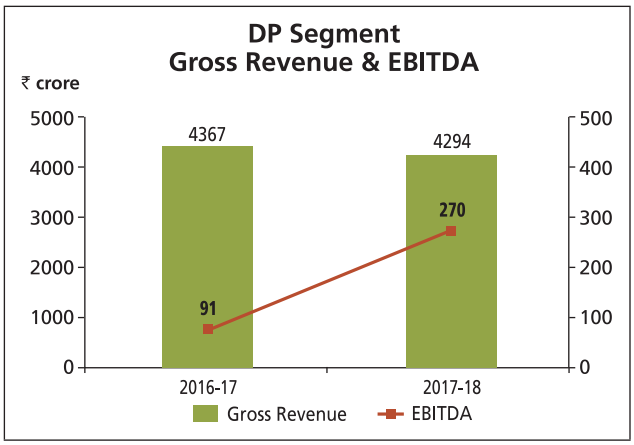
Management (AAUM) in the Investment Management business increased to ₹ 65932 crore during the year ended March 31, 2018 - a growth of 68%. Average Assets Under Service (AAUS) in the Wealth Management business increased to ₹ 18347 crore during the year ended March 31, 2018, registering growth of 35%.

8. Developmental Projects (DP)

The Group has acquired concessions through the competitive bidding process for the development of Power projects, Roads, Bridges, Hyderabad Metro Rail and power transmission line. The total portfolio of the group consists of 5 power projects, 15 road & bridge projects, 1 transmission line project, 2 ports and 1 metro rail project. The metro rail project is housed under L&T Metro Rail (Hyderabad) Limited (L&T MRHL) which is a 100% subsidiary of L&T. Power projects are developed by L&T Power Development Limited & other projects are developed by L&T Infrastructure Development Projects Limited. The total estimated cost of projects, reassessed not considering the 3 hydel power projects under hold, is pegged at ₹ 47807 crore, of which equity commitment is ₹ 10395 crore with ₹ 9293 crore having been infused as at March 2018.

The segment recorded revenue of ₹ 4294 crore for the year ended March 31, 2018, which is lower as compared to ₹ 4367 crore in the previous year, as construction activity in the Hyderabad Metro project nears completion, and is partly compensated by higher revenue from the Rajpura power plant.

The segment clocked an operating profit of ₹ 270 crore for the year 2017-18, improving over the ₹ 91 crore earned in FY 2016-17, as Nabha Power accrued revenues on receiving a favourable judgement in the matter of disputed receivables. The revenue also includes operational revenue on partial commissioning of the L&T Metro Rail Hyderabad project in November 2017.



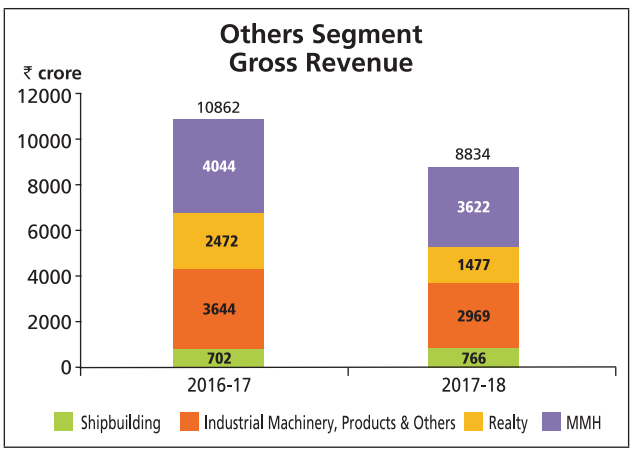
The funds employed in the segment at ₹ 19860 crore as at March 31, 2018 mainly comprises L&T Metro Rail Hyderabad project cost.

The Company is awaiting regulatory clearances to conclude the divestment in a container port in Kattupalli, Tamil Nadu to a strategic investor and is in advanced stage of selling 5 road concessions to an Investment Trust.

9. 'Others' Segment

The 'Others' Segment covers Metallurgical and Material Handling (MMH), Realty, Shipbuilding, Construction and Mining Machinery, Industrial Machinery & Products and Valves businesses.

Revenue for the segment declined during the year as demand for Real Estate in the metro cities of Mumbai and Bengaluru witnessed a slowdown post-demonetization, and the Valves business faced de-growth due to lower order intake on account of severe competition. With the segment registering one large-value transaction in Realty, the operating margin improved significantly compared to previous year.



II. L&T STANDALONE

PERFORMANCE REVIEW

L&T's standalone financials capture the performance of the Infrastructure segment, Power, Heavy Engineering, Electrical & Automation and the 'Others' segment comprising Metallurgical and Material Handling business, a part of Realty business, a part of Hydrocarbon business, part of Shipbuilding business and Construction & Mining Machinery business.

L&T delivered good performance on all operational parameters, despite a volatile environment. The domestic market is set on a growth path with a slew of reforms, as against the international arena caught in geo-political

turmoil. The Infrastructure business segment surpassed the previous year's performance, while the Power and Industrial businesses continued to experience headwinds to growth.

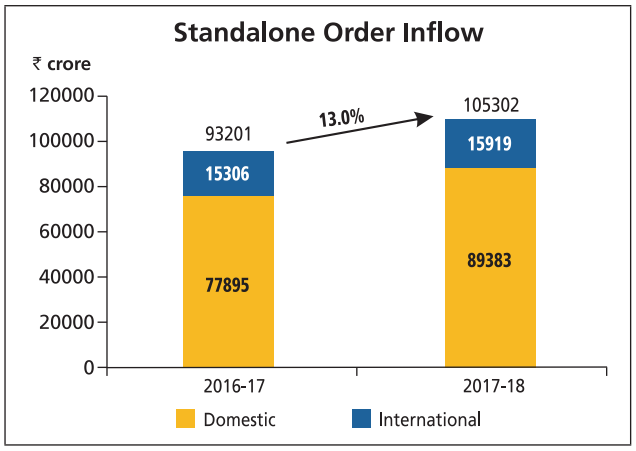
Considering the returns potential and business opportunities, the Company has infused additional capital of ₹ 2000 crore in L&T Finance Holdings Limited. As a part of business portfolio restructuring, the Company divested its complete stake in two subsidiaries viz. EWAC Alloys Limited and L&T Cutting Tools Limited. In a major development, the company took concrete steps towards its stated intent to divest the Electrical & Automation business by signing, subject to regulatory approvals, a definitive agreement with Schneider Electric.

The key focus area continues to be enhancement of shareholder value through operating margin improvement and higher cash flow generation through working capital reduction and unlocking of capital earnings sub-par returns.

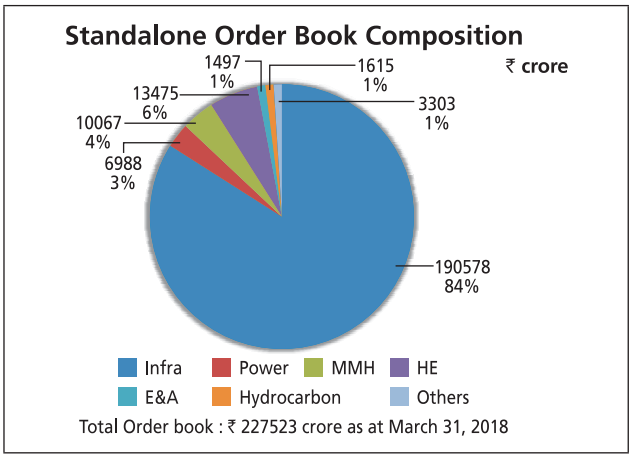
Order Inflow & Order Book

Order inflow during 2017-18 grew by 13% at ₹ 105302 crore as compared to ₹ 93201 crore in the previous year. The Infrastructure segment contributed 79.1% of the total order inflow during the year as compared to 82.1% in the previous year. The Power business has been sluggish due to the sectoral challenges.

Heavy Engineering order inflow pre-dominantly consisting of defence orders, reported a decline due to deferment of select prospects. Industrial demand has been low, reflecting modest order inflow growth in E&A business. The 'Others' segment saw pick-up in order inflow in the Minerals & Metals business, with higher commodity prices driving fresh investment. International order inflow dropped to 15.1% of the total order inflow for 2017-18 as compared to 16.4% in the previous year.



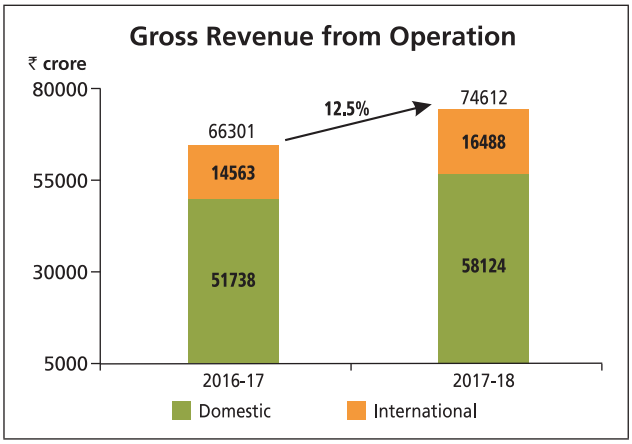
Order Book as at March 31, 2018 stood at ₹ 227523 crore, 83.8% of which is contributed by the Infrastructure segment. International orders constituted 17.9% of the current order book. L&T continues to carry a healthy order-book-to-revenue ratio at 3.05 providing better visibility of revenue growth over the medium term.



Revenue From Operations

L&T achieved a revenue growth of 12.5% at ₹ 74612 crore as compared to ₹ 66301 crore in the previous year. Revenue growth over the previous year is mainly driven by execution pick-up in infrastructure projects in Transportation Infra, Heavy Civil Infra and Water & Effluent Treatment and progress in defence projects under Heavy Engineering.

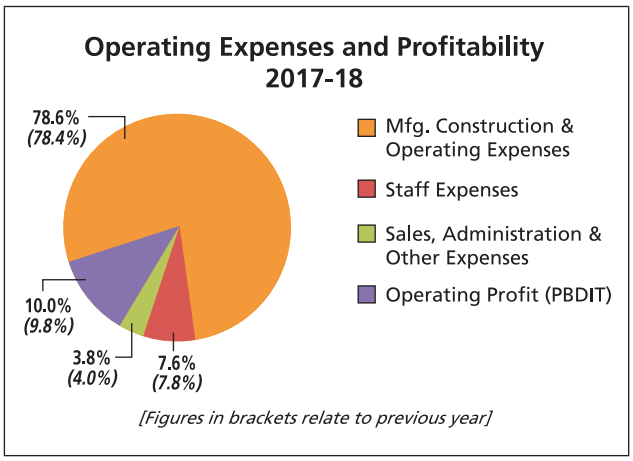
The Power segment revenue declined over the previous year by 10.6% as a result of a declining order book. Electrical & Automation segment grew by 4%.



Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses, comprising cost of construction

material, raw materials, components and subcontracting expenses, amounted to ₹ 58638 crore registering an increase of 12.8%. These costs represent 78.6% of Revenue, an increase of 20 basis points over the previous year. Increase in MCO cost percentage to revenue is mainly driven by change in the stage and mix of projects under execution.



Staff expenses for the year at ₹ 5714 crore increased by 11% y-o-y in line with revenue growth. The Company's manpower strength stood at 42924 as on March 31, 2018 compared to 41466 as at March 31, 2017.

Sales and administration expenses for the year at ₹ 2831 crore increased by 6.1% y-o-y, mainly due to higher provisions for doubtful debts.

The operating margins for the year stood at 10%, registering an improvement of 20 bps over the previous year. Profit before depreciation, interest and tax excluding other income (PBDIT) was ₹ 7429 crore for the year, higher by 14.6% over the previous year.

Depreciation & Amortization Charge

Depreciation and amortization charge for the year 2017-18 reduced by 13.6% and was at ₹ 1049 crore, as compared to ₹ 1215 crore in the previous year. The reduction was due to impairment of asset values in the previous year.

Other Income

Other income mainly comprises of income from the Company's treasury operations, dividends and income from group companies. Other income for the year 2017-18 at ₹ 1885 crore, decreased as compared to ₹ 1915 crore for the previous year, mainly due to lower yield on treasury investments.

Finance Cost

The interest expense for the year at ₹ 1432 crore was higher by 8.7% vis-à-vis ₹ 1317 crore for the previous year. The increase is attributable to a higher quantum of interest bearing customer advances. The average borrowing cost for the year 2017-18 was lower by 50 basis points at 7.5% p.a. with repayment of some high-cost borrowings during the year.

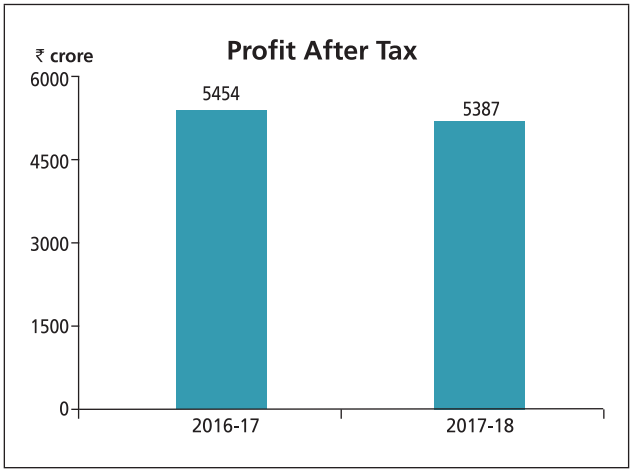
Exceptional Items

Exceptional items of ₹ 431 crore for the year 2017-18 include gain on stake divestment in EWAC Alloys Limited and L&T Cutting Tools Limited, gain on dilution of stake in listed companies L&T Infotech and L&T Technology Services, and provision made towards uncertain recovery of outstanding from a customer referred under Insolvency & Bankruptcy Code.

Profit after Tax & EPS

Profit after Tax (PAT), including exceptional items, for the year 2017-18 dropped by 1.2% to ₹ 5387 crore as compared to ₹ 5454 crore in the previous year. While the operating profits were higher for the year, the increase in tax expense and lower exceptional income as compared to the previous year, resulted in overall reduction in PAT.

The Earnings per Share (EPS) for the year 2017-18 at ₹ 38.46 compared to ₹ 39 in the previous year.



Other Comprehensive Income (OCI)

Other comprehensive income during year, reflected a loss of ₹ 51 crore, compared to a gain of ₹ 157 crore in the previous year, mainly representing change in balances pertaining to cash flow hedge reserve on account of gain/loss during the period and profit/loss reclassification adjustments.

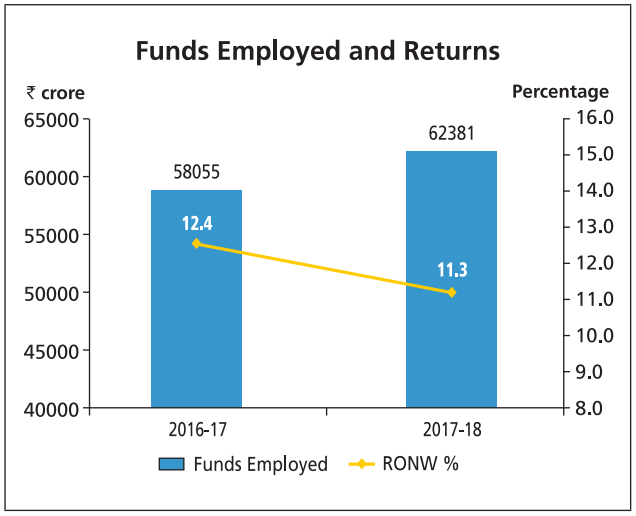
Funds Employed and Returns

Funds Employed by the Company at ₹ 62381 crore as at March 31, 2018 increased by ₹ 4326 crore during the year.

Strategic investments in S&A companies and working capital funding requirements were met out of redemption of liquid investments and internal accruals.

As on March 31, 2018, the segment aggregate level net working capital at ₹ 15393 crore decreased to 20.6% of revenue as compared to ₹ 13933 crore at 21% of revenue as on March 31, 2017. Release in working capital is attributable to improved collections and better credit terms negotiated with vendors.

During the year, investments in and loans to subsidiary and associate companies increased by ₹ 1433 crore (net of proceeds from divestment). Major funding was provided to Financial Services, Shipbuilding and the Forge shop.



Return on Net Worth (RONW) including exceptional items for the year 2017-18 at 11.3% is lower as compared to 12.4% in the previous year.

Liquidity & Gearing

Business operations generated cash flows of ₹ 2952 crore during the year as compared to ₹ 5980 crore in the previous year. The drop is mainly due to higher deployment of funds to support growing business volumes. The cash generated through internal accruals, treasury income and liquidation of current investments was mainly used for investments of ₹ 1456 crore in S&A companies and capex of ₹ 1013 crore, in addition to payment of dividend and interest of ₹ 2279 crore and ₹ 1322 crore respectively.

Standalone Fund Flow Statement	**₹ crore**	
Particulars	**FY 17-18**	*FY 16-17*
Operating activities	2952	*5980*
Borrowings (net of repayments)	62	*(3132)*
(Purchase)/Sale of Other investments	621	*(2592)*
Treasury and dividend income	3635	*1875*
ESOP proceeds	50	*53*
Sources of Funds	**7320**	*2183*
Capital expenditure (net)	1013	*635*
Net investment/(divestment)	1456	*(1306)*
Dividend Paid	2279	*1843*
Interest paid	1322	*1151*
Increase / (decrease) in cash balance	1250	*(140)*
Utilisation of Funds	**7320**	*2183*

Total borrowings as at March 31, 2018 stood at ₹ 10561 crore as compared to ₹ 10558 crore in the previous year. Proportion of short-term borrowings increased to 39% as compared to 22% as at March 2017. The loan portfolio of the Company comprises a mix of domestic and suitably hedged foreign currency loans. The gross debt equity ratio decreased to 0.21:1 as at March 31, 2018 from 0.23:1 as at March 31, 2017. The net debt equity ratio was nominal at 0.04:1 as at March 31, 2018.

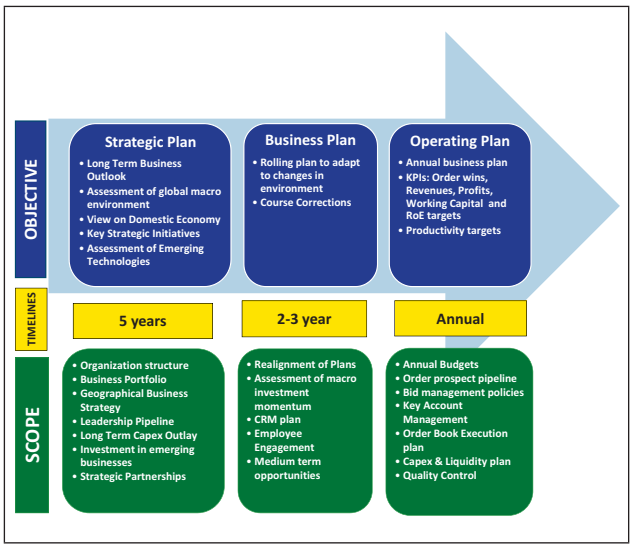
III. STRATEGY, BUSINESS MODEL AND RESOURCE ALLOCATION

Strategy Formulation:

The company has embedded business strategy formulation as part of its long term sustainability plans. Business strategy is evolved every 5 years through a collaborative and consultative process that also includes financial parameters as guideposts for different elements of strategic plans.

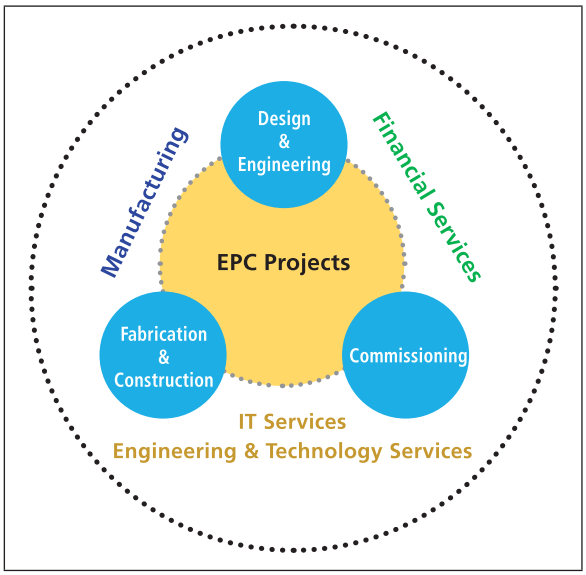
While 5 year business outlook and broad financial goals are embedded as an overarching strategic plan, shorter term annual targets are framed before the commencement of every financial year which, in turn, get folded into a rolling medium term plan.

The current 5 year strategic plan commenced in 2016-17 and is slated to end on 2020-21 during which time the group level shareholder value creation measured by Return on Equity (RoE) is targeted to grow significantly.



Business Portfolio Strategy:

- The Company focuses on its proven and core competencies of conceptualising, executing and commissioning large complex infrastructure projects in the areas of Roads & Bridges, Power Transmission & Distribution, Thermal / Hydel / Solar / Nuclear Power Plants, Water & Irrigation Infrastructure, Residential / Commercial / Institutional / Factory Buildings, Real Estate Development, Airports, Metro & Conventional Railways, Onshore & Offshore Hydrocarbon facilities and Metallurgical installations. An integrated EPC (Engineering, Procurement & Construction) business strategy forms the core backbone of the Company's business portfolio.
- The diversified but cyclical nature of EPC business is counterbalanced through a portfolio of manufacturing and services business. Manufacturing is mainly concentrated around electrical products and systems (made-to-stock and made-to-order), heavy custom-built equipment catering to process industries and defence, material handling equipment and industrial products & machinery. Services business caters to sectors of Information Technology, Engineering R&D and Financial Services
- The business portfolio spans across domestic and international markets in line with the strategy of having a well-balanced geographically diversified business.
- Schematics of the business portfolio strategy:



Strategic Thrust and Direction:

At the core of the Company's strategy is the overarching aim to create shareholder value through enhanced Return on Equity (RoE). The RoE improvement strategy encompasses strategic, tactical and operational elements such as:

- Focusing on timely and cost-effective execution of the Company's unexecuted Order Book (Backlog) while ensuring adequate backfill through order wins
- Ensuring translation of healthy margin profile in the Order Book into financial statements through execution, operational excellence and digitalisation initiatives
- Incubating new businesses to tap future growth opportunities
- Maintaining an optimum mix between domestic and international business
- Ensuring efficient and optimal utilisation of assets and facilities
- Optimising capex and working capital levels
- Value monetisation for unlocking capital
- Maintaining and enhancing shareholder payouts
- Optimising financial leverage

In the first 2 years of the plan, RoE has improved from 9.9% in 2016-17 (base year) to 13.9% in 2017-18 and is in line with the plan.

Resource Allocation:

The Company has a well laid-out plan of resource allocation to meet its strategic objectives. These include:

- Maintaining adequate liquidity on the Balance Sheet to exploit organic and inorganic growth opportunities and fund emerging businesses such as Smart City Infrastructure, Nuclear Power and Defence equipment manufacturing.
- Prudent allocation of resources (Capex and Working Capital) to fund growth in businesses
- Maintaining strong financial health to facilitate access to the Capital Markets as and when required
- Attracting and retaining a robust and thriving talent pool through employee engagement programs, monetary and non-monetary incentives, leadership development initiatives, offering professional development opportunities and fostering a conducive organisation climate. The company has evolved a series of structured HR policies to enable this resource allocation.
- Sustainable and long term engagements with labour sub-contractors to ensure steady augmentation of resources at project sites
- Ensuring judicious allocation of manpower and monetary resources to company-wide sustainability and growth initiatives such as CSR, Digitisation and operational excellence programs

IV. RISK MANAGEMENT

L&T has a four-tiered structure for Risk Management. The top-tier comprises the Audit Committee and a Board-appointed Apex Risk Management Committee (ARMC) comprising of Executive Directors. The Audit Committee of the Board oversees the efficacy of the risk management processes. Strategic risks and top operational risks and new initiatives (new geography, new investment etc.) for respective businesses are discussed in detail in the ARMC meetings.

The second tier is the Corporate Risk Management department and the Chief Risk Officer (CRO), who oversee and facilitate the Risk Management processes enterprise-wide and lead organization-wide initiatives in the Risk Management domain.

The third tier comprises dedicated Risk Officers at each of the business verticals who oversee and co-ordinate the risk management processes at the respective businesses.

In the fourth tier, the Project Heads act as risk owners and manage operational risks.

The Audit Committee, ARMC and the Risk Management Committees at various levels are informed on the critical risks affecting the Company for their review and guidance. Mitigation plans are drawn up and implemented as appropriate within the overall ERM framework of the Company.

The Company works predominantly in the project business and has developed robust project risk management processes. The key processes of risk reviews include Pre-bid risk reviews, Execution risk reviews, Project Close-out risk reviews and Country Clearance, in case of venturing into a new country and revisit clearances based on the geopolitical and economic developments in each of the cleared countries. Pre-bid reviews are carried out as a pre-requisite for bidding for any new project based on a bid authorization matrix. Execution risk reviews of the projects are held at regular intervals to track project performance, movement of risks in the project and effectiveness of mitigation measures. Close-out risk reviews are held to capture key learnings from the projects and what went right/wrong analysis, which help in factoring learnings for future bids and creating a knowledge repository.

The Company also has a robust Financial Risk Management set-up which focuses on exposures and risks emanating from currency and commodity price volatility in the course of business. The structural stability and strength of the Company is ensured by careful Assets / Liabilities planning.

L&T has been conferred the prestigious 'Best Risk Management Framework And Systems - Capital Projects & Infrastructure Award' at the India Risk Management Awards event organized by CNBC TV18.

The Company emphasizes on continuous learning and has initiated several knowledge-based initiatives to improve risk awareness across the organization. One such initiative was launching of an e-learning training program for employees on Enterprise Risk Management (ERM) to disseminate knowledge and enhance capabilities on risk management, which will lead to better business performance. The course is continuously updated with new case studies relevant to the various business verticals.

Periodic training workshops on risk management are held across the Company.

The Company organises seminars and conclaves on Risk Management, where eminent speakers on the subject are invited to share perspectives and to elevate the level of discussions on the topic within the Company.

The Company has a Knowledge Centre established to provide inputs to the businesses comprising the latest economic developments and covering analysis on competitors, clients, sectoral studies, countries and geo-political developments. The efforts are on to help businesses anticipate potential risks in their respective areas and work out suitable steps to deal with them. This also highlights opportunities in the sectors / geographies of interest.

The Company recognizes exceptional contribution in managing risks by awarding selected project teams in the annual L&T Risk Management Awards.

The top enterprise-level risks for the Company and the mitigation measures being implemented are:

Geopolitical Risks: Unexpected political changes in some of the developed countries, trade barriers and increasing conflict in the Middle East (The Saudi – Qatar standoff) are some of the risks that the Company faces. The Company monitors such geopolitical risks, and develops appropriate mitigation strategies addressing geographical concentration, strategic sourcing options, regular monitoring of international sanctions and other economic measures.

Slow Recovery of Key Sectors: Growth in sectors such as Power, Nuclear, and Metals & Minerals continued to be hampered by a number of constraints such as the lack of investment, the reduction in power tariffs, the slow pace of decision-making, the financial distress of players, the delay in environmental clearances, the lingering effects of the mining ban, etc. Being a diversified conglomerate helps mitigate the risk of such slowdown in some sectors, as we see compensating growth in certain other sectors. Renewed impetus to Infrastructure sector by the Government - namely roads, railways, airports & waterways - provides growth opportunities in the near future.

Competition: It has been observed that competition from foreign and domestic players has considerably increased in the past few years. The Company's engineering, procurement, and construction business derives its competitive strength from its excellence in executing projects of varying sizes - its reputation for quality, technology, cost-effectiveness and its project management expertise. This helps in gaining an edge over the competition.

Reputation and Brand: The Corporate Governance and Compliance policy is in place mandating adherence to the Code of Conduct and Internal Controls. This is ensured by regular knowledge-sharing across the organization and appropriate controls.

Other Operational Risks:

Execution Challenges: The Company faces execution challenges, such as geological surprises, availability of work front, land acquisition and right-of-way (ROW), pending approvals and clearances from Government agencies, working in difficult/harsh weather conditions, manpower issues, etc. The Company closely tracks the key risks for each project to effect timely mitigation.

Partner Risks: Company partners with different contractors (Joint Venture / consortium projects) across businesses based on technical requirements/local market conditions. The partner's performance and financial strength are crucial for project success. Learnings from past projects are incorporated in the *inter-se* agreement with the partners and clauses on liability of each partner are carefully drafted after legal due diligence.

Working Capital Challenges: Project delays and adverse contractual payment terms sometimes lead to increased working capital requirements. The Company has strengthened the process for close monitoring of cash flows at the project level. The Company ensures regular follow-up for delay in payments by client, and has ensured improvement in working capital levels.

Claims management: The Company maintains a strong documentation and follow up with clients / sub-contractors / vendors for any claim that is submitted. Legal teams are consulted periodically to ensure a robust process of claims management.

Human Resource Challenges:

The Company actively scans the environment for talent with skill-sets suited to the expanding and changing needs of the business, though availability of such resources is limited. The leadership pipeline has been strengthened and proper processes are implemented for hiring the best talent. Suitable retention policies are being constantly worked upon to minimize attrition of key resources.

The Company has institutionalized the risk management processes to map and monitor the risks across the businesses and respond effectively to achieve its strategic

objectives. The Company has been successful in tapping the opportunities both in domestic and international markets. The Company sees risk management as a business enabler and believes that risk is an integral part of every business and promotes capability-building across the organization to anticipate and manage risks effectively.

FINANCIAL RISKS

Capital Structure, Liquidity and Interest Rate Risks

The Company continues its policy of maintaining a conservative capital structure which has ensured that it retains the highest credit rating in a tough economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund-raising options for the future, which is especially important in times of global economic volatility. Withdrawal of monetary accommodation in certain countries on the back of strong growth and rising inflation and the current geo-political positioning have resulted in elevated financial market volatility during the last quarter of FY17-18. Despite the challenging domestic economic environment in FY 17-18, primarily due to the spill-over effects of demonetisation as well as GST implementation issues, the Company managed to restrain the working capital usage, especially at net level. The Company has been investing capital into subsidiaries as scheduled, and in some cases to provide for deterioration in performance caused by the sluggish economic/business downturn and JV partner challenges, and also to optimise overall Group interest rate costs. The Company plans to maintain adequate liquidity on the Balance Sheet to deal with slow recovery/downturn in economic conditions.

The Company judiciously deploys its periodical surplus funds in short-term investments in line with the defined treasury policy. The Company constantly monitors the liquidity levels, economic and capital market conditions and maintains access to the lowest cost means of sourcing liquidity through banking lines, trade finance and capital markets. The Company further optimized the cost of debt by using subsidized export financing scheme of RBI and Commercial Paper issuance as well as re-pricing of some of its existing long-term liabilities. The Company dynamically manages interest rate risks through a mix of fund-raising products, investment products and derivative products across maturity profiles and currencies within a robust risk management framework.

Foreign Exchange and Commodity Price Risks

The various businesses of the Company are exposed to fluctuations in foreign exchange rates and commodity prices. Additionally, it has exposures to foreign currency denominated financial assets and liabilities. The business-related financial risks, especially involving commodity prices, by and large, are managed contractually through price variation clauses, while the foreign exchange and residual commodity price risks are managed by an appropriate choice of treasury products for balancing risks and at the same time optimising the hedging costs.

The above risk management activity is carried out under the framework of Financial Risk Management Policy approved by Audit Committee and noted by the Board. Financial risks in each business portfolio are measured and managed centrally within the Company. These risks are reviewed periodically, quantified and managed within the acceptable thresholds as laid out in the Risk Management Policy of the Company.

The financial year 2017-18 was characterised by a relatively strong USD against developed market currencies on robust US growth and inflation pick-up. Despite US rate hike concerns, rising oil prices and GST implementation concerns, rupee depreciation was contained during the year. However, synchronized global economic growth along with demand/supply mismatches led to an increase in commodity prices. The combination of lower exchange rate volatility along with robust financial risk management processes resulted in lower financial cost and reduced the impact of higher input costs on the Company.

V. INTERNAL CONTROLS

The growing business activities, restructuring of businesses and challenging external factors call for a constant review of the efficacy of the Company's internal control mechanism. Sound internal control procedures reduce process variation, leading to more predictable outcomes. The Company is committed to ensuring an effective Internal Control environment that will help in preventing and detecting errors, irregularities and frauds, thus ensuring security of Company's assets and efficiency of operations. The Company has an internal control mechanism which is commensurate with the size and complexity of business and aligned with evolving business needs.

Strong Corporate Governance and the right tone at the top serves as a strong pillar for excellence. This is demonstrated through various means including, but not limited to, the Corporate Policy on Internal Controls, which provides a structured framework for identification, rectification, monitoring and reporting of Internal Control weaknesses in the Company along with responsibilities and tasks enjoined upon employees in all positions; the Policy on Code of Conduct for employees and vendors

together with the Whistle Blower Policy that extends to vendors and channel partners, the facility of expression of genuine concerns about unethical behaviour, improper practice, any misconduct, any violation of legal or regulatory requirements, actual or suspected fraud by any official of the Company without fear of punishment or unfair treatment; Internal Controls evaluation included as part of employee's appraisal; and appraising Senior Management and the Audit Committee of the Board periodically on the internal processes of the Company with respect to Internal Controls, Statutory Compliances and Assurance.

The Company has well-documented policies, procedures and authorization guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses. The Company has laid down Internal Financial Controls (IFC) as detailed in the Companies Act, 2013 and has covered all major processes commensurate with the size of business operations. Controls have been established at the entity level and process levels, and are designed to ensure compliance with internal control requirements, regulatory compliance and appropriate recording and reporting of financial and operational information. Processes and controls laid down as per IFC are regularly updated for all the changes occurring internally due to change in business process, restructuring, IT changes, etc. or any changes in external scenarios like introduction of new law, new risk, etc. There is appropriate framework in place to ensure that adequate internal controls are laid down and operate effectively.

The Internal Control Organisation

The Company has adopted the three-lines-of-defence model as prescribed by COSO (Committee of Sponsoring Organizations) to ensure an effective internal controls mechanism within the Company.

The first line of defence lies with the Business Heads, process owners and support functions. They own primary responsibility for design, establishment of internal controls and its operating effectiveness in their respective areas of operation. The Internal Controls framework is documented in the form of Internal Controls Manuals, Standard Operating Procedures, Accounting Guidelines including regular management reporting and monitoring thereof. Policies and procedures are reviewed periodically from time to time for any changes required, due to change in business needs as well as improvements in processes to strengthen the internal control systems. The Authorisation Matrix for financial transactions are derived based on Board resolutions which are delegated to individuals based on business needs within the overall limits of Corporate Authorisation Guidelines. Financial powers are vested based on business requirements and there is no automatic vesting of powers based on designation / grade of an individual.

The second line of defence lies with Corporate Internal Control (CIC) department. They facilitate and monitor the efficacy of the Internal Controls embedded in Operations so as to assist the management in establishing strong internal controls. The Internal Control Department at the Corporate level formulates procedures and guidelines for any areas of weaknesses that are identified during internal audit or as triggered by process owners or management based on internal or external risk factors. Apart from the internal mechanism to review and monitor internal controls; the Company also periodically engages independent professional firms to carry out review of the effectiveness of various Key Control processes in businesses and support functions. Their observations and suggestions on good practices are reviewed by the management for implementation and strengthening of the controls.

The third line of defence lies with Corporate Audit Services (CAS). They give assurance on Internal Controls effectiveness by carrying out independent internal audits. CAS is staffed adequately with qualified professionals in both technical and financial fields. The department conducts audit of all units of L&T and its major S&A companies at regular intervals. Based on observations of Internal Audit department, respective process owners carry out necessary process / system improvements, and thereby strengthen overall control mechanism. The process of Internal Audit is reviewed by the Management and Audit Committee of the Board.

VI. INFORMATION TECHNOLOGY

L&T has pioneered the use of Information Technology for its business since the IT revolution started. As one of the early adopters, L&T implemented ERP systems for its businesses successfully in the late nineties, and since then, many other complementary systems around ERPs covering the entire set of business processes. For speed and agility, L&T has followed a federated approach to IT, wherein every business had its own IT setup consisting of core ERP, associated systems, IT Infrastructure and staff.

New Digital Technologies (AI, ML, RPA & Analytics etc.) have been making dramatic transformations to many businesses. They have also given rise to new business models. L&T has also embarked on a digital transformation journey and are being designed and implemented across various businesses.

The implementation of these digital solutions has the potential to transform the way we operate, resulting in significant benefits to increase our competitiveness and profitability. Implementation of these solutions requires us to have robust foundational core IT systems running the businesses. While our efforts to design and implement the digital solutions are under way, our core IT systems are also being upgraded, with the requisite set of functionalities and technologies on a continuous basis to support these digital initiatives.

To strengthen the Information Security status and to prevent any cyber threat to the Company's business or information repository, the Company has established a CISO office. This move is to give focused attention to the growing threats from the cyber world and to enhance the Company's cybersecurity protocols and secure the future of the organization.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
27th – 32nd Floor,
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400013.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of LARSEN & TOUBRO LIMITED (the "Company"), which also includes 29 Joint Operations accounted on a proportionate basis, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Board of Directors of the Company and those charged with governance of the joint operation referred to above, which is a company incorporated in India, are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors 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 standalone Ind AS 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 the other auditors on financial information of joint operations referred to in the Other Matters paragraph below, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

a) We did not audit the financial information of 25 joint operations included in the standalone Ind AS financial statements of the Company whose financial information reflect total assets of ₹ 4,583.15 crore as at March 31, 2018 and total revenues of ₹ 5,285.06 crore and net cash inflows of ₹ 203.19 crore for the year ended on that date, as considered in the standalone Ind AS financial statements. The financial information of these joint operations has been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the report of such other auditors.

   Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

b) The Statement includes the unaudited financial information of 3 joint operations included in the standalone Ind AS financial statements of the Company whose financial information reflect total assets of ₹ 34.28 crore as at March 31, 2018 and total revenues of ₹ 5.32 crore and net cash outflows of less than ₹ 0.01 crore for the year ended on that date, as considered in the standalone Ind AS financial statement.

   The financial information of these joint operations is unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited financial information. In our opinion and according to information and explanation given to us by the Management, such financial information is not material to the Company.

c) The audit of standalone financial statements for the year ended March 31, 2017 were carried out by us jointly with another firm of chartered accountants, and the report had expressed an unmodified opinion in relation thereto.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial information of joint operation, referred to 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.

   b) In our opinion, proper books of account as required by law have been kept by the Company and its joint operation companies so far as it appears from our examination of those books and the reports of the other auditors;

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts;

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian 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 March 31, 2018 taken on record by the Board of Directors and the report of statutory auditor of its joint operation company incorporated in India, none of the directors is disqualified as on March 31, 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 joint operation which are companies incorporated in India 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 and its joint operation internal financial controls over financial reporting; and

   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 Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and

iii. There has been no delay in transferring amounts, 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") 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 Registration No. 117366W/W-100018)

P. R. RAMESH
(Partner)
(Membership No. 70928)

MUMBAI, May 28, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' 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 Larsen & Toubro Limited (the "Company") as at March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company as for the year ended on that date which includes internal financial controls over financial reporting of 1 of the 29 joint operations, which is a Company incorporated in India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and those charged with governance of the joint operation referred to above, which is a Company incorporated in India, are 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, including adherence to 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its joint operation Company 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 auditor of the joint operation which is a Company 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 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 and based on the consideration of the report of the other auditor on internal financial controls system over financial reporting of the joint operation referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note.

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 1 joint operation, which is a Company incorporated in India, is solely based on the report furnished to us by the other auditor of such Company.

Our opinion is not modified in respect of this matter.

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

P. R. RAMESH
(Partner)
(Membership No. 70928)

MUMBAI, May 28, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Larsen & Toubro Limited of even date)

(i) In respect of the Company's property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of physical verification of its property, plant and equipment to cover all the items of property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the program, certain property, plant

and equipment were physically verified by the Management during the year. According to the information and explanations 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 / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings (including land whose title deed have been pledged as security against debentures issued by the Company), are held in the name of the Company as at the balance sheet date, except the following:

₹ crore

Type of asset	Total no. of cases	Leasehold / freehold	Gross block as at March 31, 2018	Net block as at March 31, 2018	Remarks
Land	3	Freehold	1.27	1.27	Conveyance deed pending to be executed as the matter is sub judice.
Buildings	2	Freehold	3.52	0.73	

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification between the physical stock and the books of accounts.

(iii) According to the information and explanations given to us, the Company has not entered into any contracts or arrangements covered under section 189 of the Act and hence reporting under paragraph 3 (iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and hence, the provisions of the clause 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

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

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Involved (₹ crore)	Amount Unpaid (₹ crore)
Central Sales Tax Act, Local Sales Tax Acts, Entry Tax and Works Contract Tax Act	Taxability of sub-contractor turnover, rate of tax for declared goods, inter-state sales and non-submission of forms	Supreme Court	2000-01 to 2006-07	12.12	3.13

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Involved (₹ crore)	Amount Unpaid (₹ crore)
Central Sales Tax Act, Local Sales Tax Acts, Entry Tax and Works Contract Tax Act	Dispute regarding question of law, classification dispute, local VAT and Works contract disputes.	High Court	1986-87 to1987-88, 1993-94, 1994-95, 1998-99 to 2002-03, 2005-06, 2006-07 to 2012-13	61.96	54.43
	Non-submission of forms, classification disputes, inter-state sales turnover, rates of tax of declared goods, classification dispute, disallowance of Entry Tax and other matters	Sales Tax/ VAT Tribunal	1989-90 to 2013-2014	505.84	442.41
	Dispute regarding question of law, non-submission of forms, classification dispute, disallowance of setoff, valuation of goods, sales in transit and high sea sales, and other matters.	Commissioner (Appeal)	1995-1996 to 2013-2016	35.27	34.36
		Commissioner	1994-1995 to 2016-2017	8.67	8.67
		Additional Commissioner	2011-12 to 2012-13	2.62	1.99
		Joint Commissioner	2012-2013 to 2015-2016	10.87	6.27
		Joint Commissioner (Appeal)	1995-96 to 2012-13	1,414.85	1,325.03
	Non submission of forms and other matters	Assistant / Deputy Commissioner	1996-97 to 2013-14	499.29	497.10
		Assessing/ Commercial Tax Officer	1999-00 to 2001-02, 2013-2014	0.94	0.93
The Central Excise Act,1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Dispute regarding question of law, classification dispute and other matters.	High Court	2005-06 , 2007-2008, 2009 to 2011	113.87	85.13
	Disallowance of CENVAT credit, short payment of service tax, MRP Valuation disputes, dispute regarding classification of services and other matters.	CESTAT	1991-92, 2001-02 to 2011-12	413.35	408.54
	Disallowance of CENVAT credit, short payment of service tax, service tax rate dispute, valuation dispute and other matters	Commissioner (Appeal)	2006-07 to 2014-15	25.92	24.85
		Commissioner	2012-2013	2.05	2.05
Mine and Minerals (Regulation and Development) Act, 1957	Demand notice for royalty on alleged use of excavated minor minerals.	High Court	2013-2014 to 2015-2016	20.79	10.39
Income-tax Act, 1961	Demand arising out of Regular Assessment/Reassessment	ITAT	2004-2005, 2007-2008 to 2012-2013	1,564.30	482.31

(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 and banks and dues to debenture holders. The Company has not borrowed any funds from the government.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3 (ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material 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) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(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 Act, where applicable, for all transactions with related parties and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, 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 paragraph 3 (xiv) of the Order 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 persons connected with him and hence provisions of section 192 of the Act is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

P. R. RAMESH
(Partner)
(Membership No. 70928)

MUMBAI, May 28, 2018

Balance Sheet as at March 31, 2018

	Note	As at 31-3-2018 ₹ crore	₹ crore	*As at 31-3-2017 ₹ crore*	*₹ crore*
ASSETS:					
Non-current assets					
Property, plant and equipment	**2**		6272.46		*6523.22*
Capital work-in-progress	**2**		452.10		*302.53*
Investment property	**3**		474.98		*396.70*
Intangible assets	**4**		193.09		*124.67*
Intangible assets under development	**4**		200.77		*201.25*
Financial assets					
Investments	**5**	22994.26		*19776.81*	
Loans	**6**	1684.13		*1777.54*	
Other financial assets	**7**	438.54		*506.68*	
			25116.93		*22061.03*
Deferred tax assets (net)	**49(e)**		400.62		*285.22*
Other non-current assets	**8**		2929.00		*2244.35*
Current assets					
Inventories	**9**		2500.04		*1762.86*
Financials assets					
Investments	**10**	4344.98		*6982.08*	
Trade receivables	**11**	24454.24		*19921.95*	
Cash and cash equivalents	**12**	3183.75		*1935.81*	
Other bank balances	**13**	1134.12		*1599.91*	
Loans	**14**	992.34		*1905.80*	
Other financial assets	**15**	3441.78		*2317.92*	
			37551.21		*34663.47*
Other current assets	**16**		39130.82		*33285.14*
Group(s) of assets classified as held for sale	**42**		388.00		*388.00*
TOTAL ASSETS			115610.02		*102238.44*

Balance Sheet as at March 31, 2018 (contd.)

	Note	As at 31-3-2018 ₹ crore	₹ crore	*As at 31-3-2017 ₹ crore*	*₹ crore*
EQUITY AND LIABILITIES:					
Equity					
Equity share capital	**17**	280.27		*186.59*	
Other equity	**18**	48893.98		*45826.15*	
Total equity			49174.25		*46012.74*
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	**19**	5495.16		*7134.28*	
Other financial liabilities	**20**	108.64		*88.57*	
			5603.80		*7222.85*
Provisions	**21**		472.87		*470.68*
Other non-current liabilities	**22**		1.27		*3.86*
Current liabilities					
Financial liabilities					
Borrowings	**23**	4129.57		*2312.50*	
Current maturities of long term borrowings	**24**	936.27		*1111.59*	
Trade payables	**25**	31097.11		*24338.32*	
Other financials liabilities	**26**	1870.87		*1440.25*	
			38033.82		*29202.66*
Other current liabilities	**27**		20853.82		*18186.75*
Provisions	**28**		1102.22		*1092.99*
Current tax liabilities (net)			367.97		*45.91*
TOTAL EQUITY AND LIABILITIES			115610.02		*102238.44*
CONTINGENT LIABILITIES	**29**				
COMMITMENTS (capital and others)	**30**				
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 64**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

S .N .SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer &
Whole-time Director
(DIN 00019798)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

M. DAMODARAN
(DIN 02106990)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Directors

Mumbai, May 28, 2018

Statement of Profit and Loss for the year ended March 31, 2018

	Note	2017-18 ₹ crore	2017-18 ₹ crore	*2016-17 ₹ crore*	*2016-17 ₹ crore*
INCOME:					
Revenue from operations	**31**		74611.65		*66301.35*
Other income	**32**		1884.82		*1914.96*
Total Income			76496.47		*68216.31*
EXPENSES:					
Manufacturing, construction and operating expenses	**33**				
Cost of raw materials components consumed		8092.54		*7370.57*	
Excise duty		149.10		*577.49*	
Construction materials consumed		22237.57		*18493.31*	
Purchase of stock-in-trade		1296.62		*1390.84*	
Stores, spares and tools consumed		1815.21		*1446.67*	
Sub-contracting charges		19620.99		*16775.01*	
Changes in inventories of finished goods, work-in-progress and stock-in-trade and property development		(962.36)		*131.59*	
Other manufacturing, construction and operating expenses		6388.59		*5817.99*	
			58638.26		*52003.47*
Employee benefits expense	**34**		5713.59		*5147.38*
Sales, administration and other expenses	**35**		2836.27		*2671.00*
Finance costs	**36**		1432.23		*1316.91*
Depreciation, amortisation, impairment and obsolescence			1049.46		*1215.19*
			69669.81		*62353.95*
Less: Overheads capitalised			5.19		*1.51*
Total expenses			69664.62		*62352.44*
Profit before exceptional items and tax			6831.85		*5863.87*
Exceptional items	**46**		430.53		*893.97*
Profit before tax			7262.38		*6757.84*
Tax expenses					
Current tax	**49 (a)**	1974.07		*1675.20*	
Deferred tax	**49 (a)**	(98.99)		*(371.10)*	
			1875.08		*1304.10*
Profit after tax			5387.30		*5453.74*
Carried forward			5387.30		*5453.74*

Statement of Profit and Loss for the year ended March 31, 2018 (contd.)

	Note	2017-18 ₹ crore	2017-18 ₹ crore	2016-17 ₹ crore	2016-17 ₹ crore
Brought forward			5387.30		*5453.74*
Other Comprehensive Income					
A. Items that will not be reclassified to Profit or Loss:					
Gain/(loss) on re-measurements of the defined benefits plan		3.82		*(12.27)*	
Income tax on re-measurements of the defined benefits plan		(1.32)		*4.25*	
			2.50		*(8.02)*
B. Items that will be reclassified to Profit and Loss					
Debt instruments through Other Comprehensive Income		0.27		*(9.17)*	
Income tax on debt instruments through Other Comprehensive Income		(11.12)		*(1.08)*	
			(10.85)		*(10.25)*
Exchange differences in translating the financial statements of foreign operations		(1.41)		*(6.61)*	
Income tax on exchange differences in translating the financial statements of foreign operations		0.49		*2.29*	
			(0.92)		*(4.32)*
Effective portion of gains and losses on hedging instruments in a cash flow hedge		(64.52)		*272.01*	
Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge		22.40		*(94.34)*	
			(42.12)		*177.67*
Cost of hedging reserve		0.59		*3.47*	
Income tax on cost of hedging reserve		(0.14)		*(1.20)*	
			0.45		*2.27*
Other Comprehensive Income for the year [net of tax]			(50.94)		*157.35*
Total Comprehensive Income for the year			5336.36		*5611.09*
Basic earnings per equity share (₹)	**52**		38.46		*39.00*
Diluted earnings per equity share (₹)	**52**		38.37		*38.86*
Face value per equity share (₹)			2.00		*2.00*
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 64**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

S .N .SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

M. DAMODARAN
(DIN 02106990)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Directors

Mumbai, May 28, 2018

Statement of changes in Equity for the year ended March 31, 2018

A. Equity share capital

Particulars	2017-18		*2016-17*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	93,29,65,803	186.59	*93,14,78,845*	*186.30*
Add: Shares issued on exercise of employee stock options during the year	16,38,898	0.33	*14,86,958*	*0.29*
Add: Bonus shares allotted during the year	46,67,64,755	93.35	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*

B. Other equity

(₹ crore)

Particulars	Share application money pending allotment	Equity component of foreign currency convertible bonds	Reserves and surplus							Items of Other Comprehensive Income			Total other equity
			Capital reserve	Capital reserve on business combination	Securities premium account	Employee share options (net)	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through other Comprehen-sive Income	
Balance as at 1-4-2016	–	153.20	10.52		8164.72	242.23	406.51	25216.49	7710.27	4.87	(35.83)	76.03	41949.01
Profit for the year (a)	–	–	–	–	–	–	–	–	5453.74				5453.74
Other Comprehensive Income (b)	–	–	–	–	–	–	–	–	(8.02)	(4.32)	179.94	(10.25)	157.35
Total Comprehensive Income for the year (a+b)	–	–	–	–	–	–	–	–	5445.72	(4.32)	179.94	(10.25)	5611.09
Issue of equity shares	–	–	–	–	154.18	–	–	–	–	–	–	–	154.18
Share issue expenses	–	–	–	–	(0.05)	–	–	–	–	–	–	–	(0.05)
Transfer from/to general reserve/retained earnings during the year	–	–	–	–	–	(19.61)	(49.75)	157.11	(87.75)	–	–	–	–
Employee share options (net)	–	–	–	–	–	(45.37)	–	–		–	–	–	(45.37)
Dividend paid for the previous year	–	–	–	–	–		–	–	(1701.51)	–	–	–	(1701.51)
Dividend distribution tax paid for the previous year	–	–	–		–		–	–	(141.20)	–	–	–	(141.20)
Balance as at 31-3-2017	–	153.20	10.52	–	8318.85	177.25	356.76	25373.60	11225.53	0.55	144.11	65.78	45826.15
Profit for the year (c)	–	–	–	–	–	–	–	–	5387.30	–	–	–	5387.30
Other Comprehensive Income (d)	–	–	–	–	–	–	–	–	2.50	(0.92)	(41.67)	(10.85)	(50.94)
Total Comprehensive Income for the year (c+d)		–	–	–	–	–	–	–	5389.80	(0.92)	(41.67)	(10.85)	5336.36
Issue of equity shares	–	–	–	–	137.63	–	–	–	–	–	–	–	137.63
Transfer to non- financial assets/liability	–	–	–	–	–	–	–	–	–	–	(0.28)	–	(0.28)
Share issue expenses	–	–	–	–	(0.13)	–	–	–	–	–	–	–	(0.13)
Utilised for issue of bonus shares	–	–	–	–	(93.35)	–	–	–	–	–	–	–	(93.35)
Transfer from/to general reserve/retained earnings during the year	–	–	–	–	–	(21.66)	102.18	21.66	(102.18)	–	–	–	–
Employee share options (net)	–	–	–	–	–	(47.00)	–	–	–	–	–	–	(47.00)
Transfer under scheme of arrangement	–	–	–	(6.36)	0.02	–	–	0.52	15.55	–	–	–	9.73
Applications during the year	3.56	–	–	–	–	–	–	–	–	–	–	–	3.56
Dividend paid for the previous year	–	–	–	–	–	–	–	–	(1960.76)	–	–	–	(1960.76)
Dividend distribution tax paid for the previous year	–	–	–	–	–	–	–	–	(317.93)	–	–	–	(317.93)
Balance as at 31-3-2018	3.56	153.20	10.52	(6.36)	8363.02	108.59	458.94	25395.78	14250.01	(0.37)	102.16	54.93	48893.98

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

S .N .SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

M. DAMODARAN
(DIN 02106990)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Mumbai, May 28, 2018

Directors

Statement of Cash Flows for the year ended March 31, 2018

		2017-18	*2016-17*
		₹ crore	*₹ crore*
A.	**Cash flow from operating activities:**		
	Profit before tax (excluding exceptional items)	6831.85	*5863.87*
	Adjustments for:		
	Dividend received	(3228.67)	*(1065.10)*
	Depreciation, amortisation, impairment and obsolescence (net)	1049.46	*1215.19*
	Exchange difference on items grouped under financing/investing activities	(19.71)	*(67.40)*
	Effect of exchange rate changes on cash and cash equivalents	1.66	*0.11*
	Interest expense	1432.23	*1316.91*
	Interest income	(496.89)	*(539.31)*
	(Profit)/loss on sale of fixed assets (net)	(60.18)	*(23.70)*
	(Profit)/loss on sale of investments (net) [including fair valuation]	2233.22	*72.44*
	(Gain)/loss on derivatives at fair value through Profit or Loss	125.74	*56.89*
	Employee stock option-discount forming part of employee benefits expense	69.77	*61.77*
	Operating profit before working capital changes	7938.48	*6891.67*
	Adjustments for:		
	(Increase)/decrease in trade and other receivables	(12405.09)	*(1558.15)*
	(Increase)/decrease in inventories	(705.73)	*192.26*
	Increase/(decrease) in trade payables and customer advances	9757.85	*1973.38*
	Cash (used in)/generated from operations	4585.51	*7499.16*
	Direct taxes refund/(paid) [net]	(1633.70)	*(1519.47)*
	Net cash (used in)/from operating activities	2951.81	*5979.69*
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	(1136.78)	*(749.02)*
	Sale of fixed assets (including advance received)	123.32	*114.35*
	Investment in subsidiaries, associates and joint ventures	(3420.51)	*(3375.61)*
	Divestment of stake in subsidiaries, associates and joint ventures	1068.38	*3348.24*
	Purchase of non- current investments	(75.00)	*–*
	(Purchase)/sale of current investments (net)	375.80	*(2304.55)*
	Change in other bank balance and cash not available for immediate use	371.17	*(230.85)*
	Deposits/loans (given) - subsidiaries, associates, joint venture companies and third parties	(12708.16)	*(19180.19)*
	Deposits/loans repaid - subsidiaries, associates, joint venture companies and third parties	13698.56	*20430.65*
	Advance towards equity commitment (addition)	(19.45)	*(6.35)*
	Advance towards equity commitment refund	–	*5.25*
	Interest received	439.88	*830.53*
	Dividend received from subsidiaries	502.51	*384.72*
	Dividend received from other investments	2693.08	*659.63*
	Settlement of derivative contracts related to current investments	(125.74)	*(56.89)*
	Consideration received on transfer of Foundry Business unit	–	*83.65*
	Net cash (used in)/from investing activities	1787.06	*(46.44)*

Statement of Cash Flows for the year ended March 31, 2018 (contd.)

	2017-18	*2016-17*
	₹ crore	*₹ crore*
C. Cash flow from financing activities:		
Proceeds from fresh issue of share capital (including share application money)	49.50	*53.32*
Proceeds from non-current borrowings [Note 62]	1922.70	*0.64*
Repayment of non-current borrowings [Note 62]	(3794.12)	*(1397.62)*
(Repayments)/proceeds from other borrowings (net) [Note 62]	1783.81	*(1905.88)*
Settlement of derivative contracts related to borrowings	149.31	*170.51*
Dividends paid	(1960.76)	*(1701.51)*
Additional tax on dividend	(317.93)	*(141.20)*
Interest paid (including cash flows from interest rate swaps)	(1321.87)	*(1151.42)*
Net cash (used in)/from financing activities	(3489.36)	*(6073.16)*
Net (decrease)/increase in cash and cash equivalents (A + B + C)	1249.51	*(139.91)*
Cash and cash equivalents at beginning of the year (includes ₹ 0.09 crore transferred under scheme of merger - Note [60])	1938.24	*2078.06*
Cash and cash equivalents at end of the year	3187.75	*1938.15*

Notes:

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Purchase of fixed assets represents additions to property, plant and equipment, investment property and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and investment property and (b) intangible assets under development during the year.
3. Cash and cash equivalents included in the Statement of Cash Flows comprise the following:

	2017-18	*2016-17*
	₹ crore	*₹ crore*
(a) Cash and cash equivalents disclosed under current assets [Note 12]	3183.75	*1935.81*
(b) Other bank balances disclosed under current assets [Note 13]	1134.12	*1599.91*
(c) Cash and cash equivalents disclosed under non-current assets [Note 7]	319.52	*223.56*
Total Cash and cash equivalents as per Balance Sheet	4637.39	*3759.28*
Add: (i) Unrealised exchange (gain)/loss on cash and cash equivalents	4.00	*2.34*
Less: (ii) Other bank balances disclosed under current assets [Note 13]	1134.12	*1599.91*
Less: (iii) Cash and cash equivalents disclosed under non-current assets [Note 7]	319.52	*223.56*
Total Cash and cash equivalents as per Statement of Cash Flows	3187.75	*1938.15*

4. Previous year's figures have been regrouped/reclassified wherever applicable.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

S .N .SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

M. DAMODARAN
(DIN 02106990)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Mumbai, May 28, 2018

Directors

Notes forming part of the Financial Statements

NOTE [1]

Significant Accounting Policies

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financials statements have been approved for issue by the Board of Directors at their meeting held on May 28, 2018.

(b) Basis of accounting

The Company maintains its accounts on accrual basis following historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

(d) Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

(e) Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances.

(i) Revenue from operations

Revenue for the periods upto June 30, 2017 includes excise duty collected from customers. Revenue from July 1, 2017 onwards is exclusive of goods and service tax (GST) which subsumed excise duty. Revenue also includes adjustments made towards liquidated damages and other variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

A. Sale of goods

Revenue from sale of manufactured and traded goods is recognised when the goods are delivered and titles have been passed, provided all the following conditions are satisfied:

1. significant risks and rewards of ownership of the goods are transferred to the buyer;

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

2. the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the good sold;
3. the amount of revenue can be measured reliably;
4. it is probable that the economic benefits associated with the transaction will flow to the company; and
5. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

B. Revenue from construction/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

1. Cost plus contracts: Revenue from cost plus contracts is determined with reference to the recoverable costs incurred during the period plus the margin as agreed with the customer.
2. Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to the condition that it is probable such cost will be recoverable. 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 the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

i. the amount of revenue can be measured reliably;
ii. it is probable that the economic benefits associated with the contract will flow to the Company;
iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and
iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as due from customers. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

C. Revenue from property development activity which are in substance similar to delivery of goods is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

D. Revenue from property development activity in the nature of a construction contract is recognised based on the 'percentage of completion method' (POC) when the outcome of the contract can be estimated reliably upon fulfilment of all the following conditions:

1. all critical approvals necessary for commencement of the project have been obtained;
2. contract costs for work performed (excluding cost of land/developmental rights and borrowing cost) constitute at least 25% of the estimated total contract costs representing a reasonable level of development;
3. at least 25% of the saleable project area is secured by contracts or agreements with buyers; and
4. at least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents is realised at the reporting date in respect of each of the contracts and the parties to such contracts can be reasonably expected to comply with the contractual payment terms.

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to-date, to the total estimated cost of the project. For the purpose of computing percentage of construction, cost of land, developmental rights and borrowing costs are excluded.

Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

E. Rendering of services

Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. the amount of revenue can be measured reliably;
2. it is probable that the economic benefits associated with the transaction will flow to the Company;
3. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

F. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (B) supra.

G. Commission income is recognised as and when the terms of the contract are fulfilled.

H. Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the company, are recognised as other operational income in the Statement of Profit and Loss in the period in which such costs are incurred. Government grant receivable in the form duty credit scrips is recognised as other operational income in the Statement of Profit and Loss in the period in which the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.

I. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(ii) Other income

A. Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.

B. Dividend income is accounted in the period in which the right to receive the same is established.

C. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(f) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

(g) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Own manufactured PPE is capitalised at cost including an appropriate share of overheads. 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.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions infra).

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use. Extra shift depreciation is provided on a location basis.

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 acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life adopted by the Company for similar assets.

Freehold land is not depreciated.

(h) Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

(i) Intangible assets

Intangible assets are recognised when it is probable that the 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. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

Research and development expenditure on new products:

(i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

(ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

B. the company has intention to complete the intangible asset and use or sell it;

C. the company has ability to use or sell the intangible asset;

D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

F. the company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

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

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

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

(j) Impairment of assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

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

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as 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. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

(k) Employee Benefits

(i) Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

(ii) Post-employment benefits:

A. Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

B. Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii)(B) supra.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognised in the Statement of Profit and Loss under finance cost.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

(l) Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases:

A. Leases where the Company has substantially transferred all the risks and rewards of ownership of the related assets to the lessee are classified as finance leases. Assets taken under finance lease are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

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 period.

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

(Also refer to policy on depreciation, supra)

(m) Financial instruments

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Profit or Loss.

In case of funding to subsidiary companies in the form of interest free or concession loans and preference shares, the excess of the actual amount of the funding over initially measured fair value is accounted as an equity investment.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets:

A. All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets as follows:

1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value.

2. Investments in debt instruments that meet the following conditions are subsequently measured at - at amortised cost (unless the same designated as fair value through profit or loss):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Investment in debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

4. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.

5. Investment in equity instruments issued by subsidiary, associate and joint venture companies are measured at cost less impairment.

6. Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.

7. Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

C. A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or

2. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in Profit or Loss.

D. Impairment of financial assets: The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. Impairment loss on investments is recognised when the carrying amount exceeds its recoverable amount.

(ii) Financial liabilities:

A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

(iii) The Company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Profit or Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to Profit or Loss from that date.

B. Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss. Amounts previously recognised in Other Comprehensive Income and accumulated in equity relating to the effective portion, are reclassified to Profit or Loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

In case of time period related hedges, the forward element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the forward element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging reserve'. The changes in the fair value of such forward element or foreign currency basis spread are reclassified to Profit or Loss as a reclassification adjustment on a straight line basis over the period of the forward contract or the financial instrument.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in Profit or Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in Profit or Loss.

(iv) Compound financial instruments issued by the Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(n) Inventories

Inventories are valued after providing for obsolescence, as under:

(i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

(ii) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

(iii) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes related overheads and excise duty paid/payable on such goods.

(iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

(o) 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 subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(p) Securities premium account

(i) Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

(q) Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in Profit or Loss in the period in which they are incurred.

(r) Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The fair value of the stock options granted to employees of the Company by the Company's subsidiaries is accounted as employee compensation cost over the vesting period and where such fair value is not recovered by the subsidiaries, the same is treated as dividend declared by them.

(s) Foreign currencies

(i) The functional currency and presentation currency of the company is Indian Rupee.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for:

A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

B. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

(iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in Other Comprehensive Income and accumulated in equity as 'foreign currency translation reserve' for subsequent reclassification to Profit or Loss on disposal of such foreign operations.

(t) Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter segment revenue.

ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.

iii) Most of the centrally incurred costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.

iv) Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income/(expenditure)(net)".

v) Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.

vi) Segment result includes the interest expense incurred on interest bearing advances with corresponding credit included in "unallocable corporate income/(expenditure)(net).

vii) Segment results have not been adjusted for the exceptional item attributable to the corresponding segment. The said exceptional item has been included in "unallocable corporate income/(expenditure)(net)". The corresponding segment assets have been carried under the respective segments without adjusting the exceptional item.

viii) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.

ix) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(r) supra] and is allocated to the segment.

x) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.

(u) Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed 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 temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

NOTE [1]
Significant Accounting Policies *(contd.)*

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside Profit or Loss, either in Other Comprehensive Income or in equity, is recorded along with the tax as applicable.

(v) Interests in joint operations

The Company as a joint operator recognises in relation to its interest in a joint operation, its share in the assets/liabilities held/ incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

Interests in joint operations are included in the segments to which they relate.

(w) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) the Company has a present obligation (legal or constructive) as a result of a past event;

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

(x) Commitments

Commitments are future liabilities for contractual expenditure, 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

Notes forming part of the Financial Statements (contd.)

NOTE [1]
Significant Accounting Policies *(contd.)*

(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.

(y) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(z) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

(i) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

(aa) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & iintangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

(ab) Business Combination

Common control business combination where the Company is transferee is accounted using the pooling of interest method. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statement of the transferor company. The excess between the amount of consideration paid over the share capital of the transferor company is recognised as a negative amount and the same is disclosed as capital reserve on business combination.

The information in the financial statements of the prior period is restated from the date of business combination in case the business combination is approved by statutory authority in the subsequent period.

Notes forming part of the Financial Statements (contd.)

NOTE [2]

Property, plant and equipment & capital work-in-progress

₹ crore

Class of assets	Cost							Depreciation							Impairment		Book value	
	As at 1-4-2017	Additions	Business Transfer$	Trf to investment property	Foreign currency fluctuation	Deductions	As at 31-3-2018	*Up to 31-3-2017*	For the period*	Business Transfer$	Trf to investment property	Foreign currency fluctuation	Deductions	Up to 31-3-2018	*Up to 31-3-2017*	Up to 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
Land																		
Freehold	*362.34*	32.80	–	24.26	–	0.03	370.85	–	–	–	–	–	–	–	–	–	370.85	*362.34*
Leasehold	*85.97*	–	–	–	–	–	85.97	*2.49*	1.02	–	–	–	–	3.51	–	–	82.46	*83.48*
Sub total -Land	*448.31*	32.80	–	24.26	–	0.03	456.82	*2.49*	1.02	–	–	–	–	3.51	–	–	453.31	*445.82*
Buildings																		
Owned	*2181.33*	42.09	–	32.10	0.32	5.73	2185.91	*187.24*	112.19	–	*0.45*	0.10	0.84	298.24	*87.25*	87.25	1800.42	*1906.84*
Leased out	*13.02*	–		–	–	–	13.02	*1.20*	0.60	–	–	–	–	1.80	–	–	11.22	*11.82*
Sub total - Buildings	*2194.35*	42.09	–	32.10	0.32	5.73	2198.93	*188.44*	112.79	–	*0.45*	0.10	0.84	300.04	*87.25*	87.25	1811.64	*1918.66*
Plant & equipment																		
Owned	*5209.59*	444.27	1.73	–	1.85	99.11	5558.33	*1502.92*	700.74	*0.22*	–	0.80	48.30	2156.38	*15.50*	15.01	3386.94	*3691.17*
Leased out	*2.11*	–	–	–	–	–	2.11	*0.95*	0.28	–	–	–	–	1.23	–	–	0.88	*1.16*
Taken on lease	*0.99*	–	–	–	–	–	0.99	*0.05*	0.07	–	–	–	–	0.12	–	–	0.87	*0.94*
Sub total- Plant & equipment	*5212.69*	444.27	1.73	–	1.85	99.11	5561.43	*1503.92*	701.09	*0.22*	–	0.80	48.30	2157.73	*15.50*	15.01	3388.69	*3693.27*
Computers	*294.83*	54.82	0.34	–	0.02	12.23	337.78	*141.17*	70.73	*0.15*	–	0.01	9.42	202.64	–	–	135.14	*153.66*
Office equipment	*125.74*	30.28	0.06	–	0.04	1.77	154.35	*62.96*	31.70	*0.04*	–	0.02	1.66	93.06	*0.01*	0.01	61.28	*62.77*
Furniture and fixtures	*142.23*	14.04	0.04	–	0.02	2.16	154.17	*46.76*	23.80	*0.01*	–	0.01	1.63	68.95	*0.24*	0.24	84.98	*95.23*
Vehicles	*182.40*	38.97	–	–	0.14	14.20	207.31	*56.17*	32.75	–	–	0.04	7.16	81.80	–	–	125.51	*126.23*
Other assets																		
Ships	*37.25*	–	–	–	–	–	37.25	*9.67*	4.74	–	–	–	–	14.41	–	–	22.84	*27.58*
Aircraft	–	195.22	–	–	–	–	195.22	–	6.15	–	–	–	–	6.15	–		189.07	–
Sub total - Other assets	*37.25*	195.22	–	–	–	–	232.47	*9.67*	10.89	–	–	–	–	20.56	–	–	211.91	*27.58*
Total #	*8637.80*	852.49	2.17	56.36	2.39	135.23	9303.26	*2011.58*	984.77	*0.43*	*0.45*	0.98	69.01	2928.29	*103.00*	102.51	6272.46	*6523.22*
Previous year	*8147.89*	*614.57*	–	*4.40*	*(9.71)*	*110.56*	*8637.80*	*1017.63*	*1024.39*	–	*0.42*	*(1.61)*	*28.41*	*2011.58*	–	*103.00*		
Add: Capital work-in-progress																	452.10	*302.53*
																	6724.56	*6825.75*

* ₹ 1.13 crore pertains to foreign currency fluctuation, $ ₹ 1.74 crore - Refer to note 60 # Refer to note [46(B)]

a. Cost of freehold land includes ₹ 1.27 crore *(previous year: ₹ 1.27 crore)* for which conveyance is yet to be completed.

b. Cost of buildings includes ownership accommodations:

i. A. in various co-operative societies, shop-owners' associations and non-trading corporations: ₹ 67.29 crore, including 2660 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250. *(previous year: in various co-operative societies, shop-owners' associations and non-trading corporations: ₹ 65.51 crore, including 2550 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250).*

B. in various apartments: ₹ 9.42 crore. *(previous year: ₹ 8.96 crore).*

Notes forming part of the Financial Statements (contd.)

NOTE [2] *(contd.)*

C. in various co-operative societies: ₹ 0.36 crore *(previous year: ₹ 6.89 crore)* for which share certificates are yet to be issued.

D. in proposed co-operative societies: ₹ 29.90 crore. *(previous year: ₹ 27.61 crore).*

ii. ownership accommodations of ₹ 3.52 crore in respect of which the deed of conveyance is yet to be executed. *(previous year: of ₹ 3.53 crore).*

iii. ownership accommodations of ₹ 7.68 crore representing undivided share in properties at various locations. *(previous year: ₹ 7.68 crore).*

c. Additions during the year and capital work-in-progress include ₹ 11.42 crore *(previous year: ₹ 15.55 crore)* being borrowing cost capitalised in accordance with Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs". Asset class wise break-up of borrowing costs capitalised is as follows:

₹ crore

Class of assets	2017-2018	*2016-2017*
Buildings (owned)	11.35	*15.29*
Plant and Equipment	0.07	*0.26*
Total	11.42	*15.55*

d. The average capitalisation rate for borrowing cost is 7.24 % *(previous year: 7.91%).*

e. In addition to depreciation, obsolescence amounting to ₹ 4.54 crore *(previous year: ₹ 22.90 crore)* have been recognised in Profit and Loss during the year.

f. Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to Ind AS 17 "Leases".

g. Cost as at April 1, 2017 of individual assets has been reclassified wherever necessary.

h. Out of its leasehold land at Hazira, the Company has given certain portion of land for the use to its subsidiary company and the lease deed is under execution.

i. Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

a. Estimated useful life of the following assets is in line with useful life prescribed in schedule II of the Companies Act, 2013:

Sr. No.	Asset Class	Minimum useful life (in years)	Maximum useful life (in years)
1.	Owned Buildings	3	60
2.	Owned Plant and Equipment	8	15
3.	Computer	3	6
4.	Office Equipment	4	5
5.	Furniture and Fixture	10	10
6.	Owned Vehicles	8	10
7.	Ships	14	14

b. Estimated useful life of following assets is different than useful life as prescribed in schedule II of the Companies Act, 2013.

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Aircrafts	–	20	18
2.	Owned Vehicles	Motor Cars	8	7

Notes forming part of the Financial Statements (contd.)

NOTE [2] *(contd.)*

A Assets used in Heavy Engineering and Shipbuilding Business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & Equipment General	Boring/Rolling/Drilling/Milling machines	15	10-30
		Modular Furnace		5-15
		Other Furnaces		5-30
		Horizontal Autoclaves		10-30
		Load bearing structures		50
		Cranes		10-30
2.	Roads	Carpeted Roads-other than RCC	5	5-15

B. Assets used in Electrical & Automation business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & Equipment General	Specialised machine tools, dies, jigs, fixtures, gauges for electrical business	15	5

C. Assets used in Construction business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Photographic equipment		15	5

D. Assets used in Metallurgical & Material Handling business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Office Equipment	Assets deployed at project site	5	3
2.	Air conditioning and refrigeration equipment	Assets deployed at project site	15	3
3.	Photographic equipment	Assets deployed at project site	15	3

E. Assets used in Power business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & Equipment	Site facilities	15	4

j. Carrying value of Property plant and equipment pledged as collateral for liabilities and/or commitments as at March 31, 2018 - ₹ 0.09 crore *(as at March 31, 2017: ₹ 0.09 crore)*

Notes forming part of the Financial Statements (contd.)

NOTE [3]

Investment property

₹ crore

Class of assets	Cost					Depreciation					Book Value	
	As at 1-4-2017	Additions	Transferred from PPE	Deductions	As at 31-3-2018	*Upto 31-3-2017*	For the year	Transferred from PPE	Deductions	Upto 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
Land	*40.05*	–	10.36	–	50.41	–	–	–	–	–	50.41	*40.05*
Buildings	*391.71*	57.58	26.64	3.18	472.75	*35.06*	13.96	0.39	1.23	48.18	424.57	*356.65*
Total	*431.76*	57.58	37.00	3.18	523.16	*35.06*	13.96	0.39	1.23	48.18	474.98	*396.70*
Previous year	*464.04*	–	*4.40*	*36.68*	*431.76*	*17.14*	*19.03*	*0.42*	*1.53*	*35.06*	*396.70*	*446.90*

a. Additions during the year include ₹ 5.80 crore *(previous year: ₹ Nil)* being borrowing cost capitalised in accordance with Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs". Asset class wise break-up of borrowing costs capitalised is as follows:

₹ crore

Class of assets	2017-18	*2016-17*
Buildings (owned)	5.80	–
Total	5.80	–

b. Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Sr. No.	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1.	Buildings	3	60

c. Disclosure pursuant to Ind AS 40 "Investment Property"

i. Amount recognised in the Statement of Profit and Loss for investment property:

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
1.	Rental income derived from investment property	171.63	*149.01*
2.	Direct operating expenses arising from investment property that generated rental income	64.32	*21.12*

ii. Fair value of investment property: ₹ 2487.24 crore as at March 31, 2018 *(₹ 3412.55 crore as at March 31, 2017)*

iii. The fair values of investment properties have been determined with the help of independent valuer on a case to case basis. Fair value of properties that are evaluated by independent valuer is ₹ 2487.24 crore *(₹ 3012.75 crore as at March 31, 2017)*. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

Notes forming part of the Financial Statements (contd.)

NOTE [4]

Other Intangible assets & intangible assets under development

₹ crore

Class of assets	Cost						Amortisation					Book value	
	As at 1-4-2017	Additions	Business Transfer $	Foreing currency fluctuation	Deductions	As at 31-3-2018	*Up to 31-3-2017*	For the period	Business Transfer $	Deductions	Up to 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
Specialised softwares	*182.84*	11.42	1.38	–	–	195.64	*146.47*	13.08	0.68	–	160.23	35.41	*36.37*
Technical know-how	*43.96*	55.10	–	–	–	99.06	*20.36*	9.29	–	–	29.65	69.41	*23.60*
New product design and development	*112.87*	48.53	–	–	–	161.40	*48.17*	24.96	–	–	73.13	88.27	*64.70*
Total #	*339.67*	115.05	1.38	–	–	456.10	*215.00*	47.33	0.68	–	263.01	193.09	*124.67*
Previous year	*313.87*	31.30	–	0.01	5.51	339.67	*175.67*	41.88	–	2.55	215.00		
Add: Intangible assets under development												200.77	*201.25*
												393.86	*325.92*

$ ₹ 0.70 crore - Refer to note 61 # Refer to note [46(B)]

a. Additions during the year

₹ crore

Class of assets	FY 2017-18			*FY 2016-17*		
	Internal development	Acquired - external	Total	*Internal development*	*Acquired - external*	*Total*
Specialised softwares	0.11	11.31	11.42	–	*6.58*	*6.58*
Technical know-how	–	55.10	55.10	–	*20.93*	*20.93*
New product design and development	48.53	–	48.53	*3.80*	–	*3.80*
Total	48.64	66.41	115.05	*3.80*	*27.51*	*31.31*

b. Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Sr. No.	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1.	Specialised softwares	3	6
2.	Technical know-how	3	13
3.	New product design and development	3	5

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Financial Assets: Investments - non-current

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
(A) Investment in equity instruments				
(a) Subsidiary companies	18776.86		*16381.00*	
(b) Associate companies	4.42		*4.42*	
(c) Joint venture companies	2991.26		*2730.25*	
(d) Other companies	136.64		*56.04*	
		21909.18		*19171.71*
(B) Investment in preference shares (Debt portion) of:				
Subsidiary companies	867.35		*605.10*	
Joint venture companies	217.73		–	
		1085.08		*605.10*
		22994.26		*19776.81*

Details of Investments - non-current

Particulars	Face value per unit	Number of units As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
	₹		₹ crore	*₹ crore*
(A) Investments in fully paid equity instruments				
(a) Subsidiary companies:				
(i) Investments in fully paid equity instruments:				
L&T Valves Limited	100	18,00,000	161.23	*161.23*
Bhilai Power Supply Company Limited	10	49,950	0.05	*0.05*
EWAC Alloys Limited	100	–	–	*150.24*
Hi-Tech Rock Products & Aggregates Limited	10	50,000	0.05	*0.05*
Kesun Iron and Steel Company Private Limited	10	9,500	0.01	*0.01*
L&T Aviation Services Private Limited	10	4,56,00,000	45.60	*45.60*
L&T Capital Company Limited	10	50,000	0.05	*0.05*
L&T Cassidian Limited [Net of provision ₹ 0.05 crore *(previous year: ₹ Nil)*]	10	50,000	–	*0.04*
L&T Finance Holdings Limited (quoted)	10	1,27,75,20,203	3468.17	*1468.18*
L&T Construction Equipment Limited	10	12,00,00,000	82.82	*84.32*
L&T Metro Rail (Hyderabad) Limited	10	2,20,69,77,333	2206.98	*2062.19*
L&T Power Development Limited	10	3,11,27,00,000	3112.70	*3112.70*
L&T Power Limited	10	51,157	0.05	*0.05*
L&T Realty Limited	10	4,71,60,700	47.16	*47.16*
L&T Seawoods Limited	10	1,99,95,50,000	1999.55	*1999.55*
L&T Shipbuilding Limited	10	43,06,80,000	430.68	*430.68*
L&T Electricals and Automation Limited	10	74,38,796	40.36	*40.36*
L&T Hydrocarbon Engineering Limited	10	1,00,00,50,000	1000.05	*1000.05*
L&T Technology Services Limited (quoted)	2	9,08,22,100	937.78	*942.62*
Larsen & Toubro Infotech Limited (quoted)	1	14,26,93,637	118.80	*119.68*
Larsen & Toubro Hydrocarbon International Limited LLC [Net of provision ₹ 0.68 crore *(previous year: ₹ Nil)*]	SAR 1000	450	–	*0.68*
Carried forward			13652.09	*11665.49*

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Investments - non-current *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
	₹		₹ crore	*₹ crore*
(i) Investments in fully paid equity instruments: *(contd.)*				
Brought forward			13652.09	*11665.49*
Larsen & Toubro LLC	USD 1	50,000	0.23	*0.23*
Larsen & Toubro (Saudi Arabia) LLC	SAR 1000	625	1.06	*1.06*
Spectrum Infotech Private Limited (refer to note 60)	10	–	–	*6.80*
L&T Infrastructure Engineering Limited	10	36,00,000	21.85	*21.85*
L&T Cutting Tools Limited	1000	–	–	*0.30*
L&T Global Holdings Limited	USD 100	80,000	53.16	*53.16*
Seawoods Realty Private Limited [Net of provision ₹ 0.01 crore *(previous year: ₹ Nil)*]	10	10,000	–	*0.01*
Seawoods Retail Private Limited [Net of provision ₹ 0.01 crore *(previous year: ₹ Nil)*]	10	10,000	–	*0.01*
			13728.39	*11748.91*
(ii) Preference shares-(equity portion):				
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, October 22, 2028.	10	9,00,00,000	67.78	*67.77*
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, June 24, 2029	10	5,00,00,000	37.06	*37.06*
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, April 16, 2030	10	11,00,00,000	77.26	*77.26*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, May 28, 2030.	10	42,18,60,000	300.25	*300.25*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, August 10, 2030.	10	25,00,00,000	177.98	*177.98*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, September 29, 2030.	10	7,50,00,000	53.24	*53.24*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, December 8, 2030.	10	25,90,00,000	181.97	*181.97*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, February 4, 2031.	10	21,60,00,000	153.15	*153.15*
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, March 28, 2032	10	38,80,00,000	276.24	*276.23*
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, November 19, 2032	10	41,61,29,994	295.40	–
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, November 23, 2032	10	1,28,70,000	9.16	–
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, December 19, 2032	10	18,93,29,994	132.00	–
			1761.49	*1324.91*
(iii) Preference share considered equity as per terms:				
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, March 30, 2022.	2	82,60,00,000	826.00	*1036.00*
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, May 12, 2022	2	4,80,00,000	48.00	*48.00*
Carried forward			874.00	*1084.00*

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Investments - non-current *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
	₹		₹ crore	*₹ crore*
(iii) Preference share considered equity as per terms: *(contd.)*				
Brought forward			874.00	*1084.00*
L&T Seawoods Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, July 14, 2022	2	4,22,50,000	42.25	*42.25*
L&T Seawoods Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, September 3, 2022	2	4,20,00,000	42.00	*42.00*
L&T Hydrocarbon Engineering Ltd - 10% Non-cumulative, optionally convertible redeemable at par preference shares, February 6, 2029	10	50,00,00,000	500.00	*500.00*
L&T Hydrocarbon Engineering Ltd - 12% Non-cumulative, optionally convertible redeemable at par preference shares, October 19, 2030	10	13,00,00,000	130.00	*130.00*
L&T Hydrocarbon Engineering Ltd - 12% Non-cumulative, optionally convertible redeemable at par preference shares, March 30, 2031	10	13,00,00,000	130.00	*130.00*
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, July 17, 2029.	2	89,10,50,000	891.05	*701.25*
L&T Realty Limited - 12% Non-cumulative and optionally convertible redeemable at par preference shares, May 26, 2025.	10	64,83,00,000	648.30	*648.30*
			3257.60	*3277.80*
(iv) Other equity investments:				
L&T Aviation Services Private Limited			0.64	*0.64*
L&T Shipbuilding Limited			28.74	*28.74*
			29.38	*29.38*
Total - (a) = (i)+(ii)+(iii)+(iv)			18776.86	*16381.00*
(b) Associate companies:				
Gujarat Leather Industries Limited [Net of provision ₹ 0.56 crore *(previous year: ₹ 0.56 crore)*]	10	7,35,000	–	–
Magtorq Private Limited	100	9,000	4.42	*4.42*
			4.42	*4.42*
(c) Joint venture companies:				
(i) Investments in fully paid equity instruments:				
Ahmedabad-Maliya Tollway Limited (formerly known as L&T Ahmedabad-Maliya Tollway Limited) [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Chennai-TADA Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
Devihalli Hassan Tollway Limited (formerly known as L&T Devihalli Hassan Tollway Limited) [₹ Nil *(previous year: ₹ 1000)*]	10	–	–	–
L&T Halol-Shamlaji Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Howden Private Limited	10	1,50,30,000	15.03	*15.03*
L&T Infrastructure Development Projects Limited [Net of provision ₹ 950 crore *(previous year: ₹ 950 crore)*]	10	31,28,69,096	1746.48	*1746.48*
L&T Kobelco Machinery Private Limited	10	2,55,00,000	25.50	*25.50*
Krishnagiri Walajahpet Tollway Limited [₹ Nil *(previous year: ₹ 26000)*]	10	–	–	–
L&T-MHPS Boilers Private Limited	10	11,93,91,000	119.39	*119.39*
L&T-MHPS Turbine Generators Private Limited	10	36,24,06,000	362.41	*362.41*
L&T Rajkot-Vadinar Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
Carried forward			2268.81	*2268.81*

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Investments - non-current *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
	₹		₹ crore	*₹ crore*
(i) Investments in fully paid equity instruments: *(contd.)*				
Brought forward			2268.81	*2268.81*
L&T Samakhiali Gandhidham Tollway Limited	10	13,000	0.01	*0.01*
L&T Special Steels and Heavy Forgings Private Limited	10	41,92,84,000	419.28	*419.28*
L&T Transportation Infrastructure Limited	10	1,08,64,000	10.86	*10.86*
L&T-Sargent & Lundy Limited	10	27,82,736	0.82	*0.82*
PNG Tollway Limited	10	2,24,22,660	22.42	*22.42*
Raykal Aluminum Company Private Limited	10	37,750	0.04	*0.04*
L&T MBDA Missile Systems Limited	10	25,500	0.03	–
			2722.27	*2722.24*
(ii) Other equity investments:				
L&T-MHPS Boilers Private Limited			2.24	*2.24*
L&T-MHPS Turbine Generators Private Limited			6.10	*5.77*
			8.34	*8.01*
(iii) Preference shares-(equity portion):				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024	10	15,54,00,000	78.33	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025	10	17,76,00,000	97.91	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026	10	14,20,80,000	84.41	–
			260.65	–
Total - (c) = (i)+(ii)+(iii)			2991.26	*2730.25*
(d) Other companies:				
International Seaport Dredging Limited [Net of provision ₹ 15.90 crore *(previous year: ₹ 15.90 crore)*]	10000	15,899	–	–
BBT Elevated Road Private Limited	10	1,00,000	0.10	*0.10*
Utmal Multi purpose Service Co-operative Society Limited (B Class) (non-trade investments) [₹ 30,000 *(previous year: ₹ 30,000)*]	100	300	–	–
Tidel Park Limited [Note 45(f)]	10	40,00,000	64.27	*55.94*
VP Global Fibre and Yarns Private Limited [₹ 20,600 *(previous year: ₹ Nil)*]	100	206	–	–
The New India Assurance Company Limited	10	3,12,498	22.28	–
ICICI Securities Limited	5	9,61,520	50.00	–
			136.65	*56.04*
Total - (A) =(a)+(b)+(c)+(d)			21909.18	*19171.71*
(B) Investments in preference shares of subsidiary companies:				
(Fair value debt portion):				
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, October 22, 2028	10	9,00,00,000	38.70	*35.23*
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, June 24 2029	10	5,00,00,000	20.36	*18.53*
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, April 16, 2030	10	11,00,00,000	41.93	*37.41*
Carried forward			100.99	*91.17*

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Investments - non-current *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
	₹		₹ crore	*₹ crore*
(B) Investments in preference shares of subsidiary companies: *(contd.)*				
Brought forward			100.99	*91.17*
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, May 28, 2030	10	42,18,60,000	159.32	*142.09*
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, August 10, 2030	10	25,00,00,000	92.87	*82.81*
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, September 29, 2030	10	7,50,00,000	27.55	*24.56*
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, December 8, 2030	10	25,90,00,000	93.67	*83.48*
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, February 4, 2031	10	21,60,00,000	77.11	*68.71*
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, March 28, 2032	10	38,80,00,000	126.12	*112.28*
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, November 19, 2032	10	41,61,29,994	127.95	–
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, November 23, 2032	10	1,28,70,000	3.95	–
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, December 19, 2032	10	18,93,29,994	57.82	–
Total - (B)			867.35	*605.10*
(C) Investments in preference shares of Joint Venture companies:				
(Fair value debt portion):				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024	10	15,54,00,000	78.75	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025	10	17,76,00,000	80.89	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026	10	14,20,80,000	58.09	–
			217.73	–
Total investments non-current (A)+(B)+(C)			22994.26	*19776.81*

Details of quoted/unquoted investments:

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted investments and market value thereof;		
Book value	4597.03	*2530.48*
Market value	50537.78	*31883.81*
(b) Aggregate amount of unquoted investments;		
Book value	18397.23	*17246.33*
(c) Aggregate amount of impairment in value of investments	967.21	*966.46*

Notes forming part of the Financial Statements (contd.)

NOTE [6]

Financials Assets: Loans - non-current

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured security deposits, considered goods:		78.29		*97.55*
Unsecured security deposits, doubtful:	26.59		*0.45*	
Less: Provision for doubtful security deposits	26.59		*0.45*	
		–		–
Unsecured long term loan and advances to related parties:				
Subsidiary companies:				
Inter-corporate deposits [Note 37 &38(A)]		225.50		*512.00*
Joint venture:				
Inter-corporate deposits [Note 37 &38(A)]		1379.11		*1167.22*
Other secured loans, considered good:				
Loans against mortgage of house property		0.23		*0.74*
Other unsecured loans, considered good:				
Advance recoverable in cash		1.00		*0.03*
Other loans, unsecured, doubtful:				
Doubtful other loans and advances	15.46		*2.28*	
Less: Allowance for doubtful advances	15.46		*2.28*	
		–		–
		1684.13		*1777.54*

NOTE [7]

Other financial assets - non-current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Cash and bank balances not available for immediate use [Note 7(a)]	319.52	*223.56*
Forward contract receivables	91.54	*273.76*
Embedded derivative receivables	0.02	–
Premium receivable on financial guarantee contracts	1.99	*3.01*
Advance towards equity commitment - Subsidiary company [Note 38(B)]	19.45	*6.35*
Other receivables	6.02	–
	438.54	*506.68*

Notes forming part of the Financial Statements (contd.)

7(a) Particulars of cash and bank balances not available for immediate use

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
1	Amount received (including interest accrued thereon) from customers of property development business - to be handed over to housing society on its formation	24.51	*23.51*
2	Contingency deposits (including interest accrued thereon) received from customers of property development business towards their sales tax liability - to be refunded /adjusted depending on the outcome of the legal case	24.18	*23.09*
3	Other bank balances (including interest accrued thereon) not available for immediate use being in the nature of security offered for bids submitted, loans availed etc.	464.61	*346.73*
	Total	513.30	*393.33*
	Less: Amount reflected under current assets [Note 13]	193.78	*169.77*
	Amount reflected under other financial assets - non-current [Note 7]	319.52	*223.56*

NOTE [8]

Other non-current assets

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Capital advances:		
Secured	7.84	–
Unsecured	28.28	*66.06*
Advance recoverable other than in cash	1240.66	*640.38*
Current tax receivable (net)	1652.22	*1537.91*
	2929.00	*2244.35*

NOTE [9]

Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Raw materials [includes goods-in-transit ₹ 2.46 crore *(previous year: ₹ 1.86 crore)*]	403.53	*328.80*
Components [includes goods-in-transit ₹ 17.19 crore *(previous year: ₹ 16.30 crore)*]	286.15	*264.40*
Construction materials [includes goods-in-transit ₹ 56.16 crore *(previous year: ₹ 55.70 crore)*]	63.10	*61.59*
Manufacturing work-in-progress	333.96	*360.01*
Finished goods	154.24	*221.52*
Stock-in- trade [includes goods-in-transit ₹ 26.31 crore *(previous year: ₹ 18.77 crore)*]	200.15	*169.68*
Stores and spares [includes goods-in-transit ₹ 3.61 crore *(previous year: ₹ 3.59 crore)*]	68.70	*71.72*
Loose tools	3.81	*3.31*
Property development related work-in-progress [Note 48(b)(iv)]	986.40	*281.83*
	2500.04	*1762.86*

Note: During the year ₹ 12.87 crore *(previous year: ₹ 17.92 crore)* was recognised as expense towards write-down of inventory

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Financial Assets: Investments-current

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore		*₹ crore*	
(A) Government and trust securities		1205.99		*779.59*
(B) Debentures and bonds				
(i) Subsidiary companies	–		*22.75*	
(ii) Joint venture companies	769.84		*264.42*	
(iii) Other debentures & bonds	1298.35		*884.29*	
		2068.19		*1171.46*
(C) Mutual funds		1070.80		*5031.03*
		4344.98		*6982.08*

Details of current investments

Particulars	Face value per unit	Number of units As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
	₹		₹ crore	*₹ crore*
(A) Government and trust securities (quoted):				
8.28% Government of India Bonds 2032	100	5,00,000	5.29	*5.36*
8.15% Government of India Bonds 2022	100	20,00,000	21.09	*21.65*
8.33% Government of India Bonds 2026	100	75,00,000	79.57	*81.86*
8.28% Government of India Bonds 2027	100	24,00,000	24.97	*25.84*
9.20% Government of India Bonds 2030	100	1,77,84,000	198.93	*204.55*
8.32% Government of India Bonds 2032	100	15,00,000	15.98	*16.47*
6.90% Oil Mktg Cos GOI Special Bonds 2026	100	13,00,000	12.41	*12.71*
9.23% Government of India Bonds 2043	100	2,45,00,000	293.97	*298.13*
7.59% Government of India Bonds 2026	100	10,00,000	10.14	*10.65*
6.79% Government of India Bonds 2029	100	10,00,000	9.69	–
7.80% Government of India Bonds 2020	100	33,00,000	34.65	–
6.35% Government of India Bonds 2020	100	1,00,00,000	100.89	–
6.79% Government of India Bonds 2029	100	2,00,00,000	193.82	–
7.80% Government of India Bonds 2020	100	1,00,00,000	104.99	–
7.59% Government of India Bonds 2029	100	1,00,00,000	99.60	*102.36*
Total - (A)			1205.99	*779.59*
(B) Debentures and bonds (quoted):				
(i) Subsidiary companies:				
10.24% L&T Finance Limited -Secured redeemable non-convertible debenture, September 17, 2019 (quoted)	1000	–	–	*22.75*
Total- (i)			–	*22.75*
(ii) Joint venture companies:				
8.80% Kudgi Transmission Limited SR-F NCD April 25, 2023	1000000	150	16.93	–
8.80% Kudgi Transmission Limited SR-G NCD April 25, 2024	1000000	170	19.25	–
8.80% Kudgi Transmission Limited SR-H NCD April 25, 2025	1000000	180	20.45	–
8.80% Kudgi Transmission Limited SR-I NCD April 25, 2026	1000000	200	22.75	–
8.80% Kudgi Transmission Limited SR-J NCD April 25, 2027	1000000	210	23.94	–
9.14% Kudgi Transmission Limited SR-K NCD April 25, 2028	1000000	230	26.81	–
9.14% Kudgi Transmission Limited SR-L NCD April 25, 2029	1000000	240	27.63	–
9.14% Kudgi Transmission Limited SR-M NCD April 25, 2030	1000000	270	31.08	–
9.14% Kudgi Transmission Limited SR-N NCD April 25, 2031	1000000	280	32.55	–
9.14% Kudgi Transmission Limited SR-O NCD April 25, 2032	1000000	290	33.95	–
9.50% Kudgi Transmission Limited SR-P NCD April 25, 2033	1000000	310	37.24	–
9.50% Kudgi Transmission Limited SR-Q NCD April 25, 2034	1000000	330	39.60	–
9.50% Kudgi Transmission Limited SR-R NCD April 25, 2035	1000000	360	43.25	–
Carried forward			375.43	–

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Details of current investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
	₹		₹ crore	*₹ crore*
(ii) Joint Venture companies: *(contd.)*				
Brought forward			375.43	–
9.50% Kudgi Transmission Limited SR-S NCD April 25, 2036	1000000	390	46.92	–
9.50% Kudgi Transmission Limited SR-V NCD April 25, 2039	1000000	960	41.78	–
9.50% Kudgi Transmission Limited SR-W NCD April 25, 2040	1000000	1,040	45.35	–
8.60% LTIDPL NCD December 26, 2026	1000000	2,500	260.36	*264.42*
Total- (ii)			769.84	*264.42*
(iii) Other debentures and bonds:				
10.75% The Tata Power Co. Ltd. NCD August 21, 2072	1000000	1,037	136.81	*132.36*
8.20% PFC Ltd. Tax Free Bonds February 01, 2022	1000	6,04,355	72.17	*74.83*
8.46% PFC Ltd. Tax Free Bonds August 30, 2028	1000000	27	3.74	*3.83*
1.44% Inflation Indexed Bonds Junuary 05, 2023	100	50,00,000	50.71	*51.62*
8.41% NTPC Ltd. Tax Free Bonds SR-1A December 16, 2023	1000	79,162	9.87	*10.23*
8.46% REC Ltd. Tax Free Bonds SR-3B August 29, 2028	1000000	70	9.70	*9.92*
9.48% BOB Basel III Perpetual Bonds Series V January 09, 2020	1000000	200	20.71	–
8.65% BOB Basel III Perpetual Bonds Series IX August 11, 2022	1000000	100	10.40	
9.08% Union Bank Sr-XXIV Perpetual Bond May 03, 2022	1000000	500	54.23	–
9.00% YES Bank Ltd. Pertetual October 18, 2022	1000000	1,000	103.68	–
ECL Finance Ltd. NCD SR-A8L601A January 25, 2018	10000000	–	–	*27.61*
ECL Finance Ltd. NCD SR-A8L601B January 25, 2018	10000000	–	–	*27.61*
ECL Finance Ltd. NCD SR-A8L601C January 25, 2018	10000000	–	–	*24.29*
Edelweiss Finvest Private Limited SR-B8B702A BR NCD March 26, 2018	10000000	–	–	*24.40*
Edelweiss Finvest Private Limited SR-B8B702B BR NCD March 26, 2018	10000000	–	–	*24.40*
Edelweiss Finvest Private Limited SR-B8B702C BR NCD March 26, 2018	10000000	–	–	*24.40*
Edelweiss Finvest Private Limited SR-B8B702D BR NCD March 26, 2018	10000000	–	–	*24.40*
Edelweiss Finvest Private Limited SR-B8B702E BR NCD March 26, 2018	10000000	–	–	*25.24*
9.50% YES Bank Ltd. AT1 Pertetual December 23, 2021	1000000	250	26.03	–
Ecap Equities Limited SR- B9A801A March 04, 2019	10000000	25	26.68	
Ecap Equities Limited SR- B9A801B March 05, 2019	10000000	25	26.68	
Ecap Equities Limited SR- B9A801C March 06, 2019	10000000	25	26.68	
Ecap Equities Limited SR- B9A801D March 07, 2019	10000000	25	26.68	
Ecap Equities Limited SR-B9B801A March 06, 2019	10000000	25	26.59	
Ecap Equities Limited SR-B9B801B March 07, 2019	10000000	25	26.59	
Ecap Equities Limited SR-B9B801C March 08, 2019	10000000	25	26.59	
Ecap Equities Limited SR-B9B801D March 11, 2019	10000000	25	26.59	
Ecap Equities Limited SR-B9B802A March 11, 2019	10000000	25	26.80	
Ecap Equities Limited SR-B9B802B March 12, 2019	10000000	25	26.80	
Ecap Equities Limited SR-B9B802C March 13, 2019	10000000	25	26.80	
Ecap Equities Limited SR-B9B802D March 14, 2019	10000000	25	26.80	
Ecap Equities Limited SR-B9B803A March 11, 2019	10000000	25	26.40	
Ecap Equities Limited SR-B9B803B March 12, 2019	10000000	25	26.40	
Ecap Equities Limited SR-B9B804A March 12, 2019	10000000	25	25.70	
Ecap Equities Limited SR-B9B804B March 13, 2019	10000000	25	25.70	
9.00% Indiabulls Housing Finance Limited LOA July 28, 2018	1000000	–	–	*10.86*
6.86% IIFCL Tax Free Bonds March 26, 2023	1000	2,50,000	27.76	*28.64*
7.18% IRFC Ltd. Tax Free Bonds February 19, 2023	1000	30,00,000	348.06	*359.65*
Total- (iii)			1298.35	*884.29*
Total - (B) = (i) + (ii) + (iii)			2068.19	*1171.46*

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Details of current investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
	₹		₹ crore	*₹ crore*
(C) Mutual funds (unquoted):				
SBI Premier Liquid Fund - Regular Plan	1000	–	–	*300.08*
HDFC F R I F - STF - WP - Growth	10	–	–	*56.39*
Reliance Medium Term Fund - Direct Plan - Growth	1000	–	–	*358.46*
JM Arbitrage Advantage Fund-Direct-Monthly Dividend Payout	10	20,01,63,935	203.48	–
JM Balanced Fund Direct Plan - Annual Dividend Payout Option	10	28,78,90,129	571.42	–
JM Equity Fund Monthly Dividend Payout	10	24,74,30,947	295.90	–
SBI Premier Liquid Fund - Regular Plan - Growth	1000	–	–	*1951.09*
Birla Sun Life Cash Plus - Regular Plan - Growth	100	–	–	*100.03*
ICICI Prudential Flexible Income - Regular Plan - Growth	10	–	–	*307.59*
DSP BlackRock Small and Midcap Fund - Reg - Growth	1000	–	–	*26.55*
BNP Paribas Overnight Fund - Growth	10	–	–	*100.03*
Indiabulls Liquid Fund - Growth	10	–	–	*50.01*
Kotak Floater - ST - Growth	1000	–	–	*100.03*
L&T Resurgent India Corporate Bond Fund - Dividend	10	–	–	*12.00*
DSP BlackRock India Tiger Fund - Direct - Growth	10	–	–	*53.31*
Birla Sun Life Floating Rate Fund - LTP-Direct Plan - Growth	10	–	–	*129.25*
Tata Infrastructure Fund - Direct - Growth	10	–	–	*53.12*
Reliance Mid & Small Cap Fund - Direct - Growth	10	–	–	*52.72*
ICICI Pru Multicap Plan - Direct - Growth	10	–	–	*52.98*
Kotak Emerging Equity-Direct-Dividend Reinvestment	10	–	–	*26.52*
Axis Enhanced Arbitrage Fund - Direct Growth	10	–	–	*25.15*
BSL Pure Value Fund - Growth - Direct	10	–	–	*52.54*
JM Equity Fund Quarterly Dividend Payout - Regular	1000	–	–	*688.04*
JM Balanced Fund - Direct - Quarterly Dividend	1000	–	–	*134.60*
JM Arbitrage Advantage Fund - Regular Plan - Quarterly Dividend	1000	–	–	*400.54*
Total - (C)			1070.80	*5031.03*
Total current investments (A)+(B)+(C)			4344.98	*6982.08*

Details of quoted/unquoted investments:

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted current investments and market value thereof;		
Book value	3274.18	*1951.05*
Market value	3274.18	*1951.05*
(b) Aggregate amount of unquoted current investments;		
Book value (accounted based on NAV)	1070.80	*5031.03*

Notes forming part of the Financial Statements (contd.)

NOTE [11]

Financials Assets - current: Trade receivables

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured:				
Considered good	24454.24		*19921.95*	
Considered doubtful	2224.97		*1916.66*	
	26679.21		*21838.61*	
Less: Allowance for doubtful debts	2224.97		*1916.66*	
		24454.24		*19921.95*
		24454.24		*19921.95*

NOTE [12]

Financial Assets - current: Cash and cash equivalents

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Balance with banks	1798.20	*1556.79*
Cheques and draft on hand	435.01	*365.13*
Cash on hand	2.37	*1.78*
Fixed deposits with banks (maturity less than 3 months)	948.17	*12.11*
	3183.75	*1935.81*

NOTE [13]

Financials Assets - current: Other bank balances

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Fixed deposits with banks	869.24	*1383.51*
Earmarked balances with banks-unclamied dividend	63.69	*46.61*
Earmarked balances with banks-Section 4(2)(1)(D) of RERA	7.38	–
Margin money deposits with banks	0.03	*0.02*
Cash and bank balances not available for immediate use [Note 7(a)]	193.78	*169.77*
	1134.12	*1599.91*

Notes forming part of the Financial Statements (contd.)

NOTE [14]

Financials Assets: Loans - current

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured security deposits, considered good:		295.82		*291.68*
Unsecured security deposits, doubtful	5.89		*3.69*	
Less: Provision for doubtful security deposits	5.89		*3.69*	
		–		–
Unsecured long term loans and advances to related parties:				
(i) Subsidiary companies				
Inter-corporate deposits [Note 37 & 38(A)]		678.04		*1595.67*
(ii) Joint venture companies				
Inter-corporate deposits [Note 37 & 38(A)]		18.20		*18.20*
Other secured loans, considered good:				
Loans against mortgage of house property		0.27		*0.24*
Other unsecured loans, considered good:				
Others		0.01		*0.01*
		992.34		*1905.80*

NOTE [15]

Other current financial assets

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Advances to related parties:				
Subsidiary companies	700.51		*706.04*	
Associate companies	0.80		*3.96*	
Joint venture companies	54.21		*65.51*	
		755.52		775.51
Advances recoverable in cash		2658.65		1454.00
Premium receivable on financial guarantee contracts		4.34		6.82
Embedded derivative receivable		23.27		81.59
Doubtful advances:				
Deferred credit sale of ships	27.11		*26.97*	
Other loans and advances	130.15		*127.39*	
	157.26		*154.36*	
Less: Allowance for doubtful loans and advances	157.26		*154.36*	
		–		–
		3441.78		2317.92

Notes forming part of the Financial Statements (contd.)

NOTE [16]

Other current assets

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Due from customers (construction and project related activity)		25587.80		*21340.55*
Due from customers (property development activity) [Note 48(b)(v)]		–		71.28
Retention money including unbilled revenue		9400.58		8027.61
Balances with excise customs port trust		53.61		86.52
Advance recoverable other than in cash		3992.68		3712.12
Government grants receivable		93.56		45.57
Others		2.59		1.49
Doubtful other loans and advances	4.16		*4.16*	
Less: Provision for doubtful advances	4.16		*4.16*	
		–		–
		39130.82		33285.14

NOTE [17]

Equity share capital

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

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Authorised:				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	*1,62,50,00,000*	*325.00*
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*

(b) Reconciliation of the number of equity shares and share capital:

Particulars	2017-18		*2016-17*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	93,29,65,803	186.59	*93,14,78,845*	*186.30*
Add: Shares issued on exercise of employee stock options during the year	16,38,898	0.33	*14,86,958*	*0.29*
Add: Shares issued as bonus on July 15, 2017	46,67,64,755	93.35	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*

(c) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital *(contd.)*

(d) Shareholder holding more than 5% of equity shares as at the end of the year:

Name of the shareholders	As at 31-3-2018		*As at 31-3-2017*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	24,63,52,777	17.58	*14,64,24,938*	*15.69*
L&T Employees Welfare Foundation	17,21,28,421	12.28	*11,47,52,281*	*12.30*
Administrator of the Specified Undertaking of the Unit Trust of India	–	–	*6,11,02,860*	*6.55*

(e) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	*Number of equity shares to be issued as fully paid*	*₹ crore (at face value)*
Employee stock options granted and outstanding #	42,65,623@	0.85*	*42,47,360*	*0.85**
0.675% 5 years & 1 day US$ denominated foreign currency convertible bonds (FCCB) ##	95,20,455@	1.90**	*63,46,986*	*1.27***

* The equity shares will be issued at a premium of ₹ 94.42 crore *(previous year: ₹ 146.71 crore)*

** The equity shares will be issued at a premium of ₹ 1214.50 crore *(previous year: ₹ 1215.13 crore)* on the exercise of options by the bond holders

\# Note 17 (h) for terms of employee stock option schemes

Note 19 (b) for terms of foreign currency convertible bonds

@ The number of options have been adjusted consequent to bonus issue wherever applicable

(f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2018 are 77,50,59,331 *(previous period of five years ended March 31, 2017: 30,82,94,576 shares)*

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on March 31, 2018 – Nil *(previous period of five years ended March 31, 2017: Nil)*

(h) Stock option schemes

i. Terms:

A. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of 4 years [5 years in the case of series 2006(A)], subject to the discretion of the management and fulfillment of certain conditions.

B. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital *(contd.)*

ii. The details of the grants under the aforesaid schemes under various series are summarized below:

Sr. No.	Series reference	2000		2002 (A)		2002 (B)		2003 (A)		2003(B)		2006		2006(A)	
		2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
1	Grant price - (₹)	2.00*	*2.30*	2.00*	*2.30*	2.00*	*2.30*	7.80*	*11.70*	7.80*	*11.70*	267.10*	*400.70*	267.10*	*400.70*
2	Grant dates	1-6-2000		19-4-2002		19-4-2002		23-5-2003 onwards		23-5-2003 onwards		1-9-2006 onwards		1-7-2007 onwards	
3	Vesting commences on	1-6-2001		19-4-2003		19-4-2003		23-5-2004 onwards		23-5-2004 onwards		1-9-2007 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	13,200	*25,200*	32,250	*32,250*	59,550	*59,550*	47,178	*47,178*	4,27,131	*5,26,919*	1,76,584	*2,57,366*	34,91,467	*48,44,579*
5	Options lapsed prior to bonus	–	–	–	–	–	–	–	–	–	*41,662*	–	*35,747*	1,08,685	*4,54,865*
6	Options granted prior to bonus	–	–	–	–	–	–	–	–	17,700	*89,100*	–	–	6,200	*3,84,450*
7	Options exercised prior to bonus	–	*12,000*	–	–	–	–	–	–	29,789	*1,47,226*	39,708	*45,035*	4,94,210	*12,82,697*
8	Options outstanding as on July 14, 2017 **	13,200	–	32,250	–	59,550	–	47,178	–	4,15,042	–	1,36,876	–	28,94,772	–
9	Adjusted options as on July 14, 2017** consequent to bonus issue	19,800	–	48,375	–	89,325	–	70,767	–	6,22,567	–	2,05,321	–	43,42,684	–
10	Options lapsed post bonus issue	–	–	–	–	–	–	–	–	49,313	–	2,02,516	–	4,51,376	–
11	Options granted post bonus issue	–	–	–	–	–	–	–	–	71,600	–	–	–	5,73,580	–
12	Options exercised post bonus issue	–	–	–	–	–	–	–	–	1,56,962	–	2,805	–	9,15,424	–
13	Options granted and outstanding at the end of the year	19,800	*13,200*	48,375	*32,250*	89,325	*59,550*	70,767	*47,178*	4,87,892	*4,27,131*	–	*1,76,584*	35,49,464	*34,91,467*
	Of which														
	Options vested	19,800	*13,200*	48,375	*32,250*	89,325	*59,550*	70,767	*47178*	1,30,806	*75,692*	–	*1,76,584*	15,63,209	*17,46,787*
	Options yet to vest	–	–	–	–	–	–	–	–	3,57,086	*3,51,439*	–	–	19,86,255	*17,44,680*
14	Weighted average remaining contractual life of options (in years)	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	4.72	*4.98*	Nil	*Nil*	3.74	*3.48*

*Current year grant restated pursuant to the issue of bonus shares

** Record date: July 14, 2017

iii. The number and weighted average exercise price of stock options are as follows:

Particulars	2017-18		*2016-17*	
	No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
(A) Options granted and outstanding at the beginning of the year	42,47,360	347.41	*57,93,042*	*354.10*
(B) Options granted pre bonus issue	23,900	112.61	*4,73,550*	*327.51*
(C) Options allotted pre bonus issue	5,63,707	380.14	*14,86,958*	*358.97*
(D) Options lapsed pre bonus issue	1,08,685	400.70	*5,32,274*	*370.25*
(E) Options granted and outstanding prior to bonus issue	35,98,868	339.12	–	–
(F) Adjusted options consequent to bonus issue	53,98,839	226.07	–	–
(G) Options granted post bonus issue	6,45,180	238.32	–	–
(H) Options allotted post bonus issue	10,75,191	229.25	–	–
(I) Options lapsed post bonus issue	7,03,205	248.92	–	–
(J) Options granted and outstanding at the end of the year	42,65,623	223.35	*42,47,360*	*347.41*
(K) Options exercisable at the end of the year out of (J) *supra*	19,22,282	218.19	*21,51,241*	*359.04*

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital *(contd.)*

iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1106.67 *(previous year: ₹ 1386.19)* per share.

v. A. In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

B. Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2017-18 is ₹ 68.98 crore *(previous year: ₹ 60.35 crore)* net of recoveries of ₹ 0.79 crore *(previous year: ₹ 1.42 crore)* from its group companies towards the stock options granted to deputed employees, pursuant to the employee stock option schemes (Note 34). The entire amount pertains to equity-settled employee share-based payment plans.

vi. During the year, the Company has recovered ₹ 7.16 crore *(previous year: ₹ 13.81 crore)* from its subsidiary companies towards the stock options granted to their employees, pursuant to the Employee Stock Option Schemes.

vii. Weighted average fair values of options granted during the year is ₹ 965.25 *(previous year: ₹ 1056.73)* per option

viii. The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2017-18	*2016-17*
(A)	Weighted average risk-free interest rate	6.83%	*6.72%*
(B)	Weighted average expected life of options	4.17 years	*4.08 years*
(C)	Weighted average expected volatility	27.92%	*30.79%*
(D)	Weighted average expected dividends over the life of the option	₹ 58.37 per option	*₹ 74.52 per option*
(E)	Weighted average share price	₹ 1178.47 per option	*₹ 1355.66 per option*
(F)	Weighted average exercise price	₹ 229.73 per share	*₹ 327.51 per share*
(G)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

ix. The balance in share options (net) account as at March 31, 2018 is ₹ 108.59 crore *(previous year: ₹ 177.25 crore)*, including ₹ 76.12 crore *(previous year: ₹ 117.36 crore)* for which the options have been vested to employees as at March 31, 2018.

(i) Capital management:

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0.21:1 as at March 31, 2018 *(as at March 31, 2017 0.23:1).*

(j) During the year ended March 31, 2018, the Company paid the final dividend of ₹ 14 per equity share for the year ended March 31, 2017 amounting to ₹ 1960.76 crore and dividend distribution tax of ₹ 317.93 crore.

(k) On May 28, 2018, the Board of Directors has recommended the final dividend of ₹ 16 per equity share for the year ended March 31, 2018 subject to approval from shareholders. On approval, the total dividend payment based on number of shares outstanding as at March 31, 2018 is expected to be ₹ 2242.19 crore and the payment of dividend distribution tax is expected to be ₹ 357.60 crore.

Notes forming part of the Financial Statements (contd.)

NOTE [18]

Other equity

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Share application money pending allotment		3.56		–
Equity component of foreign currency convertible bonds##		153.20		*153.20*
Capital reserve *		10.52		*10.52*
Capital reserve on business combination **		(6.36)		–
Securities premium account [Note 1(p)]		8363.02		*8318.85*
Employee share options (net) [Note 1(r)]				
Employee share options outstanding	211.51		*275.26*	
Deferred employee compensation expense	(102.92)		*(98.01)*	
		108.59		*177.25*
Debenture redemption reserve ^		458.94		*356.76*
General reserve #		25395.78		*25373.60*
Retained earnings		14250.01		*11225.53*
Foreign currency translation reserve [Note 1(s)(iii)]		(0.37)		*0.55*
Hedging reserve [Note 1(m)]				
Cash flow hedging reserve	114.50		*156.91*	
Cost of hedging reserve	(12.34)		*(12.80)*	
		102.16		*144.11*
Debt instruments through Other Comprehensive Income [Note 1(m)]		54.93		*65.78*
		48893.98		*45826.15*

* **Capital reserve:** It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years.

** **Capital reserve on business combination:** It arises on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor [refer to note 1(ab)].

^ **Debenture redemption reserve (DRR):** The Company has issued redeemable non-convertible debentures and created DRR out of the profits of the Company in terms of the Companies (Share capital and Debenture) Rules, 2014 (as amended). The Company is required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the DRR shall not be utilised by the Company except to redeem the debentures.

\# **General reserve:** The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General reserve is a free reserve available to the Company.

\#\# **Equity component of foreign currency convertible bonds:** Pursuant to Ind AS 32, Foreign Currency Convertible Bonds (FCCB) issued by the Company are split into equity and liability component and presented under other equity and financial liabilities respectively.

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Financial Liabilities: Borrowings - non-current

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures [Note 19(a)(i) & (ii)]	–	2179.85	2179.85	*408.55*	*2179.48*	*2588.03*
Redeemable non-convertible inflation linked debentures [Note 19(a)(iii)]		116.96	116.96		*113.61*	*113.61*
0.675% Foreign currency convertible bonds [Note 19(b)]		1245.64	1245.64		*1201.78*	*1201.78*
Term loan from banks [Note 19(c)]		1952.51	1952.51		*3230.58*	*3230.58*
Sales tax deferment loan [Note 19(d)]		–	–		*0.08*	*0.08*
Finance lease		0.20	0.20		*0.20*	*0.20*
	–	5495.16	5495.16	*408.55*	*6725.73*	*7134.28*

19(a) (i) Secured redeemable non-convertible fixed rate debentures (privately placed):

Face value per debenture (₹)	Date of allotment	As at 31.3.2018 ₹ crore	*As at 31.3.2017 ₹ crore*	Interest for the year 2017-2018	Terms of repayment for debentures outstanding as at 31.3.2018
1000000	January 5, 2009	408.58	*408.55*	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
Total		**408.58**	***408.55***		
Less:		408.58	–	Current maturity of long term borrowings [Note 24]	
		–	***408.55***	Borrowings non-current [Note 19]	

Security: The debentures are secured by way of a first charge having *pari passu* rights on the immovable property at certain locations and part of a movable property of a business division, both present and future.

19(a) (ii) Unsecured redeemable non-convertible fixed rate debentures (privately placed):

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31.3.2018 ₹ crore	*As at 31.3.2017 ₹ crore*	Interest for the year 2017-18	Terms of repayment for debentures outstanding as at 31.3.2018
1.	1000000	April 10, 2012	273.51	*273.39*	9.75% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
2.	1000000	May 26, 2011	322.61	*322.52*	8.95% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
3.	1000000	May 11, 2010	324.22	*324.14*	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.

Notes forming part of the Financial Statements (contd.)

NOTE [19]

19(a) (ii) Unsecured redeemable non-convertible fixed rate debentures (privately placed): *(contd.)*

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31.3.2018 ₹ crore	*As at 31.3.2017 ₹ crore*	Interest for the year 2017-18	Terms of repayment for debentures outstanding as at 31.3.2018
4.	1000000	April 13, 2010	216.89	*216.83*	8.80% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
5.	1000000	September 24, 2015	1042.62	*1042.60*	8.40% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
	Total		**2179.85**	***2179.48***		Borrowings – non current [Note 19]

19(a) (iii) Unsecured redeemable non-convertible inflation linked debentures:

Face value per debenture (₹)	Date of allotment	As at 31-3-2018 ₹ crore	*As at 31.3.2017 ₹ crore*	Interest for the year 2017-18	Terms of repayment for debentures outstanding as on 31.3.2018
1000000	May 23, 2013	116.96	*113.61@*	1.65% p.a. payable on Inflation Adjusted Principal as on the date of coupon payment	Redeemable at the end of 10th year from the date of allotment. Redemption value calculated as [{Average Ref WPI (on Maturity Date) / Average Ref WPI (on Issue Date)} * Face Value] with Floor Rate as 3 % and Cap Rate as 12%. WPI here refers to Wholesale Price Index

@ The principal amount has been calculated as [{Average Ref WPI as at reporting period/Average Ref WPI (as at 23/5/2013)} x Face Value]

19(b) Foreign Currency Convertible Bonds:

0.675% US$ denominated 5 years & 1 day Foreign Currency Convertible Bonds (FCCB) carried at ₹ 1245.64 crore as at March 31, 2018 (as at March 2017: ₹ 1201.78 crore) represent 1,000 bonds of US$200000 each. The bonds are convertible into the Company's fully paid equity shares of ₹ 2 each at a conversion price of ₹ 1277.67 per share (Pre bonus conversion price was ₹ 1916.50 per share) at the option of the bond holders at any time on and after December 1, 2014 up to October 15, 2019. The bonds are redeemable, subject to fulfillment of certain conditions, in whole but not in part, at the option of the Company, on or at any time after October 22, 2017 but not less than seven business days prior to the maturity date, at the principal amount together with accrued interest (calculated up to but excluding the date of redemption) on the date fixed for redemption, unless the bonds have been previously redeemed, converted or purchased and cancelled.

Notes forming part of the Financial Statements (contd.)

NOTE [19] ***(contd.)***

19(c) Details of term loans (unsecured): Foreign currency loans:

Sr. No.	As at 31-3-2018 ₹ crore	*As at 31-3-2017 ₹ crore*	Rate of Interest	Terms of repayment of term loan outstanding as at 31-03-2018
1.	–	*1288.32*	USD LIBOR + Spread	Repaid on August 23, 2017
2.	–	*642.97*	USD LIBOR + Spread	Repaid on August 23, 2017
3.	326.21	*323.96*	USD LIBOR + Spread	Repayment due on July 2, 2018
4.	–	*129.51*	USD LIBOR + Spread	Repaid on September 27, 2017
5.	–	*162.14*	USD LIBOR + Spread	Repaid on July 14, 2017
6.	–	*157.56*	USD LIBOR + Spread	Repaid on September 14, 2017
7.	–	*203.87*	USD LIBOR + Spread	Repaid on September 14, 2017
8.	–	*452.61*	USD LIBOR + Spread	Repaid on September 14, 2017
9.	–	*549.57*	USD LIBOR + Spread	Repaid on September 14, 2017
10.	–	*193.22*	USD LIBOR + Spread	Repaid on August 30, 2017
11.	38.04	*75.61*	USD LIBOR + Spread	Repayable in 6 equal installments payable annually from September 18, 2013 to September 18, 2017 with the final installment due on June 18, 2018
12.	163.36	*162.13*	USD LIBOR + Spread	Repayable on October 19, 2018
13.	1301.68	–	USD LIBOR + Spread	Repayable on October 21, 2019
14.	650.83	–	USD LIBOR + Spread	Repayable on November 4, 2019
Total	**2480.12**	***4341.47***		
Less:	527.61	*1110.89*	Current maturity of long term borrowings [Note 24]	
	1952.51	***3230.58***	Borrowings non-current [Note 19]	

Loans guaranteed by directors - ₹ Nil *(previous year: ₹ Nil)*

19(d) Sales tax deferment loan (unsecured):

Sr. No.	As at 31-3-2018 ₹ crore	*As at 31-3-2017 ₹ crore*	Rate of Interest	Terms of repayment as at March 31, 2018
1	0.08	*0.16*	Interest Free	Repayable in 1 annual installments of ₹ 0.08 crore ending April 26, 2018
2	–	*0.12*		
Total	**0.08**	***0.28***		
Less:	0.08	*0.20*		Current maturity of long term borrowings [Note 24]
	–	***0.08***		Borrowings non-current [Note 19]

Notes forming part of the Financial Statements (contd.)

NOTE [20]
Other financial liabilities - non-current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Forward contract payables	17.82	*26.94*
Embedded derivative payables	75.79	*22.46*
Financial guarantee contracts	9.27	*11.83*
Due to others	5.76	*27.34*
	108.64	88.57

NOTE [21]
Provisions - non-current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Employee pension scheme [Note 50(a)]	301.13	*290.29*
Post-retirement medical benefits plan [Note 50(a)]	171.74	180.39
	472.87	470.68

NOTE [22]
Other non-current liabilities

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Other payables (Deferred income on day one fair valuation of financial instrument)	1.27	*3.86*

NOTE [23]
Financial Liabilities: Borrowings - current

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand from banks [Note 23(b)]	20.06	–	20.06	*223.52*	–	*223.52*
Short term loan and advances from banks [Note 23(b)]	96.53	3586.68	3683.21	*216.06*	*1424.69*	*1640.75*
Commercial paper	–	–	–	–	*442.71*	*442.71*
Loans from related parties:						
Subsidiary companies	–	426.30	426.30	–	*5.52*	*5.52*
	116.59	4012.98	4129.57	*439.58*	*1872.92*	*2312.50*

23(a) Loans guaranteed by directors ₹ Nil *(previous year: ₹ Nil)*

23(b) Loans repayable on demand from banks include fund based working capital facilities viz. cash credits and demand loans. The secured portion of loans repayable on demand from banks, short term loans and advances from the banks, working capital facilities and other non-fund based facilities viz. bank guarantees and letter of credit, are secured by hypothecation of inventories and trade receivables. Amount of inventories and trade receivables that are pledged as collateral: ₹ 6026.53 crore as at March 31, 2018 *(March 31, 2017: ₹ 6149.71 crore)*

Notes forming part of the Financial Statements (contd.)

NOTE [24]
Financial liabilities: Current maturities of long term borrowings

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Secured:		
Redeemable non-convertible fixed rate debentures [Note 19(a)(i)]	408.58	–
Unsecured:		
Term loans from banks [Note 19(c)]	527.61	*1110.89*
Sales tax deferment loan [Note 19(d)]	0.08	*0.20*
Finance lease obligation	–	*0.50*
	936.27	*1111.59*

24(a) Loans guaranteed by directors ₹ Nil *(previous year ₹ Nil)*

NOTE [25]
Financial liabilities-current: Trade payables

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Acceptances		478.07		*399.78*
Due to related parties:				
Subsidiary companies	767.28		*638.02*	
Associate companies	2.92		*4.16*	
Joint venture companies	1017.61		*1836.27*	
		1787.81		*2478.45*
Micro and small enterprises [Note 57]		137.97		*112.34*
Due to others		28693.26		*21347.75*
		31097.11		*24338.32*

NOTE [26]
Other financial liabilities - current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Unclaimed dividend	63.69	*46.61*
Embedded derivative payables	61.34	*111.23*
Financial guarantee contracts	6.22	*8.88*
Due to others [Note 26(a)]	1739.62	*1273.53*
	1870.87	*1440.25*

26(a) Due to others include due to directors ₹ 49.11 crore *(previous year: ₹ 55.58 crore).*

NOTE [27]
Other current Liabilities

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Due to customers (construction related activity)	5236.21	*4231.98*
Due to customers (property development projects)	110.24	*57.88*
Advances from customers	14070.34	*12640.03*
Other payables	1437.03	*1256.86*
	20853.82	*18186.75*

Notes forming part of the Financial Statements (contd.)

NOTE [28]

Current liabilities: Provisions

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity [Note 50(a)]	91.10		*71.94*	
Compensated absences	515.34		*518.64*	
Employee pension scheme [Note 50(a)]	22.58		*22.46*	
Post-retirement medical benefits plan [Note 50(a)]	7.09		*5.25*	
		636.11		*618.29*
Others:				
Other provisions (Ind AS 37 Related) [Note 54]		466.11		*474.70*
		1102.22		*1092.99*

NOTE [29]

Contingent liabilities

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
(a) Claims against the Company not acknowledged as debts	2113.67	*1815.23*
(b) Sales tax liability that may arise in respect of matters in appeal	170.25	*162.42*
(c) Excise duty/service tax/customs duty liability that may arise including those in respect of matters in appeal/challenged by the Company in Writ	193.33	*86.61*
(d) Income tax liability that may arise in respect of which the Company is in appeal	423.22	*460.55*
(e) Corporate guarantees for debt given on behalf of subsidiary companies/ joint venture companies	7424.61	*8450.61*
(f) Corporate and bank guarantees for performance given on behalf of subsidiary companies	20305.06	*16384.12*
(g) Contingent liabilities, if any, incurred in relation to interests in joint operations	7267.96	*7018.24*
(h) Share in contingent liabilities of joint operations for which the Company is contingently liable	139.20	*53.24*
(i) Contingent liabilities in respect of liabilities of other joint operators of joint operations	6576.16	*6230.96*

Notes:

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings. Further, the liability mentioned in (a) to (d) above includes interest except in cases where the Company has determined that the possibility of such levy is remote.
3. In respect of matters at (e), the cash outflows, if any, could generally occur up to ten years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur any time during the subsistence of the borrowing to which the guarantees relate.
4. In respect of matters at (f), the cash outflows, if any, could generally occur up to three years, being the period over which the validity of the guarantees extends.
5. In respect of matters at (g) to (i), the cash outflows, if any, could generally occur up to completion of projects undertaken by the respective joint operations.

Notes forming part of the Financial Statements (contd.)

NOTE [30]

Commitments

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)				
(i) Estimated amount of contracts remaining to be executed on Property, plant & equipment	675.07		*533.49*	
(ii) Estimated amount of contracts remaining to be executed on Investment Property	0.01		–	
(iii) Estimated amount of contracts remaining to be executed on Intangible assets under development	0.05		–	
		675.13		*533.49*
(b) Funding committed by way of equity/loans to subsidiary/joint venture companies		715.45		*1063.20*

NOTE [31]

Revenue from operations

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales and service:				
Construction and project related activity [Note 48(a)(i)]	66978.07		*58498.42*	
Manufacturing and trading activity	5575.56		*5730.98*	
Property development activity [Note 48(b)(i)]	96.68		*403.18*	
Engineering and service fees	18.74		*24.73*	
Servicing	666.64		*597.88*	
Commission	159.80		*140.81*	
		73495.49		*65396.00*
Other operational income:				
Income from hire of plant and equipment	122.03		*80.28*	
Lease rentals	74.08		*67.79*	
Income from services to Group companies	326.71		*207.61*	
Premium earned (net) on related forward exchange contracts	36.02		*48.45*	
Miscellaneous Income	557.32		*501.22*	
		1116.16		*905.35*
		74611.65		*66301.35*

Notes forming part of the Financial Statements (contd.)

NOTE [32]

Other income

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income:				
Subsidiary and associate companies	209.59		*325.62*	
Others	287.30		*213.69*	
		496.89		*539.31*
Dividend income:				
Subsidiary companies	535.59		*405.47*	
Others	2693.08		*659.63*	
		3228.67		*1065.10*
Net gain/(loss) on sale or fair valuation of investments		(2233.22)		*(72.44)*
Net gain/loss on derivatives at fair value through profit or loss		(125.74)		*(56.89)*
Net gain/(loss) on sale of property, plant and equipment		60.18		*23.70*
Lease rentals		62.75		*70.78*
Miscellaneous income (net of expenses)		395.29		*345.40*
		1884.82		*1914.96*

Notes forming part of the Financial Statements (contd.)

NOTE [33]

Manufacturing ,construction and operating expenses

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Materials consumed:				
Raw materials and components	8167.57		*7444.84*	
Less: Scrap sales	75.03		*74.27*	
		8092.54		*7370.57*
Excise duty		149.10		*577.49*
Construction materials consumed		22237.57		*18493.31*
Purchase of stock-in-trade		1296.62		*1390.84*
Stores, spares and tools consumed		1815.21		*1446.67*
Sub-contracting charges		19620.99		*16775.01*
Changes in inventories of finished goods,work-in-progress, stock-in-trade and property development:				
Closing stock:				
Finished goods	154.24		*221.52*	
Stock -in-trade	200.15		*169.68*	
Work-in-progress	4052.01		*3044.67*	
	4406.40		*3435.87*	
Less: Opening stock:				
Finished goods	221.52		*161.68*	
Stock-in-trade	169.68		*159.77*	
Work-in-progress	3052.84		*3246.01*	
	3444.04		*3567.46*	
		(962.36)		*131.59*
Other manufacturing, construction and operating expenses:				
Excise duty on stock	(48.37)		*16.30*	
Power and fuel	951.61		*1041.49*	
Royalty and technical know-how fees	15.49		*15.75*	
Packing and forwarding	363.01		*340.15*	
Hire charges - plant and equipment and others	1198.37		*1015.13*	
Engineering, technical and consultancy fees	763.52		*761.70*	
Insurance	188.96		*187.07*	
Rent	422.83		*415.25*	
Rates and taxes	374.89		*366.42*	
Travelling and conveyance	608.14		*759.81*	
Repairs to plant and equipment	52.42		*56.31*	
Repairs to buildings	5.05		*6.10*	
General repairs and maintenance	336.96		*303.18*	
Bank guarantee charges	181.91		*151.15*	
Miscellaneous expenses	973.80		*382.18*	
		6388.59		*5817.99*
		58638.26		*52003.47*

Notes forming part of the Financial Statements (contd.)

NOTE [34]
Employee benefits expense

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries, wages and bonus		5070.64		*4554.79*
Contribution to and provision for:				
Provident funds and pension fund	119.90		*114.67*	
Superannuation/employee pension schemes	13.16		*13.34*	
Gratuity funds [Note 50(b)]	72.50		*67.30*	
		205.56		*195.31*
Expenses on employees stock option schemes [Note 17(v)(B)]		69.77		*61.77*
Insurance expenses - medical and others		83.35		*78.08*
Staff welfare expenses		603.36		*600.98*
Recoveries on account of deputation		(319.09)		*(343.55)*
		5713.59		*5147.38*

NOTE [35]
Sales, administration and other expenses

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Power and fuel		58.22		*59.26*
Packing and forwarding		96.75		*91.05*
Professional fees		265.31		*241.35*
Audit fees [Note 55]		4.88		*5.33*
Insurance		34.48		*31.96*
Rent		244.28		*229.51*
Rates and taxes		54.56		*51.55*
Travelling and conveyance		304.71		*280.10*
Repairs to buildings		18.51		*9.53*
General repairs and maintenance		228.33		*229.90*
Directors' fees		0.77		*0.82*
Telephone, postage and telegrams		101.63		*104.84*
Advertising and publicity		67.92		*61.02*
Stationery and printing		38.18		*38.40*
Commission:				
Distributors and agents		22.47		*27.27*
Others		5.68		*4.88*
Bank charges		83.56		*57.35*
Miscellaneous expenses		536.80		*521.62*
Bad debts and advances written off	375.33		*87.48*	
Less: Allowance for doubtful debts and advances written back	354.97		*45.05*	
		20.36		*42.43*
Allowance for doubtful debts and advances (net)		745.17		*395.29*
Provision/(reversal) for foreseeable losses on construction contracts		20.18		*(5.93)*
Exchange (gain)/loss (net)		(148.60)		*(10.72)*
Other provisions [Note 54(a)]		32.12		*204.19*
		2836.27		*2671.00*

Notes forming part of the Financial Statements (contd.)

NOTE [35] ***(contd.)***

35(a) Aggregation of expenses disclosed vide Note 33 - Manufacturing, construction and operating expenses, Note 34 - Employee benefits expense and Note 35 - Sales, administration and other expenses.

₹ crore

Sr. No.	Nature of expenses	2017-18				*2016-17*			
		Note 33 - Manufacturing, construction and operating expenses	Note 34 - Employee benefits expense	Note 35 -Sales, administration and other expenses	Total	*Note 33 - Manufacturing, construction and operating expenses*	*Note 34 - Employee benefits expense*	*Note 35 -Sales, administration and other expenses*	*Total*
1.	Power and fuel	951.61	–	58.22	1009.83	*1041.49*	–	*59.26*	*1100.75*
2.	Packing and forwarding	363.01	–	96.75	459.76	*340.15*	–	*91.05*	*431.20*
3.	Insurance	188.96	83.35	34.48	306.79	*187.07*	*78.08*	*31.96*	*297.11*
4.	Rent	422.83	–	244.28	667.11	*415.25*	–	*229.51*	*644.76*
5.	Rates and taxes	374.89	–	54.56	429.45	*366.42*	–	*51.55*	*417.97*
6.	Travelling and conveyance	608.14	–	304.71	912.85	*759.81*	–	*280.10*	*1039.91*
7.	Repairs to buildings	5.05	–	18.51	23.56	*6.10*	–	*9.53*	*15.63*
8.	General repairs and maintenance	336.96	–	228.33	565.29	*303.18*	–	*229.90*	*533.08*
9.	Miscellaneous expenses	973.80	–	536.80	1510.60	*382.18*	–	*521.62*	*903.80*

NOTE [36]

Finance costs

Particulars	2017-18	*2016-17*
	₹ crore	*₹ crore*
Interest expenses	1415.71	*1251.66*
Other borrowing costs	3.59	*0.56*
Exchange loss (attributable to finance costs)	12.93	*64.69*
	1432.23	*1316.91*

NOTE [37]

Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

₹ crore

Sr. No.	Name of the company	Balance as at		Maximum outstanding during	
		31-3-2018	*31-3-2017*	2017-18	*2016-17*
	Loans and advances in the nature of loans given to subsidiaries:				
A	L&T Seawoods Private Limited	–	–	–	*341.20*
B	L&T Realty Limited	76.75	*16.56*	133.10	*397.41*
C	L&T Shipbuilding Limited	225.50	*512.00*	998.12	*2651.87*
D	L&T Special Steels & Heavy Forgings Private Limited	1379.11	*1167.21*	1401.86	*1167.22*
E	PNG Tollway Limited	18.20	*18.20*	18.20	*18.20*
F	EWAC Alloys Limited [Note 46(A)]	–	–	–	*16.00*
G	L&T Hydrocarbon Engineering Limited	–	*2.23*	0.31	*511.74*
H	L&T Construction Equipment Limited	7.00	–	42.91	–
I	Nabha Power Limited	594.29	*1576.88*	1789.97	*1827.99*
J	L&T–MHPS Turbine Generators Private Limited	–	–	–	*300.08*
	Total	2300.85	*3293.09*		

Notes forming part of the Financial Statements (contd.)

NOTE [37]

Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: *(contd.)*

Notes:

– Above figures include interest accrued.

– Loans to employees (including directors) under various schemes of the Company (such as housing loan, furniture loan, education loan, etc.) have been considered to be outside the purview of disclosure requirements.

– Subsidiary classification is in accordance with the Companies Act, 2013.

NOTE [38]

Disclosure pursuant to section 186 of the Companies Act 2013:

₹ crore

Sr. No.	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/ security is proposed to be utilised by the recipient	2017-18	*2016-17*
(A)	Loan and advances:			
	Subsidiary companies:			
	(a) L&T Realty Limited	Project funding	76.75	*16.56*
	(b) L&T Shipbuilding Limited	Working capital	225.50	*512.00*
	(c) L&T Special Steels & Heavy Forgings Private Limited	Working capital and project funding	1379.11	*1167.22*
	(d) PNG Tollway Limited	Project funding	18.20	*18.20*
	(e) L&T Construction Equipment Limited	Working capital	7.00	–
	(f) L&T Hydrocarbon Engineering Limited	Working capital	–	*2.23*
	(g) Nabha Power Limited	Project funding	594.29	*1576.88*
	Total		2300.85	*3293.09*
(B)	Other Advances:			
	Subsidiary Companies:			
	(a) L&T Uttaranchal Hydropower Limited	Towards capital contribution	19.45	–
	(b) L&T Metro Rail (Hyderabad) Private Limited	Towards capital contribution	–	*6.35*
	Total		19.45	*6.35*
(C)	Guarantees:			
	Subsidiary Companies:			
	(a) L&T Aviation Services Private Limited	Corporate guarantee given for subsidiary's debt	16.88	*44.64*
	(b) L&T-MHPS Boilers Private Limited		60.60	*120.61*
	(c) L&T-MHPS Turbine Generators Private Limited		418.95	*472.36*
	(d) L&T Shipbuilding Limited		3156.00	*2781.00*
	(e) Nabha Power Limited		3707.00	*5032.00*
	(f) L&T Global Holdings Limited		65.18	–
	(g) Larsen & Toubro ATCO Saudia LLC	Corporate guarantee for subsidiary's project performance	2130.11	–
	(h) Larsen & Toubro Arabia LLC		5971.38	*5369.27*
	(i) Larsen & Toubro Infotech Limited		–	*202.26*

Notes forming part of the Financial Statements (contd.)

NOTE [38]

Disclosure pursuant to section 186 of The Companies Act 2013: *(contd.)*

₹ crore

Sr. No.	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/ security is proposed to be utilised by the recipient	2017-18	*2016-17*
	(j) L&T Technology Services Limited	Corporate guarantee for subsidiary's project performance (It includes corporate guarantee given for L&T Technology Services LLC)	918.08	*917.62*
	(k) Larsen & Toubro Heavy Engineering LLC	Corporate guarantee for subsidiary's project performance	1047.98	*1172.46*
	(l) Larsen & Toubro (Saudi Arabia) LLC		1517.67	*3272.69*
	(m) Spectrum Infotech Private Limited [Note 60]		–	*2.90*
	(n) L&T Hydrocarbon Engineering Limited		8691.05	*5418.33*
	(o) L&T-MHPS Boilers Private Limited	Guarantees issued by bank out of the Company's sanctioned limits to customer of L&T–MHPS Boilers Private Limited for project performance	28.79	*28.60*
			27729.67	*24834.73*
(D)	**Investments in fully paid equity instruments and current investments**		[Note 5 and Note 10]	

– Subsidiary classification is in accordance with the Companies Act, 2013.

NOTE [39]

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 97.29 crore *(previous year: ₹ 98.97 crore)*.

(a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 100.92 crore *(previous year: ₹ 100.77 crore)*, which comprises of:

₹ crore

Sr. No.	Particulars	Disclosed under	2017-18			*2016-17*		
			Paid	Provided	Total	*Paid*	*Provided*	*Total*
i)	Construction/acquisition of assets recognised as expense and shown under sales, administration and other expenses	Note 35	4.42	1.52	5.94	*6.19*	*3.30*	*9.49*
ii)	Other revenue expenses:							
	recognised as expense and shown under sales, administration and other expenses	Note 35	70.21	9.19	79.40	*61.48*	*10.34*	*71.82*
	recognised as expense and shown under employee benefits expense	Note 34	15.54	0.04	15.58	*19.03*	*0.43*	*19.46*
	Total		90.17	10.75	100.92	*86.70*	*14.07*	*100.77*

NOTE [40]

The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 138.93 crore *(previous year: ₹ 145.98 crore)*. Further, the Company has incurred capital expenditure on research and development activities as follows:

(a) on tangible assets of ₹ 6.22 crore *(previous year: ₹ 9.43 crore)*;

(b) on intangible assets being expenditure on new product development of ₹ 48.08 crore *(previous year: ₹ 43.01 crore)* [Note 1(i)(ii)]; and

(c) on other intangible assets of ₹ 1.84 crore *(previous year: ₹ 1.09 crore)*.

In addition, the Company has incurred expenditure of ₹ 2.70 cr *(previous year: Nil)* which are customer funded.

Notes forming part of the Financial Statements (contd.)

NOTE [41]

Disclosure pursuant to Ind AS 17 "Leases"

(a) Where the Company is a lessor

(i) Operating leases:

The company has given a building under non-cancellable operating lease, the future minimum lease payment receivable in respect of which are as follows:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
1	Receivable not later than 1 year	49.01	*48.69*
2	Receivable later than 1 year and not later than 5 years	23.51	*34.41*
3	Receivable later than 5 years	–	–
	Total	72.52	*83.10*

(b) Where the Company is a lessee:

(i) Finance leases:

(A) Assets acquired on finance lease comprises plant and equipment and land. The leases have a primary period, which is fixed and non- cancellable. The company has an option to renew the lease for a secondary period.

(B) The Minimum lease rental and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

₹ crore

Sr. No.	Particulars	Minimum lease payment		Present value of minimum lease payments	
		As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
1	Payable not later than 1 year	0.14	*0.56*	0.14	*0.50*
2	Payable later than 1 year and not later than 5 years	0.02	*0.16*	–	*0.14*
3	Payable later than 5 years	0.14	*0.15.*	0.06	*0.06*
	Total (1+2+3)	0.30	*0.87*	0.20	*0.70*
	Less: Future finance charges	0.10	*0.17*	–	–
	Present value of minimum lease payments	0.20	*0.70*	0.20	*0.70*

(ii) Operating leases:

(A) The Company has taken various commercial premises and plant and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no exceptional/restrictive covenants in the lease agreements.

(B) Assets acquired on non- cancellable operating lease comprises commercial premises, cars and technology assets, the future minimum lease payments in respect of which are as follows:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
1	Payable not later than 1 year	21.96	*18.33*
2	Payable later than 1 year and not later than 5years	27.09	*27.13*
3	Payable later than 5 years	6.80	–
	Total	55.85	*45.46*

(C) Lease rental expenses in respect of operating leases: ₹ 103.39 crore *(previous year: ₹ 109.10 crore)*

Notes forming part of the Financial Statements (contd.)

NOTE [42]

Disclosure pursuant to Ind AS 105 "Non-current assets held for sale and discontinued operations": *₹ crore*

Particulars	As at 31-3-2018	*As at 31-3-2017*
Investments held for sale	388.00	*388.00*

(i) Through a scheme of arrangement of demerger, the Port business in L&T Shipbuilding Limited (effective date March 22, 2017) was transferred to Marine Infrastructure Developer Private Limited (MIDPL) in financial year 2016-17. As a shareholder, the Company had received 38,80,00,000 equity shares of ₹ 10 each. The Company plans to divest its stake in MIDPL to an identified strategic partner. In order to complete the divestment, certain approvals, such as transfer of Marine License & transfer of shares are pending to be received from statutory bodies. Accordingly, the proposed sale is expected to be completed within 12 months from the reporting date.

(ii) The above investment forms part of the unallocable corporate assets. [Note 47(a) Disclosure pursuant to Ind AS 108 "Operating Segment"].

NOTE [43]

Disclosure pursuant to Ind AS 1 "Presentation of financial statements":

(a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

₹ crore

Particulars	Note	As at 31-3-2018			*As at 31-3-2017*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
Inventories	9	1680.38	819.66	2500.04	*1625.58*	*137.28*	*1762.86*
Trade receivables	11	23928.46	525.78	24454.24	*19529.19*	*392.76*	*19921.95*
Loans	14	991.92	0.42	992.34	*1900.76*	*5.04*	*1905.80*
Other financial assets	15	3441.78	–	3441.78	*2213.12*	*104.80*	*2317.92*
Other current assets	16	31597.81	7533.01	39130.82	*23983.02*	*9302.12*	*33285.14*

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

₹ crore

Particulars	Note	As at 31-3-2018			*As at 31-3-2017*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
Trade payables	25	30447.66	649.45	31097.11	*23086.63*	*1251.69*	*24338.32*
Other financial liabilities	26	1851.22	19.65	1870.87	*1412.15*	*28.10*	*1440.25*
Other current liabilities	27	16191.45	4662.37	20853.82	*12052.20*	*6134.55*	*18186.75*
Provisions	28	991.53	110.69	1102.22	*964.54*	*128.45*	*1092.99*

NOTE [44]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management

(a) Foreign exchange rate and interest rate risk:

The Company regularly reviews its foreign exchange forward and option positions and interest rate swaps, both on a standalone basis and in conjunction with its underlying foreign currency and interest rate related exposures. The Company follows cash flow hedge accounting for Highly Probable Forecasted Exposures (HPFE) hence the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-Balance Sheet exposure, the changes in MTM of the hedge contracts will impact the Balance Sheet of the Company. Further, given the effective horizons of the Company's risk management activities which coincide with the durations of the projects under execution and could extend across 3-4 years and the business uncertainties associated with the timing and estimation of the project exposures, the recognition of the gains and losses related to these instruments may not always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may affect the Company's financial condition and operating results. Hence, the Company monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc., on a regular basis. For on-Balance Sheet exposures, the Company monitors the risks on net unhedged exposures.

Notes forming part of the Financial Statements (contd.)

NOTE [44] *(contd.)*

(i) Foreign exchange rate risk:

In general, the Company is a net receiver of foreign currency. Accordingly, changes in exchange rates and in particular a strengthening of the Indian Rupee may negatively affect the Company's net sales and gross margins as expressed in Indian Rupees. There is a risk that the Company will have to adjust local currency product pricing due to competitive pressures when there have been significant volatility in foreign currency exchange rates.

The Company may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. In addition, the Company has entered and may enter in future, into non-designated foreign currency contracts to partially offset the foreign currency exchange gains and losses on its foreign-denominated debt issuances. The Company's practice is to hedge a portion of its material foreign exchange exposures with tenors in line with the project/business life cycle, however, the Company may choose not to hedge certain foreign exchange exposures for a variety of reasons.

The net exposure to foreign currency risk (based on notional amount) in respect of recognised financial assets, recognised financial liabilities and derivatives is as follows:

₹ crore

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	US Dollars including pegged currencies	EURO	Japanese Yen	*US Dollars including pegged currencies*	*EURO*	*Japanese Yen*
Net exposure to foreign currency risk in respect of recognised financial assets/ (recognised financial liabilities)	(2187.64)	(372.73)	(95.77)	*(1730.19)*	*(402.15)*	*(366.13)*
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to firm commitments and forecast transactions	1848.44	(1388.82)	659.25	*3664.22*	*(1085.56)*	*604.27*
Receivable/(payable) exposure with respect to forward contracts and embedded derivatives not designated as cash flow hedge	(1219.10)	(6.92)	–	*752.13*	*(5.42)*	–

To provide a meaningful assessment of the foreign currency risk associated with the Company's foreign currency derivative positions against off Balance Sheet exposures and unhedged portion of on-Balance Sheet financial assets and liabilities, the Company uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Company uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increases in the fair value of the underlying exposures for on-Balance Sheet exposures. The overnight VAR for the Company at 95% confidence level is ₹ 39.80 crore as at March 31, 2018 and ₹ 59.80 crore as at March 31, 2017.

Actual future gains and losses associated with the Company's investment portfolio and derivative positions may differ materially from the sensitivity analysis performed as at March 31, 2018 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the Company's actual exposures and position.

(ii) Interest rate risk:

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. While most of the Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk. A major portion of foreign currency debt is linked to international interest rate benchmarks like LIBOR. The Company also hedges a portion of these risks by way of derivatives instruments like Interest rate swaps and currency swaps.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ crore

Particulars	As at 31-3-2018	*As at 31-3-2017*
Floating rate borrowings	5157.15	*4472.18*

Notes forming part of the Financial Statements (contd.)

NOTE [44] ***(contd.)***

A hypothetical 50 basis point shift in respective currency LIBORs on the unhedged loans would result in a corresponding increase/ decrease in interest cost for the Company on a yearly basis.

₹ crore

Particulars	Impact on Profit and Loss after tax		Impact on equity	
	2017-18	*2016-17*	As at 31-3-2018	*As at 31-3-2017*
Indian Rupee				
Interest rates - increase by 0.5% in INR interest rate *	(0.45)	*(1.11)*	(0.45)	*(1.11)*
Interest rates - decrease by 0.5% in INR interest rate *	0.45	*1.11*	0.45	*1.11*
US Dollar				
Interest rates - increase by 0.5% in USD interest rate *	(16.39)	*(13.51)*	(16.39)	*(13.51)*
Interest rates - decrease by 0.5% in USD interest rate *	16.39	*13.51*	16.39	*13.51*

* Holding all other variables constant

(b) Liquidity Risk Management:

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The Company uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Company typically invests in money market funds, large debt funds, government of india securities, equity funds and other highly rated securities under a limits framework which governs the credit exposure to any one issuer as defined in its investment policy. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss. To provide a meaningful assessment of the price risk associated with the Company's investment portfolio, the Company performed a sensitivity analysis to determine the impact of change in prices of the securities that would have on the value of the investment portfolio assuming a 0.5% move in debt funds and debt securities and a 5% movement in the NAV of the equity funds. Based on the investment position a hypothetical 0.5% change in the fair market value of debt securities would result in a value change of +/- ₹ 14.04 crore as at March 31, 2018 and +/- ₹ 15.98 crore as at March 31, 2017. 5% change in the equity funds NAV would result in a value change of +/- ₹ 16.24 crore as at March 31, 2018 and +/- ₹ 17.83 crore as at March 31, 2017. The investments in money market funds are for the purpose of liquidity management only and are held only overnight and hence not subject to any material price risk.

(c) Credit Risk Management:

The Company's customer profile include public sector enterprises, state owned companies and large private corporates. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(i) The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

₹ crore

Particulars	2017-18	*2016-17*
Opening balance	1916.66	*1568.79*
Changes in loss allowance (Provision for doubtful debts):		
Loss allowance based on ECL	171.07	*151.94*
Additional provision	494.34	*235.91*
Write off as bad debts	(357.10)	*(39.98)*
Closing balance [reported under Note 11]	2224.97	*1916.66*

(ii) Trade receivable written off during the year but still enforceable for recovery amounts to ₹ 409.43 crore *(previous year: ₹ Nil).* Out of this ₹ 243.62 crore included above and balance ₹ 165.81 crore included in exceptional items. Further, exceptional items also include write off of retention money not due (non-financial asset) amounts to ₹ 128.94 crore. (Note 46).

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
I.	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Investment in equity instruments	136.64	*56.04*
	(ii) Investment in preference shares	1085.08	*605.10*
	(iii) Investment in mutual funds	1070.80	*5031.03*
	(iv) Investment in bonds	424.46	*202.33*
	(v) Derivative instruments not designated as cash flow hedges	3.77	*6.08*
	(vi) Embedded derivatives not designated as cash flow hedges	21.33	*78.97*
	Sub-total (I)	2742.08	*5979.55*
II.	Measured at amortised cost:		
	(i) Loans	2676.47	*3683.34*
	(ii) Trade receivables	24454.24	*19921.95*
	(iii) Advances recoverable in cash	2387.92	*1061.76*
	(iv) Cash and cash equivalents and bank balances	4637.39	*3759.28*
	(v) Other receivables	767.87	*785.34*
	Sub-total (II)	34923.89	*29211.67*
III.	Measured at fair value through Other Comprehensive Income (FVTOCI):		
	(i) Investment in government securities, bonds and debentures	2849.72	*1748.72*
	(ii) Derivative instruments designated as cash flow hedges	358.49	*659.92*
	(iii) Embedded derivatives designated as cash flow hedges	1.96	*2.62*
	Sub-total (III)	3210.17	*2411.26*
	Total (I+II+III)	40876.14	*37602.48*

(b) Category-wise classification for applicable financial liabilities:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
I.	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Derivative instruments not designated as cash flow hedges	13.52	*8.53*
	(ii) Embedded derivatives not designated as cash flow hedges	15.79	*83.26*
	Sub-total (I)	29.31	*91.79*
II.	Measured at amortised cost:		
	(i) Borrowings	10561.00	*10558.37*
	(ii) Trade payables	31097.11	*24338.32*
	(iii) Others	1681.18	*1086.28*
	Sub-total (II)	43339.29	*35982.97*
III.	Derivative instruments (including embedded derivatives) through Other Comprehensive Income:		
	(i) Derivative instruments designated as cash flow hedges	132.19	*279.61*
	(ii) Embedded derivatives designated as cash flow hedges	121.34	*50.43*
	Sub-total (III)	253.53	*330.04*
IV.	Financial guarantee contracts	15.49	*20.71*
	Total (I+II+III+IV)	43637.62	*36425.51*

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": *(contd.)*

(c) Items of income, expense, gains or losses related to financial instruments:

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
I	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Profit or Loss and amortised cost:		
A	(i) Financial assets or financial liabilities mandatorily measured at fair value through Profit or Loss:		
	1. Gains/(losses) on fair valuation or sale of Investments	(2181.30)	*(178.13)*
	2. Gains/(losses) on fair valuation/settlement of derivatives:		
	a. On forward contracts not designated as cash flow hedges	0.15	*(33.57)*
	b. On embedded derivatives contracts not designated as cash flow hedges	17.05	*9.93*
	c. On futures not designated as cash flow hedges	(125.74)	*(56.89)*
	Sub-total (A)	(2289.84)	*(258.66)*
B	Financial assets measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	123.70	*(173.03)*
	(ii) Allowance/(reversal) for expected credit loss recognised during the year in the Statement of Profit or Loss	(171.07)	*(151.94)*
	(iii) Provision for doubtful debts (other than expected credit loss) [net]	(525.60)	*(237.28)*
	(iv) Gains/(losses) on derecognition:		
	1. Bad debts written off (net)	(186.17)	*(42.43)*
	2. Gains/(losses) on transfer of financial assets (non-recourse)	(35.73)	*(50.81)*
	Sub-total (B)	(794.87)	*(655.49)*
C	Financial liabilities measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade payables, borrowings availed etc.)	(162.60)	*277.28*
	(ii) Unclaimed credit balances written back	117.68	*130.71*
	Sub-total (C)	(44.92)	*407.99*
	Total [I] = (A+B+C)	(3129.63)	*(506.16)*
II	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Other Comprehensive Income:		
A	Gains/(losses) recognised in Other Comprehensive Income:		
	(i) Financial assets measured at fair value through Other Comprehensive Income:		
	1. Gains/(losses) on fair valuation or sale of government securities, bonds, debentures etc.	(51.22)	*101.29*
	(ii) Derivative measured at fair value through Other Comprehensive Income:		
	1. Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	92.29	*(129.43)*
	2. Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	(79.30)	*(24.02)*
	Sub-total (A)	(38.23)	*(52.16)*
	Less:		
B	Gains/(losses) reclassified to Profit or Loss from Other Comprehensive Income:		
	(i) Financial assets measured at fair value through Other Comprehensive Income:		
	1. On government securities, bonds, debentures etc. upon sale of government securities, bonds, debentures etc. upon sale	(51.49)	*110.46*
	(ii) Derivative measured at fair value through Other Comprehensive Income:		
	1. On forward contracts upon hedged future cash flows affecting the Profit or Loss or related assets or liability	188.29	*(140.88)*
	2. On embedded derivative contracts upon hedged future cash flows affecting the Profit or Loss or related asset and liability	(21.95)	*(4.08)*
	Sub-total (B)	114.85	*(34.50)*
	Net gains/(losses) recognised in Other Comprehensive Income [II]= (A)-(B)	(153.08)	*(17.66)*

Notes forming part of the Financial Statements (contd.)

NOTE [45]

(c) Items of income, expense, gains or losses related to financial instruments: *(contd.)*

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
III	Other income/(expenses):		
A	Dividend income:		
	Dividend income from investments measured at FVTPL	2693.08	*659.63*
	Sub- total (A)	2693.08	*659.63*
B	Interest income:		
	(a) Financial assets measured at amortised cost	269.00	*380.29*
	(b) Financial assets measured at fair value through Other Comprehensive Income	226.95	*157.84*
	(c) Financial assets measured at fair value through Profit or Loss	0.98	*1.08*
	Sub- total (B)	496.93	*539.21*
C	Interest expense:		
	(a) Financial liabilities that are measured at amortised cost	(860.74)	*(734.01)*
	(b) Derivative instruments (including embedded derivatives) that are measured at fair value through Other Comprehensive Income (reclassified to Profit or Loss during the period)	(266.60)	*(401.21)*
	(c) Financial liabilities that are measured at fair value through Profit or Loss	(15.48)	*8.04*
	Sub-total (C)	(1142.82)	*(1127.18)*
	Total [III] = (A+B+C)	2047.19	*71.66*

(d) Fair value of financial assets and financial liabilities measured at amortised cost:

(i) Financial assets measured at amortised cost:

The carrying amounts of trade receivables, loans, advances and cash and other bank balances are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with floating rate of interest are considered to be close to the fair value.

(ii) Financial liabilities measured at amortised cost:

₹ crore

Particulars	As at 31-3-2018		*As at 31-3-2017*		Fair value hierarchy
	Carrying amount	Fair Value	*Carrying amount*	*Fair Value*	
0.675 % Foreign currency convertible bonds	1245.64	1241.13	*1201.78*	*1222.20*	L2*
Redeemable non-convertible fixed rate debentures	2588.43	2647.14	*2588.03*	*2677.39*	L2*
Total	3834.07	3888.27	*3789.81*	*3899.59*	

Note: The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

* Valuation technique L2: Future cash flows discounted using G-sec/LIBOR rates plus corporate spread.

(e) Fair value hierarchy of financial assets and liabilities measured at fair value:

₹ crore

Particulars	Note	As at 31-3-2018				*As at 31-3-2017*			
		Level 1	Level 2	Level 3	Total	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets:									
Investments at FVTPL:									
(i) Equity shares (other than those held in subsidiary & associate companies)	5	72.27	–	64.37	136.64	–	–	*56.04*	*56.04*
(ii) Preference shares	5	–	1085.08	–	1085.08	–	*605.10*	–	*605.10*
(iii) Mutual fund units	10	1070.80	–	–	1070.80	*5031.03*	–	–	*5031.03*
(iv) Bonds	10	424.46	–	–	424.46	*202.33*	–	–	*202.33*
(v) Derivative instruments not designated as cash flow hedges	7,15	–	3.77	–	3.77	–	*6.08*	–	*6.08*
(vi) Embedded derivative Instruments not designated as cash flow hedges	7,15	–	21.33	–	21.33	–	*78.97*	–	*78.97*

Notes forming part of the Financial Statements (contd.)

NOTE [45]

(e) Fair value hierarchy of financial assets and liabilities measured at fair value *(contd.)*

₹ crore

Particulars	Note	As at 31-3-2018				*As at 31-3-2017*			
		Level 1	Level 2	Level 3	Total	*Level 1*	*Level 2*	*Level 3*	*Total*
Investments at FVTOCI									
(i) Debt instruments viz. government securities, bonds and debentures	10	2849.72	–	–	2849.72	*1748.72*	–	–	*1748.72*
(ii) Derivative financial instruments designated as cash flow hedges	7,15	–	358.49	–	358.49	–	*659.92*	–	*659.92*
(iii) Embedded derivative financial instruments designated as cash flow hedges	7,15	–	1.96	–	1.96	–	*2.62*	–	*2.62*
Total		4417.25	1470.63	64.37	5952.25	*6982.08*	*1352.69*	*56.04*	*8390.81*
Financial Liabilities:									
(i) At FVTPL-Designated at FVTPL:									
(a) Derivative instruments not designated as cash flow hedges	20,26	–	13.52	–	13.52	–	*8.53*	–	*8.53*
(b) Embedded derivative instruments not designated as cash flow hedges	20,26	–	15.79	–	15.79	–	*83.26*	–	*83.26*
(ii) Designated at FVTOCI:									
(a) Derivative financial instruments designated as cash flow hedges	20,26	–	132.19	–	132.19	–	*279.61*	–	*279.61*
(b) Embedded Derivative financial instruments designated as cash flow hedges	20,26	–	121.34	–	121.34	–	*50.43*	–	*50.43*
Total		–	282.84	–	282.84	–	*421.83*	–	*421.83*

Valuation technique and key inputs used to determine fair value:

1. Level 1: Mutual funds, bonds, debentures and government securities- Quoted price in the active market.
2. Level 2: (a) Derivative instrument – Mark to market on forward covers and embedded derivative instruments is based on forward exchange rates at the end of reporting period and discounted using G-sec rate plus applicable spread.
   (b) Preference shares – Future cash flows are discounted using G-sec rate plus applicable spread as at reporting date.

(f) Movement of items measured using unobservable inputs (Level 3):

₹ crore

Particulars	Equity investment in Tidel Park Limited
Balance as at 1-4-2016	55.94
Gains/(losses) recognised in Profit or Loss during 2016-17	–
Balance as at 31-3-2017	55.94
Gains/(losses) recognised in Profit or Loss during 2017-18	8.32
Balance as at 31-3-2018	64.27

Significant unobservable inputs used in level 3 fair value measurements and sensitivity of the fair value measurement to changes in unobservable inputs.

₹ crore

Particulars	Fair Value as at 31-3-2018	*Fair Value as at 31-3-2017*	Significant unobservable inputs	Sensitivity
Equity investment in "Tidel Park Limited"	64.27	*55.94*	1. Lease realisation: net realisation per month ₹ 30 per sq/ft. 2. Capitalisation rate 12%	31-3-2018: 1% change in net realisation would result in +/- ₹ 0.31 crore (post tax +/- ₹ 0.20 crore). 25 bps change in capitalisation rate would result in +/- ₹ 0.64 crore (post tax +/- ₹ 0.42 crore). 31-3-2017: 1% change in net realisation would result in +/- ₹ 0.38 crore (post tax +/- ₹ 0.25 crore). 25 bps change in capitalisation rate would result in +/- ₹ 0.78 crore (post tax +/- ₹ 0.51 crore).

Notes forming part of the Financial Statements (contd.)

NOTE [45] *(contd.)*

(g) Maturity profile of financial liabilities:

₹ crore

Particulars	Note	As at 31-3-2018			*As at 31-3-2017*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
A. Non derivative liabilities:							
Borrowings	19, 23, 24	5370.82	5874.29	11245.11	*3708.84*	*7797.02*	*11505.86*
Trade payables	25	30447.66	649.45	31097.11	*23086.63*	*1251.69*	*24338.32*
Other financial liabilities	20, 26	1661.98	34.68	1696.66	*1045.94*	*61.05*	*1106.99*
Total		37480.46	6558.42	44038.88	*27841.41*	*9109.76*	*36951.17*
B. Derivative liabilities:							
Forward contracts	20, 26	131.32	19.80	151.12	*267.61*	*30.21*	*297.82*
Embedded derivatives	20, 26	63.40	85.37	148.77	*120.33*	*26.42*	*146.75*
Total		194.72	105.17	299.89	*387.94*	*56.63*	*444.57*

(h) Details of outstanding hedge instruments for which hedge accounting is followed:

(i) Outstanding currency exchange rate hedge instruments:

(A) Forward covers taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(a) Receivable hedges								
US Dollar	4178.79	68.11	3584.90	593.89	*2817.69*	*66.87*	*2185.09*	*632.60*
EURO	904.48	85.60	632.20	272.28	*723.40*	*84.61*	*507.79*	*215.61*
Malaysian Ringgit	138.38	17.07	138.38	–	*331.20*	*14.86*	*331.20*	–
Omani Riyal	301.94	179.55	301.94	–	*324.75*	*172.04*	*309.74*	*15.01*
Arab Emirates Dirham	1414.99	18.11	1411.18	3.81	*1229.22*	*17.59*	*1029.47*	*199.75*
Canadian Dollar	–	–	–	–	*9.41*	*50.29*	*9.41*	–
British Pound	4.41	90.74	4.41	–	*6.12*	*81.60*	*6.12*	–
Japanese Yen	923.19	0.65	889.42	33.77	*845.50*	*0.66*	*467.82*	*377.68*
Kuwaiti Dinars	613.52	225.58	442.85	170.67	*187.89*	*220.92*	*164.74*	*23.15*
Qatari Riyals	1476.18	18.55	1253.61	222.57	*1184.17*	*15.58*	*1061.92*	*122.25*
Thai Baht	1.43	2.12	1.43	–	–	–	–	–

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(b) Payable hedges								
US Dollar	10172.38	67.96	4717.80	5454.58	*7232.88*	*62.41*	*6082.60*	*1150.28*
EURO	2711.27	80.59	2641.52	69.75	*1907.72*	*71.72*	*1799.42*	*108.30*
Arab Emirates Dirham	0.75	17.86	0.75	–	*7.24*	*18.11*	*7.24*	–
Swiss Franc	404.36	74.68	404.36	–	*266.74*	*67.51*	*266.74*	–
Chinese Yuan	26.03	10.32	26.03	–	*63.51*	*9.63*	*63.51*	–
British Pound	52.96	93.51	28.88	24.08	*2.97*	*81.81*	*2.97*	–
Japanese Yen	309.02	0.62	309.02	–	*385.36*	*0.61*	*385.36*	–
Kuwaiti Dinars	12.24	217.71	12.24	–	*4.40*	*219.94*	*4.40*	–
Swedish Krona	16.56	8.83	16.56	–	–	–	–	–

Notes forming part of the Financial Statements (contd.)

NOTE [45] ***(contd.)***

(B) Forward covers taken to hedge exchange rate risk and accounted as net investment hedge:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
Receivable hedges								
US Dollar	28.73	71.83	–	28.73	–	–	–	–
Saudi Riyal	187.39	17.43	187.39	–	*785.74*	*19.44*	*27.79*	*757.95*

(ii) Outstanding interest rate hedge instruments:

Interest rate swaps taken to hedge interest rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (%)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
US Dollar	760.62	7.60	520.62	240.00	*1433.26*	*8.00*	*672.70*	*760.56*

(iii) Outstanding commodity price hedge instruments:

Commodity forward contract:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
Copper(Tn)*	(223.90)	462821.73	(223.90)	–	*30.99*	*374739.63*	*30.99*	–
Aluminium(Tn)	198.62	139526.87	198.62	–	*8.20*	*112943.72*	*8.20*	–
Iron Ore(Tn)	60.65	4055.89	60.65	–	*71.66*	*3592.00*	*43.19*	*28.47*
Coking Coal(Tn)	33.91	11958.33	33.91	–	*50.40*	*11494.00*	*42.07*	*8.33*
Zinc(Tn)	19.76	222813.00	19.76	–	*9.53*	*177153.00*	*9.53*	–
Lead(Tn)	10.99	160606.00	10.99	–	*0.23*	*150777.00*	*0.23*	–

*Negative nominal amount represents sell position.

(i) Carrying amounts of hedge instruments for which hedge accounting is followed:

Cash flow hedge:

₹ crore

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	169.36	–	27.61	*236.80*	–	*29.03*
Liability - Other financial liabilities	134.83	–	23.27	*286.78*	–	*(4.89)*
Non current:						
Asset - Other financial assets	72.40	–	–	*105.25*	–	*3.34*
Liability - Other financial liabilities	93.28	–	–	*46.76*	–	*1.39*
(ii) Swap contracts						
Current:						
Asset - Other financial assets	66.59	(8.43)	–	*123.06*	*(1.38)*	–
Liability - Other financial liabilities	–	–	–	–	–	–
Non current:						
Asset - Other financial assets	21.03	(3.65)	–	*116.91*	*(15.69)*	–
Liability - Other financial liabilities	–	–	–	–	–	–

Notes forming part of the Financial Statements (contd.)

NOTE [45]

(i) Carrying amounts of hedge instruments for which hedge accounting is followed *(contd.)*

Net investment:

₹ crore

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	14.63	–	–	*1.47*	–	–
Liability - Other financial liabilities	2.15	–	–	–	–	–
Non current:						
Asset - Other financial assets	0.91	–	–	*63.75*	–	–

(j) Breakup of hedging reserve and cost of hedging reserve:

₹ crore

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	Cash flow hedging reserve	Cost of hedging reserve	*Cash flow hedging reserve*	*Cost of hedging reserve*
Balance towards continuing hedges	(23.89)	(12.34)	*140.99*	*(12.80)*
Balance for which hedge accounting discontinued	138.39	–	*15.92*	–

(k) Reclassification of hedging reserve and cost of hedging reserve to Profit or Loss:

₹ crore

Particulars	Hedging reserve/Cost of hedging reserve	
	2017-18	*2016-17*
Future cash flows are no longer expected to occur:		
Sales, administration and other expenses	(1.32)	*(9.69)*
Hedged expected future cash flows affecting Profit or Loss:		
Progress billing	177.14	*117.42*
Revenue from operations	(15.60)	*43.34*
Manufacturing, construction and operating expenses	2.16	*(131.78)*
Finance costs	(266.60)	*(401.21)*
Sales, administration and other expenses	181.10	*(46.83)*

(l) Movement of hedging reserve and cost of hedging reserve:

₹ crore

Hedging reserve	2017-18			*2016-17*		
	Gross	Tax	Net of Tax	*Gross*	*Tax*	*Net of Tax*
Opening balance	240.09	(83.18)	156.91	*(31.74)*	*10.98*	*(20.76)*
Impact due to change in tax rate	–	(0.72)	(0.72)	–	–	–
Changes in the spot element of the forward contracts which is designated as hedging instrument for time period related hedges	(16.22)	5.81	(10.41)	*(163.88)*	*56.77*	*(107.11)*
Changes in fair value of forward contracts designated as hedging instruments	217.80	(78.02)	139.78	*267.87*	*(92.79)*	*175.08*
Changes in fair value of swaps	(150.03)	53.75	(96.28)	*(63.41)*	*21.96*	*(41.45)*
Amount reclassified to Profit or Loss	61.11	(21.89)	39.22	*345.28*	*(119.60)*	*225.68*
Amount included in non-financial assets/liabilities	(0.48)	0.17	(0.31)	–	–	–
Amount included in Progress Billing in Balance Sheet	(177.14)	63.45	(113.69)	*(114.03)*	*39.50*	*(74.53)*
Closing balance	175.13	(60.63)	114.50	*240.09*	*(83.18)*	*156.91*

Notes forming part of the Financial Statements (contd.)

NOTE [45]

(l) Movement of hedging reserve and cost of hedging reserve *(contd.)*

₹ crore

Cost of hedging reserve	2017-18			*2016-17*		
	Gross	Tax	Net of Tax	*Gross*	*Tax*	*Net of Tax*
Opening balance	(19.56)	6.77	(12.79)	*(23.04)*	*7.97*	*(15.07)*
Impact due to change in tax rate	–	0.07	0.07	–		–
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instrument for time period related hedges	(38.56)	13.47	(25.09)	*(194.03)*	*67.15*	*(126.88)*
Amount included in carrying amount of hedge item	–	–	–	*(3.39)*	*1.17*	*(2.22)*
Amount reclassified to Profit or Loss	39.15	(13.68)	25.47	*200.89*	*(69.52)*	*131.37*
Closing balance	(18.97)	6.63	(12.34)	*(19.57)*	*6.77*	*(12.80)*

NOTE [46]

A. Exceptional items for the year ended March 31, 2018 include the following:

(i) Gain of ₹ 198.82 crore on sale of the Company's stake in subsidiary companies viz. Larsen & Toubro Infotech Limited ₹ 145.32 crore and L&T Technology Services Limited ₹ 53.50 crore;

(ii) Gain on divestment of stake in L&T EWAC Alloys Limited ₹ 351.55 crore and L&T Cutting Tools Limited ₹ 174.91 crore;

(iii) Write off of trade receivable and retention money not due from a customer against whom insolvency proceedings are underway ₹ 294.75 crore [note1(t)(vii)].

Exceptional items for the year ended March 31, 2017 include the following:

(i) Gain of ₹ 1947.89 crore on sale of the Company's part stake in subsidiary companies viz. Larsen & Toubro Infotech Limited ₹ 1191.70 crore and L&T Technology Services Limited ₹ 756.19 crore;

(ii) Loss on divestment of stake in L&T General Insurance Company Limited ₹ 92.84 crore;

(iii) Loss on sale of Company's full stake in subsidiary company L&T Arabia LLC to wholly owned subsidiary company ₹ 11.08 crore.

(iv) Provision for impairment of investment in Infrastructure Development Projects Limited ₹ 950 crore.

B. On May 1, 2018, the Company signed, subject to regulatory approvals, definitive agreements with Schneider Electric for strategic divestment of its Electrical and Automation (E&A) business (which is a reported segment), together with certain associated subsidiary companies outside India, for an all-cash consideration of ₹ 14000 crore which is subject to customary post-closing adjustments.

NOTE [47]

Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) Information about reportable segment

₹ crore

Particulars	For the year ended 31-3-2018			*For the year ended 31-3-2017*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Revenue						
Infrastructure	54578.87	206.91	54785.78	*46573.35*	*321.07*	*46894.42*
Power	6200.71	7.52	6208.23	*6938.79*	–	*6938.79*
Heavy Engineering	3896.06	150.28	4046.34	*3098.38*	*233.39*	*3331.77*
Electrical & Automation [Note 46(B)]	4264.25	182.28	4446.53	*4058.19*	*223.15*	*4281.34*
Others	5671.76	443.67	6115.43	*5632.64*	*483.17*	*6115.81*
Elimination	–	(990.66)	(990.66)	–	*(1260.78)*	*(1260.78)*
Total	74611.65	–	74611.65	*66301.35*	–	*66301.35*
Segment result [Profit/(Loss) before interest and tax]						
Infrastructure			4870.14			*4147.12*
Power			161.96			*201.18*
Heavy Engineering			569.66			*530.88*
Electrical & Automation [Note 46(B)]			624.78			*520.39*
Others			482.35			*492.06*
Total			6708.89			*5891.63*

Notes forming part of the Financial Statements (contd.)

NOTE [47(a)]

Disclosure pursuant to Ind AS 108 "Operating Segment" *(contd.)*

₹ crore

Particulars	For the year ended 31-3-2018			*For the year ended 31-3-2017*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Inter-segment margin on capital jobs			(14.71)			*(32.83)*
			6694.18			*5858.80*
Unallocated corporate income/(expenditure) [net]			1073.01			*782.67*
Operating Profit (PBIT)			7767.19			*6641.47*
Interest expense			(1432.23)			*(1316.91)*
Interest income			496.89			*539.31*
Profit before tax (PBT)			6831.85			*5863.87*
Provision for current tax			(1974.07)			*(1675.20)*
Provision for deferred tax			98.99			*371.10*
Profit after tax (before exceptional items)			4956.77			*4559.77*
Profit from exceptional items			430.53			*893.97*
Profit after tax (after exceptional items)			5387.30			*5453.74*

₹ crore

Particulars	**Segment assets**		**Segment liabilities**	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Infrastructure	53127.74	*43931.92*	37733.44	*29858.24*
Power	5670.64	*6241.46*	5657.36	*6362.49*
Heavy Engineering	6502.86	*4879.29*	4723.49	*3281.58*
Electrical & Automation [Note 46(B)]	2900.82	*3007.54*	1663.94	*1530.93*
Others	9348.55	*7967.38*	4973.14	*3993.66*
Total	77550.61	*66027.59*	54751.37	*45026.90*
Unallocable corporate assets/liabilities	38770.64	*36746.81*	12395.63	*11734.76*
Inter- segment assets/liabilities	(711.23)	*(535.96)*	(711.23)	*(535.96)*
Total assets/liabilities	115610.02	*102238.44*	66435.77	*56225.70*

₹ crore

Particulars	Depreciation, amortisation, impairment & obsolescence included in segment expense		Other non-cash expenses included in segment expense		Interest expense included in segment expense		Additions to non-current assets	
	For the year ended 31-3-2018	*For the year ended 31-3-2017*	For the year ended 31-3-2018	*For the year ended 31-3-2017*	For the year ended 31-3-2018	*For the year ended 31-3-2017*	For the year ended 31-3-2018	*For the year ended 31-3-2017*
Infrastructure	552.06	*591.45*	20.03	*19.81*	(236.90)	*(100.34)*	1241.69	*564.53*
Power	43.56	*44.40*	1.40	*1.99*			151.36	*100.17*
Heavy Engineering	99.29	*105.75*	1.97	*2.49*			250.12	*92.98*
Electrical & Automation [Note 46(B)]	130.00	*130.81*	3.85	*3.83*			190.31	*165.38*
Others	113.64	*122.60*	4.07	*4.45*			231.08	*75.04*
Total	938.55	*995.01*	31.32	*32.57*	(236.90)	*(100.34)*	2064.56	*998.10*
Unallocated corporate	110.91	*220.18*	38.45	*29.20*	236.90	*100.34*	612.28	*588.77*
Inter-segment							(44.31)	*(166.44)*
Total	1049.46	*1215.19*	69.77	*61.77*	–	–	2632.53	*1420.43*

Note: There is no impairment in non-financial assets of the segments. Unallocable corporate expenses include impairment loss of ₹ Nil for the year ended March 31, 2018 *(previous year: ₹ 103 crore)*.

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure pursuant to Ind AS 108 "Operating Segment" *(contd.)*

(b) Geographical information

₹ crore

Particulars	Revenue by location of customers	
	For the year ended 31-3-2018	*For the year ended 31-3-2017*
India (i)	58124.10	*51737.85*
Foreign countries:		
Kingdom of Saudi Arabia	2478.78	*2639.59*
United Arab Emirates	2942.13	*2166.06*
Qatar	4917.23	*4655.27*
Bangladesh	1551.96	*1317.00*
Other countries	4597.45	*3785.58*
Total foreign countries (ii)	16487.55	*14563.50*
Total (i+ii)	74611.65	*66301.35*

₹ crore

Particulars	Non current assets by location of customers	
	As at 31-3-2018	*As at 31-3-2017*
India (i)	10142.61	*9206.97*
Foreign countries (ii)	379.79	*585.75*
Total (i+ii)	10522.40	*9792.72*

(c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.

(d) The Company's reportable segments are organised based on the nature of products and services offered by these segments.

(e) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are reviewed by the Corporate Executive Management to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.

The Company has four reportable segments as described under "segment composition" below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

(ii) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

(iii) Segment profit:

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Corporate Executive Management.

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure pursuant to Ind AS 108 "Operating Segment" *(contd.)*

(iv) Segment composition

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water & effluent treatment and smart world & communication projects.
- **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants Including power generation equipment with associated systems and/or balance-of-plant packages.
- **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment and systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power, Aerospace and Defence.
- **Electrical & Automation segment** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters/protection (relays) systems, control & automation products. .
- **Others segment** includes hydrocarbon, metallurgical & material handling systems, realty, shipbuilding, marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery. None of the businesses reported as part of others segment meet any of the quantitative thresholds for determining reportable segments in the year ended March 31, 2018 or the year ended March 31, 2017.

NOTE [48]

(a) Disclosures pursuant to Ind AS 11 "Construction Contracts":

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
i)	Contract revenue recognised for the financial year [Note 31]	66978.07	*58498.42*
ii)	Aggregate amount of contract costs incurred and recognised profits (less recognised losses) as at end of the financial year for all contracts in progress as at that date	251561.22*	*217253.39**
iii)	Amount of customer advances outstanding for contracts in progress as at end of the financial year	13675.90	*12205.69*
iv)	Retention amounts by customers for contracts in progress as at end of the financial year	8442.44	*6962.23*

*includes provision for foreseeable loss: ₹ 144.78 crore *(previous year: ₹ 121.66 crore)*

(b) Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions issued by the Institute of Chartered Accountants of India:

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
i)	Amount of project revenue recognised for the financial year [Note 31]	96.68	*403.18*
ii)	Aggregate amount of costs incurred and profits recognised (less recognised losses) as at end of the financial year	2427.88	*2332.26*
iii)	Amount of advances received	6.87	*19.16*
iv)	Amount of work-in-progress and the value of inventories [Note 9]	986.40	*281.83*
v)	Excess of revenue recognised over actual bills raised (unbilled revenue) [Note 16]	–	*71.28*

Notes forming part of the Financial Statements (contd.)

NOTE [49]

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
(a)	Profit or Loss section		
	(i) Current income tax:		
	Current income tax expense	1808.52	*1671.58*
	Tax expense in respect of earlier years	165.55	*3.62*
	(ii) Deferred tax:		
	Tax expense on origination and reversal of temporary differences	(79.03)	*(349.24)*
	Effect of previously unrecognised tax losses on which deferred tax benefit is recognised	(16.05)	*(21.86)*
	Effect on deferred tax balances due to the change in income tax rate	(3.91)	–
	Income tax expense reported in Profit or Loss [(i)+(ii)]	1875.08	*1304.10*
(b)	Other Comprehensive Income (OCI) section:		
	(i) Items not to be reclassified to Profit or Loss in subsequent periods:		
	Current tax expense/(income):		
	On re-measurement of defined benefit plans	1.32	*(4.25)*
		1.32	*(4.25)*
	(ii) Items to be reclassified to Profit or Loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On gain/(loss) on cash flow hedges other than mark to market	4.73	*(14.47)*
	On foreign currency translation of joint operations	(0.49)	–
		4.24	*(14.47)*
	(B) Deferred tax:		
	On mark to market gain/(loss) on cash flow hedges	(27.13)	*108.63*
	Net gain/(loss) on cost of hedging reserve	0.14	*1.20*
	On gain/(loss) on fair value of debt securities	11.12	*1.08*
	On foreign currency translation of joint operations	–	*(2.29)*
		(15.87)	*108.62*
	Income tax expense reported in the OCI section [(i)+(ii)]	(10.31)	*89.90*
(c)	Retained earnings:		
	Current income tax	–	*(133.40)*
	Deferred tax	–	*133.40*
	Income tax expense reported in retained earnings	–	–

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
(a)	**Profit before tax**	7262.38	*6757.84*
(b)	Corporate tax rate as per Income tax Act, 1961	34.61%	*34.61%*
(c)	**Tax on Accounting profit (c) = (a) * (b)**	2513.37	*2338.75*
(d)	(i) **Tax on income exempt from tax:**		
	(A) Dividend income	(1117.38)	*(368.61)*
	(B) Long term capital gains exempt from tax	(68.81)	*(671.75)*
	(C) Interest on tax free bonds	(10.28)	*(10.58)*
	(ii) Tax on expenses not tax deductible:		
	(A) CSR expenses	34.93	*34.87*
	(B) Expenses in relation to exempt income	83.88	*19.83*
	(C) Tax on employee perquisites borne by the company	2.07	*3.28*
	(iii) Weighted deductions on R&D expenditure and deduction u/s 80IA	(397.65)	*(368.93)*
	(iv) Effect of previously unrecognised tax losses used to reduce deferred tax expense	(16.05)	*(21.86)*
	(v) Tax effect on impairment and fair valuation losses recognised on which deferred tax asset is not recognised	227.15	*328.78*
	(vi) Effect on deferred tax balances due to the change in income tax rate	(3.91)	–
	(vii) Effect of current year capital (gain)/loss [net] on which no deferred tax benefit is recognised	430.41	*69.01*
	(viii) Effect of current tax related to earlier years	165.55	*3.62*
	(ix) Tax effect of losses of current year in joint operations on which no deferred tax benefit is recognised	25.94	*42.99*
	(x) Tax effect on various other items	5.86	*(95.30)*
	Total effect of tax adjustments [(i) to (x)]	(638.29)	*(1034.65)*
(e)	**Tax expense recognised during the year (e)=(c)+(d)**	1875.08	*1304.10*
(f)	**Effective tax rate (f)=(e)/(a)**	25.82%	*19.30%*

Notes forming part of the Financial Statements (contd.)

NOTE [49]

Disclosure pursuant to Ind AS 12 "Income Taxes" *(contd.)*

(c) i. Unused tax losses for which no deferred tax asset (DTA) is recognised in Balance Sheet

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Base amount (₹ crore)	Deferred tax (₹ crore)	Expiry date (Assessment year)	*Base amount (₹ crore)*	*Deferred tax (₹ crore)*	*Expiry date (Assessment year)*
Tax losses (capital loss on which no DTA is created)						
Assessment year 2018-19	1651.79	284.17	31-3-2027			
Assessment year 2017-18	998.16	196.38	31-3-2026	*998.16*	*194.17*	*31-3-2026*
Assessment year 2016-17	1135.58	236.16	31-3-2025	*1135.58*	*233.89*	*31-3-2025*
Total	3785.53	716.71	–	*2133.74*	*428.06*	–

ii. Unrecognised deductible temporary differences for which no deferred tax asset (DTA) is recognised in Balance Sheet

₹ crore

Sr. No.	Particulars	As at 31-3-2018		*As at 31-3-2017*	
		Base amount	Deferred tax	*Base amount*	*Deferred tax*
(a)	Deductible temporary differences towards provision for dimunition in value of investments on which no DTA is created	1692.29	363.99	*1035.93*	*247.02*
(b)	Temporary differences arising out of revaluation of tax base of assets (on account of indexation benefit)	5718.83	1332.26	*4884.39*	*1126.93*
	Total	7411.12	1696.25	*5920.32*	*1373.95*

(d) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit or Loss:

₹ crore

Sr. No.	Particulars	Balance Sheet		Statement of Profit or Loss	
		As at 31-3-2018	*As at 31-3-2017*	2017-18	*2016-17*
(a)	Disputed statutory liabilities claimed on payment basis u/s 43B of the Income Tax Act, 1961	136.47	*150.54*	(14.07)	*36.89*
(b)	Items disallowed u/s 43B of Income Tax Act, 1961	(208.68)	*(213.79)*	5.21	*(16.45)*
(c)	Provision for doubtful debt and advances	(880.64)	*(740.19)*	(140.44)	*(123.21)*
(d)	Difference in book depreciation and income tax depreciation	519.59	*510.22*	9.05	*(77.07)*
(e)	Gain/(loss) on derivative transactions	(8.51)	*18.80*	–	–
(f)	Other temporary differences	41.15	*(10.80)*	41.26	*(191.26)*
	Deferred tax expense/(income)			(98.99)	*(371.10)*
	Net deferred tax (assets)/liabilities	(400.62)	*(285.22)*		

(e) Reconciliation of deferred tax (assets)/liabilities:

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
(a)	Opening balance as at April 1	(285.22)	*(156.14)*
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of Profit and Loss in Profit or Loss section	(98.99)	*(371.10)*
	(ii) Statement of Profit and Loss under OCI section	(15.87)	*108.62*
	(iii) Retained earnings	–	*133.40*
	(iv) Hedging reserve (other than through OCI)	(0.15)	–
(c)	Acquired under business combination [Note 60]	(0.39)	–
	Closing balance as at March 31	(400.62)	*(285.22)*

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits":

(i) Defined contribution plans - Note {[1](k)(ii)(A)}: Amount of ₹ 124.47 crore *(previous year: ₹ 118.34 crore)* is recognised as an expense.

(ii) Defined benefit plans - Note {[1](k)(ii)(B)}:

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

₹ crore

Particulars	Gratuity Plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
A) Present value of defined benefit obligation								
- Wholly funded	444.87	*445.79*	–	–	–	–	2270.10	*2146.56*
- Wholly unfunded	91.10	*71.94*	178.83	*185.64*	323.71	*312.75*	–	–
	535.97	*517.73*	178.83	*185.64*	323.71	*312.75*	2270.10	*2146.56*
Less: Fair value of plan assets	399.87	*439.61*	–	–	–	–	2287.81	*2156.30*
Add: Amount not recognised as an asset (limit in para 64(b))	0.01	–	–	–	–	–	–	–
Amount to be recognised as liability or (asset)	136.11	*78.12*	178.83	*185.64*	323.71	*312.75*	(17.71)	*(9.74)*
B) Amounts reflected in the Balance Sheet								
Liabilities	136.11	*78.12*	178.83	*185.64*	323.71	*312.75*	22.73	*23.33*
Assets	–	–	–	–	–	–	–	–
Net liability/(asset)	136.11	*78.12*	178.83	*185.64*	323.71	*312.75*	22.73	*23.33*
Net liability/(asset) - current #	136.11	*78.12*	7.09	*5.25*	22.58	*22.46*	22.73	*23.33*
Net liability/(asset) - non-current	–	–	171.74	*180.39*	301.13	*290.29*	–	–

Employer's and employees' contribution due towards Provident Fund.

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

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
1 Current service cost	72.42	*67.21*	13.11	*10.83*	3.44	*2.47*	61.53	*59.96*
2 Interest cost	28.33	*27.92*	13.16	*11.68*	21.67	*21.14*	178.70	*168.78*
3 Interest income on plan assets	(29.00)	*(27.56)*	–	–	–	–	(178.70)	*(168.78)*
4 Actuarial losses/(gains) - others	34.04	*19.37*	(21.93)	*15.69*	5.91	*23.63*	–	*(9.87)*
5 Actuarial losses/(gains) - difference between actual return on plan assets and interest income	(21.84)	*(46.42)*	–	–	–	–	(2.13)	*(10.04)*
6 Past service cost	0.20	–	–	–	–	–	–	–
7 Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	2.13	*19.91*
8 Effect of the limit in para 64(b)	0.01	–	–	–	–	–	–	–
9 Translation adjustments	–	*0.19*	–	–	–	–	–	–
10 Amount capitalised out of the above/ Recovered from S&A	(0.12)	*(0.10)*	(0.02)	*(0.01)*	–	–	–	–
Total (1 to 10)	84.04	*40.61*	4.32	*38.19*	31.02	*47.24*	61.53	*59.96*
i Amount included in "employee benefits expense"	72.50	*67.30*	13.09	*10.82*	3.44	*2.47*	61.53	*59.96*
ii Amount included as part of "finance cost"	(0.66)	*0.36*	13.16	*11.68*	21.67	*21.14*	–	–
iii Amount included as part of "Other Comprehensive Income"	12.20	*(27.05)*	(21.93)	*15.69*	5.91	*23.63*	–	–
Total (i+ii+iii)	84.04	*40.61*	4.32	*38.19*	31.02	*47.24*	61.53	*59.96*
Actual return on plan assets	50.83	*73.98*	–	–	–	–	180.89	*168.96*

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

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

₹ crore

	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Opening balance of the present value of defined benefit obligation	517.73	*468.40*	185.64	*155.58*	312.75	*283.25*	2146.56	*1996.84*
Add: Current service cost	72.42	*67.21*	13.11	*10.83*	3.44	*2.47*	61.53	*59.96*
Add: Interest cost	28.33	*27.92*	13.16	*11.68*	21.67	*21.14*	178.70	*168.78*
Add: Contribution by plan participants								
i) Employee	–	–	–	–	–	–	168.39	*161.80*
ii) Transfer-in/(out)	–	–	–	–	–	–	25.12	*20.09*
Add/(less): Actuarial (gains)/losses								
i) Actuarial (gains)/losses arising from changes in demographic assumptions	18.79	–	(23.05)	–	–	–	–	–
ii) Actuarial (gains)/losses arising from changes in financial assumptions	(14.52)	*19.28*	(13.08)	*17.26*	(13.32)	*16.80*	–	*(9.87)*
iii) Actuarial (gains)/losses arising from changes in experience adjustments	29.77	*0.09*	14.20	*(1.57)*	19.23	*6.83*	–	–
Less: Benefit paid	(116.88)	*(64.99)*	(11.15)	*(8.14)*	(20.07)	*(17.74)*	(310.20)	*(251.04)*
Add: Past service cost	0.20	–	–	–	–	–	–	–
Add: Business combination	0.24	–	–	–	–	–	–	–
Add/(less): Translation adjustments	(0.11)	*(0.18)*	–	–	–	–	–	–
Closing balance of the present value of defined benefit obligation	535.97	*517.73*	178.83	*185.64*	323.70	*312.75*	2270.10	*2146.56*

d) 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	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Opening balance of the fair value of the plan assets	439.61	*385.85*	2156.30	*1990.14*
Add: Interest income on plan assets *	29.00	*27.56*	178.70	*168.78*
Add/(Less): Actuarial gains/(losses)				
Difference between actual return on plan assets and interest income	21.84	*46.42*	2.13	*10.04*
Add: Contribution by the employer	26.07	*44.77*	63.20	*58.14*
Add/(less): Transfer in/(out)	–	–	25.12	*20.09*
Add: Contribution by plan participants	–	–	172.56	*160.15*
Add: Business combination	0.23	–	–	–
Less: Benefits paid	(116.88)	*(64.99)*	(310.20)	*(251.04)*
Closing balance of the plan assets	399.87	*439.61*	2287.81	*2156.30*

* Basis used to determine interest income on plan assets:

The Trust formed by the Company manages the investments of provident funds and gratuity fund. Interest income on plan assets is determined by multiplying the fair value of the plan assets by the discount rate stated in (g)(i) below both determined at the start of the annual reporting period.

The Company expects to fund ₹ 45.05 crore *(previous year: ₹ 6.18 crore)* towards its gratuity plan and ₹ 67.68 crore *(previous year: ₹ 73.21 crore)* towards its trust-managed provident fund plan during the year 2018-19.

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

e) The fair value of major categories of plan assets are as follows:

₹ crore

Particulars	Gratuity plan					
	As at 31-3-2018			*As at 31-3-2017*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	0.69	0.69	–	*2.41*	*2.41*
Equity instruments	16.51	–	16.51	*14.89*	–	*14.89*
Debt instruments - Corporate bonds	65.12	99.91	165.03	*66.30*	*150.47*	*216.77*
Debt instruments - Central government bonds	88.46	–	88.46	*135.01*	–	*135.01*
Debt instruments - State government bonds	66.35	–	66.35	*123.17*	–	*123.17*
Debt instruments - PSU Bonds	–	55.59	55.59	–	*70.68*	*70.68*
Mutual funds – Equity	3.89	–	3.89	–	*63.87*	*63.87*
Mutual funds – Debt	–	0.29	0.29	–	*0.50*	*0.50*
Mutual funds – Others	–	–	–	–	*0.10*	*0.10*
Insurer managed funds	–	0.26	0.26	–	–	
Fixed deposits	–	1.47	1.47	–	*1.15*	*1.15*
Special deposit scheme	–	1.49	1.49	–	*1.46*	*1.46*
Advances taken	–	–	–	–	*(175.00)*	*(175.00)*
Other (payables)/receivables	–	(0.16)	(0.16)	–	*(15.40)*	*(15.40)*
Closing balance of the plan assets	240.33	159.54	399.87	*339.37*	*100.24*	*439.61*

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2018			*As at 31-3-2017*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	5.05	5.05	–	*8.77*	*8.77*
Debt instruments - Corporate bonds	334.83	66.78	401.61	*225.16*	*83.05*	*308.21*
Debt instruments - Central government bonds	518.65	–	518.65	*433.43*	–	*433.43*
Debt instruments - State government bonds	455.76	–	455.76	*451.64*	–	*451.64*
Debt instruments - PSU bonds	283.08	375.60	658.68	*252.00*	*446.47*	*698.47*
Mutual funds – Equity	50.06	8.90	58.96	*7.37*	*45.88*	*53.25*
Mutual funds – Debt	–	0.25	0.25	–	*2.70*	*2.70*
Mutual funds – Others	2.76	5.09	7.85	–	–	–
Special deposit scheme	–	193.08	193.08	–	*199.83*	*199.83*
Other (payables)/receivables	–	(12.08)	(12.08)	–	–	–
Closing balance of the plan assets	1645.14	642.67	2287.81	*1369.60*	*786.70*	*2156.30*

f) The average duration of the defined benefit plan obligations at the end of the reporting period is as follows:

	Plans	As at 31-3-2018	*As at 31-3-2017*
1.	Gratuity plan	6.45	*7.53*
2.	Post-retirement medical benefit plan	13.95	*16.65*
3	Company pension plan	7.57	*8.02*

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

g) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	Particulars	As at 31-3-2018	*As at 31-3-2017*
i)	Discount rate:		
	(a) Gratuity plan	7.68%	*7.19%*
	(b) Company pension plan	7.68%	*7.19%*
	(c) Post-retirement medical benefit plan	7.68%	*7.19%*
ii)	Annual increase in healthcare costs (see note below)	5.00%	*5.00%*
iii)	Salary growth rate:		
	(a) Gratuity plan	5.00%	*5.00%*
	(b) Company pension plan	6.00%	*6.00%*

iv) Attrition Rate:

(a) For post-retirement medical benefit plan and Company pension plan, the attrition rate varies from 1% to 12% *(previous year: 2% to 8%)* for various age groups.

(b) For gratuity plan the attrition rate varies from 1% to 11% *(previous year: 1% to 6%)* for various age groups.

v) 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.

vi) 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.

vii) The obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits. At present, healthcare cost, as indicated in the principal actuarial assumption given above, has been assumed to increase at 5.00% p.a.

viii) (A) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of gratuity plan:

₹ crore

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2017-18	*2016-17*	2017-18	*2016-17*
Impact of change in salary growth rate	30.99	*36.73*	(27.97)	*(32.01)*
Impact of change in discount rate	(27.08)	*(31.16)*	30.46	*36.29*

(B) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of company pension plan:

₹ crore

Particular	Effect of 1% increase		Effect of 1% decrease	
	2017-18	*2016-17*	2017-18	*2016-17*
Impact of change in discount rate	(24.01)	*(25.62)*	27.70	*26.15*

(C) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of post-retirement medical benefit plan:

₹ crore

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2017-18	*2016-17*	2017-18	*2016-17*
Impact of change in health care cost	17.53	*22.91*	(14.43)	*(18.36)*
Impact of change in discount rate	(22.60)	*(27.42)*	28.40	*35.33*

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

h) Characteristics of defined benefit plans and associated risks:

1. Gratuity plan:

   The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary 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. The Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972. The defined benefit plan for gratuity of the Company is administered by separate gratuity funds that are legally separate from the Company. The trustees nominated by the Company are responsible for the administration of the plan. There are no minimum funding requirements of these plans. The funding of these plans are based on gratuity fund's actuarial measurement framework set out in the funding policies of the plan. These actuarial measurements are similar compared to the assumptions set out in (g) *supra*. Employees do not contribute to any of these plans.

   Unfunded gratuity represents a small part of gratuity plan which is not material. Further, it includes amounts payable in respect of the Company's foreign operations which result in gratuity payable to employees engaged as per the local laws of country of operation.

2. Post-retirement medical care plan:

   The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

3. Company's pension plan:

   In addition to contribution to state-managed pension plan (EPS scheme), the Company operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees. The quantum of pension depends on the cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

4. Trust managed provident fund plan:

   The Company manages provident fund plan through a provident fund trust for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan mandates contribution by employer at a fixed percentage of employee's salary. Employees also contribute to the plan at a fixed percentage of their salary as a minimum contribution and additional sums at their discretion. The plan guarantees interest at the rate notified by Employees' Provident Fund Organisation. 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.

   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 loss. Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

   All the above defined benefit plans expose the Company to general actuarial risks such as interest rate risk and market (investment) risk.

Notes forming part of the Financial Statements (contd.)

NOTE [51]

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

(a) List of related parties over which control exist and status of transactions entered during the year:

Sr. No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
1.	L&T Cutting Tools Limited*	Wholly owned subsidiary (WOS)	Yes
2.	Bhilai Power Supply Company Limited	Subsidiary	Yes
3.	Spectrum Infotech Private Limited **	WOS	Yes
4.	L&T Shipbuilding Limited	Subsidiary	Yes
5.	L&T Electricals and Automation Limited	WOS	Yes
6.	Hi-Tech Rock Products and Aggregates Limited	WOS	Yes
7.	L&T Seawoods Limited	WOS	Yes
8.	Kesun Iron and Steel Company Private Limited	Subsidiary	Yes
9.	EWAC Alloys Limited@	WOS	Yes
10.	L&T Geostructure LLP	Subsidiary	Yes
11.	L&T Valves Limited	WOS	Yes
12.	L&T Realty Limited	WOS	Yes
13.	L&T Asian Realty Project LLP	Subsidiary of L&T Realty Limited	Yes
14.	L&T Parel Project LLP	Subsidiary of L&T Realty Limited	Yes
15.	Chennai Vision Developers Private Limited	WOS of L&T Realty Limited	Yes
16.	L&T South City Projects Limited%	Subsidiary of L&T Realty Limited	Yes
17.	L&T Vision Ventures Limited	Subsidiary of L&T Realty Limited	Yes
18.	L&T Power Limited	Subsidiary	Yes
19.	L&T Cassidian Limited^^	WOS	Yes
20.	L&T General Insurance Company Limited***	WOS	Yes
21.	L&T Aviation Services Private Limited	WOS	Yes
22.	Larsen & Toubro Infotech Limited	Subsidiary	Yes
23.	L&T Finance Holdings Limited	Subsidiary	Yes
24.	Syncordis S.A. Luxembourg$$	Subsidiary of Larsen & Toubro Infotech GmbH	No
25.	Syncordis France SARL$$	Subsidiary of Syncordis S.A. Luxembourg	No
26.	Syncordis Limited$$	Subsidiary of Syncordis S.A. Luxembourg	No
27.	L&T Housing Finance Limited	WOS of L&T Finance Holdings Limited	Yes
28.	L&T Infra Investment Partners	Subsidiary of L&T Infrastructure Finance Company Limited	No
29.	L&T Finance Limited	WOS of L&T Finance Holdings Limited	Yes
30.	L&T Information Technology Spain, S.L.	WOS of Larsen & Toubro Infotech Limited	No
31.	L&T Capital Markets Limited	WOS of L&T Finance Holding Limited	Yes
32.	L&T Investment Management Limited	WOS of L&T Finance Holdings Limited	Yes
33.	L&T Mutual Fund Trustee Limited	WOS of L&T Finance Holdings Limited	No
34.	Syncordis PSF S.A.$$	Subsidiary of Syncordis S.A. Luxembourg	No
35.	L&T Infrastructure Finance Company Limited	WOS of L&T Finance Holdings Limited	Yes
36.	L&T Infra Debt Fund Limited	WOS of L&T Finance Holdings Limited	Yes
37.	L&T Infra Investment Partners Advisory Private Limited	WOS of L&T Infrastructure Finance Company Limited	Yes
38.	L&T Infra Investment Partners Trustee Private Limited	WOS of L&T Infrastructure Finance Company Limited	No
39.	L&T Financial Consultants Limited	WOS of L&T Finance Holdings Limited	Yes
40.	L&T Access Distribution Services Limited@@	WOS of L&T Finance Holdings Limited	Yes
41.	Mudit Cement Private Limited	WOS of L&T Financial Consultants Limited (formerly known as L&T Vrindavan Properties Limited)	Yes

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(a) List of related parties over which control exist and status of transactions entered during the year: *(contd.)*

Sr. No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
42.	L&T Capital Company Limited	WOS	Yes
43.	L&T Trustee Company Private Limited	WOS of L&T Capital Company Limited	Yes
44.	L&T Power Development Limited	WOS	Yes
45.	L&T Uttaranchal Hydropower Limited	WOS of L&T Power Development Limited	Yes
46.	Larsen & Toubro Electromech LLC%%	Subsidiary	Yes
47.	L&T Westend Project LLP~~~	Subsidiary of L&T Realty Limited	No
48.	Esencia Technologies India Private Limited~~	Subsidiary of Esencia Technologies, Inc.	No
49.	Syncordis Software Services India Private Limited$	Subsidiary of Larsen & Toubro Infotech Limited	No
50.	L&T Arunachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
51.	L&T Himachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
52.	Nabha Power Limited	WOS of L&T Power Development Limited	Yes
53.	L&T Metro Rail (Hyderabad) Limited	Subsidiary	Yes
54.	L&T Technology Services Limited	Subsidiary	Yes
55.	L&T Construction Equipment Limited	WOS	Yes
56.	L&T Infrastructure Engineering Limited	WOS	Yes
57.	L&T Thales Technology Services Private Limited	Subsidiary of L&T Technology Services Limited	Yes
58.	L&T Hydrocarbon Engineering Limited	WOS	Yes
59.	Sahibganj Ganges Bridge-Company Private Limited^	WOS of L&T Capital Company Limited	No
60.	Seawoods Retail Private Limited^^	WOS	Yes
61.	Seawoods Realty Private Limited^^	WOS	Yes
62.	Marine Infrastructure Developer Private Limited	Subsidiary	Yes
63.	AugmentIQ Data Sciences Private Limited##	Subsidiary of Larsen & Toubro Infotech Limited	No
64.	L&T Infra Contractors Private Limited###	WOS of L&T Capital Company Limited	No
65.	Larsen & Toubro LLC	Subsidiary	Yes
66.	Larsen & Toubro Infotech GmbH	WOS of Larsen & Toubro Infotech Limited	No
67.	Larsen & Toubro Infotech Canada Limited	WOS of Larsen & Toubro Infotech Limited	No
68.	Larsen & Toubro Infotech LLC	WOS of Larsen & Toubro Infotech Limited	No
69.	L&T Infotech Financial Services Technologies Inc.	WOS of Larsen & Toubro Infotech Limited	No
70.	Larsen & Toubro Infotech South Africa (PTY) Limited	Subsidiary of Larsen & Toubro Infotech Limited	No
71.	L&T Information Technology Services (Shanghai) Co. Ltd.	WOS of Larsen & Toubro Infotech Limited	No
72.	L&T Realty FZE	WOS of L&T Realty Limited	No
73.	Larsen & Toubro International FZE	WOS of L&T Global Holdings Limited	Yes
74.	Larsen & Toubro Hydrocarbon International Limited LLC	Subsidiary	Yes
75.	Thalest Limited	WOS of Larsen & Toubro International FZE	No
76.	Servowatch Systems Limited	WOS of Thalest Limited	Yes
77.	Larsen & Toubro (Oman) LLC	Subsidiary of Larsen & Toubro International FZE	Yes
78.	L&T Modular Fabrication Yard LLC	Subsidiary of Larsen & Toubro International FZE	No
79.	Larsen & Toubro (East Asia) SDN.BHD	Subsidiary	No
80.	Larsen & Toubro Qatar LLC@@@	Subsidiary of Larsen & Toubro International FZE	Yes

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(a) List of related parties over which control exist and status of transactions entered during the year: *(contd.)*

Sr. No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
81.	L&T Overseas Projects Nigeria Limited	WOS of Larsen & Toubro International FZE	No
82.	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary of Larsen & Toubro International FZE	No
83.	L&T Electricals & Automation Saudi Arabia Company Limited LLC	Subsidiary of Larsen & Toubro International FZE	Yes
84.	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Subsidiary of Larsen & Toubro International FZE	No
85.	Larsen & Toubro Readymix & Asphalt Concrete Industries LLC#	Subsidiary of Larsen & Toubro International FZE	No
86.	Larsen & Toubro (Saudi Arabia) LLC	Subsidiary	Yes
87.	Larsen Toubro Arabia LLC	Subsidiary	Yes
88.	Larsen & Toubro ATCO Saudi LLC	Subsidiary of Larsen & Toubro International FZE	Yes
89.	Tamco Switchgear (Malaysia) SDN BHD	WOS of Larsen & Toubro International FZE	Yes
90.	Henikwon Corporation SDN. BHD	WOS of Tamco Switchgear (Malaysia) SDN. BHD	Yes
91.	Esencia Technologies, Inc.~~	Subsidiaty of L&T Technology Services LLC	No
92.	L&T Infotech S. DE R.L. DE C.V.$$	Subsidiary of Larsen & Toubro Infotech Limited	No
93.	Tamco Electrical Industries Australia Pty Ltd.	WOS of Larsen & Toubro International FZE	No
94.	PT Tamco Indonesia	Subsidiary of Larsen & Toubro International FZE	Yes
95.	Larsen & Toubro Heavy Engineering LLC	Subsidiary of Larsen & Toubro International FZE	Yes
96.	L&T Electrical & Automation FZE	WOS of Larsen & Toubro International FZE	Yes
97.	Kana Controls General Trading & Contracting Company W.L.L.	Subsidiary of L&T Electrical & Automation FZE	No
98.	Larsen & Toubro T&D SA (Proprietary) Limited	Subsidiary of Larsen & Toubro International FZE	No
99.	L&T Technology Services LLC	WOS of L&T Technology Services Limited	Yes
100.	Larsen & Toubro Infotech Austria GmbH	WOS of Larsen & Toubro Infotech Limited	No
101.	L&T Global Holdings Limited	WOS	Yes

*	The Company has sold its stake on September 27, 2017
**	Merged with the Company w.e.f. April 1, 2017
***	The Company has sold its stake on September 9, 2016
@	The Company has sold its stake on November 16, 2017
@@	Merged with L&T Capital Market Limited w.e.f. April 1, 2017
@@@	In the process of liquidation
~~	The Company through its subsidiaries acquired stake on June 1,2017
~~	Incorporated on August 8,2017
^	Incorporated on July 14, 2016
^^	Applied for strike off
#	The Company through its subsidiary sold its stake on September 28, 2017
##	Merged with Larsen & Toubro Infotech Limited w.e.f. April 1, 2017
###	Incorporated on March 17, 2017
%	The Company through its subsidiary has sold its stake on March 20, 2017
%%	Reclassified from joint venture to subsidiary due to additional purchase of stake on August 16, 2017
$	The Company through its subsidiary has acquired stake on December 11, 2017
$$	The Company through its subsidiary has acquired stake on December 15, 2017

Notes forming part of the Financial Statements (contd.)

NOTE [51] ***(contd.)***

(b) (i) Name of associates with whom transactions were carried out during the year:

Sr. No.	Associate Companies
1.	L&T-Chiyoda Limited
2.	Feedback Infra Private Limited@
3.	Magtorq Private Limited

@ The Company has sold its stake on March 19, 2018.

(ii) Names of joint ventures with whom transactions were carried out during the year:

Sr. No.	Joint Ventures	Sr. No.	Joint Ventures
1.	Larsen & Toubro Electromech LLC***	2.	L&T Port Kachchigarh Limited*
3.	L&T-Sargent & Lundy Limited	4.	Ahmedabad-Maliya Tollway Limited
5.	L&T Interstate Road Corridor Limited	6.	L&T Halol-Shamlaji Tollway Limited
7.	L&T Chennai–Tada Tollway Limited	8.	Krishnagiri Walajahpet Tollway Limited
9.	L&T BPP Tollway Limited	10.	Devihalli Hassan Tollway Limited
11.	L&T Rajkot-Vadinar Tollway Limited	12.	L&T Howden Private Limited
13.	L&T Deccan Tollways Limited	14.	L&T Sapura Shipping Private Limited
15.	L&T Samakhiali Gandhidham Tollway Limited	16.	L&T Sapura Offshore Private Limited
17.	Kudgi Transmission Limited	18.	L&T-Gulf Private Limited
19.	L&T Sambalpur- Rourkela Tollway limited	20.	L&T-MHPS Boilers Private Limited
21.	L&T Infrastructure Development Projects Limited	22.	L&T-MHPS Turbine Generators Private Limited
23.	Panipat Elevated Corridor Limited	24.	Raykal Aluminium Company Private Limited
25.	Krishnagiri Thopur Toll Road Limited	26.	L&T Special Steels and Heavy Forgings Private Limited
27.	Western Andhra Tollways Limited	28.	PNG Tollway Limited
29.	Vadodara Bharuch Tollway Limited	30.	L&T Kobelco Machinery Private Limited
31.	L&T Transportation Infrastructure Limited	32.	LTIDPL INDVIT Services Limited (formerly known as L&T Western India Tollbridge Limited)
33.	L&T MBDA Missile Systems Limited**		

* Merged with Infrastructure Development Projects Limited w.e.f. April 1,2016

.**The joint venture is formed on April, 5, 2017

*** Reclassified from joint venture to subsidiary due to additional purchase of stake on August 16, 2017

(iii) Name of post-employment benefit plans with whom transactions were carried out during the year:

Sr. No.	Provident Fund Trust
1.	Larsen & Toubro Officers & Supervisory Staff Provident Fund
2.	Larsen & Toubro Limited Provident Fund of 1952
3.	Larsen & Toubro Limited Provident Fund
4.	L&T Kansbahal Officers & Supervisory Provident Fund
5.	L&T Kansbahal Staff & Workmen Provident Fund

Sr. No.	Gratuity Trust
1.	Larsen & Toubro Officers & Supervisors Gratuity Fund
2.	Larsen & Toubro Gratuity Fund

Superannuation Trust
Larsen & Toubro Limited Senior Officers' Superannuation Scheme

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(iv) Name of key management personnel and their relatives with whom transactions were carried out during the year:

Sr. No.	Executive Directors	Sr. No.	Executive Directors
1.	Mr. A.M. Naik (Group Executive Chairman)*	2.	Mr. S. N. Subrahmanyan (Chief Executive Officer and Managing Director)#
3.	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)	4.	Mr. Shailendra Roy (Whole-time Director)
5.	Mr. D. K. Sen (Whole-time Director)	6.	Mr. M. V. Satish (Whole-time Director)
7.	Mr. J. D. Patil (Whole-time Director)**		

Sr. No.	Non-Executive Directors	Sr. No.	Non-Executive Directors
1.	Mr. M. M. Chitale	2.	Mr. Subodh Bhargava
3.	Mr. M. Damodaran	4.	Mr. Vikram Singh Mehta
5.	Mr. Adil Zainulbhai	6.	Mr. Akhilesh Krishna Gupta
7.	Mrs. Sunita Sharma	8.	Mr. Thomas Mathew T
9.	Mr. Ajay Shankar	10.	Mr. Subramanian Sarma
11.	Mrs. Naina Lal Kidwai	12.	Mr. Sanjeev Aga @@@
13.	Mr. Narayanan Kumar @@	14.	Mr. Arvind Gupta ##
15.	Mr. Sushobhan Sarker ###	16.	Mr. Swapan Dasgupta @
17.	Mr. Bahram Vakil ***		

* Group Chairman w.e.f. October 1, 2017
\# w.e.f. July 1,2017 (till June 30, 2017 Whole-time Director)
** Appointed w.e.f. July 1, 2017
@@ Appointed w.e.f. May 27, 2016
@@@ Appointed w.e.f. May 25, 2016
*** Ceased w.e.f. August 1, 2016
@ Ceased w.e.f. May 15, 2016
Appointed w.e.f. July 1, 2017
Ceased w.e.f. May 2, 2018

(c) Disclosure of related party transactions:

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18		*2016-17*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
i.	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	1497.24		*1121.13*	
	L&T Shipbuilding Limited		729.89		*428.06*
	Hi-Tech Rock Products & Aggregates Limited		244.57		*169.61*
	L&T Geostructure LLP		237.24		*172.14*
	Joint ventures, including:	1802.47		*2323.92*	
	L&T-MHPS Boilers Private Limited		1382.61		*1675.16*
	L&T-MHPS Turbine Generators Private Limited		352.83		*530.79*
	Associates, including:	3.82		*7.01*	
	Feedback Infra Private Limited		1.50		*2.58*
	L&T-Chiyoda Limited				*1.10*
	Magtorq Private Limited		2.10		*3.33*
	Total	3303.53		*3452.06*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
ii.	Sale of goods/contract revenue & services				
	Subsidiaries, including:	1370.43		*2359.81*	
	L&T Metro Rail (Hyderabad) Limited		770.34		*1231.51*
	L&T Seawoods Limited				*281.62*
	L&T Parel Project LLP		188.42		
	Nabha Power Limited				*364.41*
	Joint ventures, including:	415.69		*1070.75*	
	L&T Infrastructure Development Projects Limited		132.96		*544.27*
	L&T Deccan Tollways Limited		87.07		*394.35*
	L&T-MHPS Boilers Private Limited		178.54		*124.02*
	Associate:	0.13		*0.14*	
	L&T-Chiyoda Limited		0.13		*0.14*
	Total	1786.25		*3430.70*	
iii.	Purchase/lease of property, plant and equipment				
	Subsidiaries, including:	9.49		*26.45*	
	L&T Construction Equipment Limited		5.75		*9.38*
	L&T Hydrocarbon Engineering Limited		2.20		*13.67*
	Larsen & Toubro Infotech Limited		1.25		
	Joint ventures:	0.01		*0.02*	
	L&T Infrastructure Development Projects Limited		–		*0.02*
	L&T-MHPS Turbine Generators Private Limited		0.01		–
	Total	9.50		*26.47*	
iv.	Sale of property, plant and equipment				
	Subsidiaries, including:	0.54		*58.68*	
	L&T Valves Limited		–		*45.01*
	L&T Shipbuilding Limited		–		*6.56*
	L&T Hydrocarbon Engineering Limited		0.50		
	Total	0.54		*58.68*	
v.	Sale of receivables				
	Subsidiary:	–		*297.01*	
	L&T Finance Limited		–		*297.01*
	Total	–		*297.01*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
vi.	Investments including subscription to equity and preference shares considered as equity (including application money paid)				
	Subsidiaries, including:	2771.16		*1262.84*	
	L&T Technology Services Limited		–		*750.00*
	L&T Shipbuilding Limited		436.57		*276.24*
	L&T Finance Holdings Limited		2000.00		–
	Joint ventures, including:	261.01		*(0.25)*	
	L&T-MHPS Boilers Private Limited		–		*(0.03)*
	L&T-MHPS Turbine Generators Private Limited				*(0.22)*
	L&T Special Steels and Heavy Forgings Private Limited		260.65		–
	Total	3032.17		*1262.59*	
vii	Investment in preference shares considered as debt				
	Subsidiary:	181.76		*111.76*	
	L&T Shipbuilding Limited		181.76		*111.76*
	Joint venture:	214.43		–	
	L&T Special Steels and Heavy Forgings Private Limited		214.43		–
	Total	396.19		*111.76*	
viii.	Purchase of investments from				
	Subsidiary:	–		*388.00*	
	L&T Shipbuilding Limited		–		*388.00*
	Joint venture:	–		*2041.57*	
	L&T Infrastructure Development Projects Limited		–		*2041.57*
	Total	–		*2429.57*	
ix.	Sale/Redemption of investments				
	Subsidiaries, including:	210.00		*761.08*	
	L&T Seawoods Limited		210.00		–
	L&T Technology Services Limited		–		*750.00*
	Total	210.00		*761.08*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
x.	Net inter corporate deposits given/(returned)				
	Subsidiaries, including:	(1202.30)		*(1593.81)*	
	L&T Shipbuilding Limited		(286.50)		*(1409.00)*
	Nabha Power Limited		(986.21)		*698.27*
	EWAC Alloys Limited		–		*(503.95)*
	L&T Realty Limited		–		*(174.13)*
	L&T Seawoods Limited		–		*(189.00)*
	Joint venture:	211.89		*387.50*	
	L&T Special Steels and Heavy Forgings Private Limited		211.89		*387.50*
	Total	(990.41)		*(1206.31)*	
xi.	Net inter corporate borrowing taken/(repaid)				
	Subsidiaries, including:	420.80		*(3.75)*	
	L&T Seawoods Limited		294.89		–
	L&T Hydrocarbon Engineering Limited		124.41		*5.50*
	L&T Cutting Tools Limited		–		*(9.25)*
	Total	420.80		*(3.75)*	
xii	Charges paid for miscellaneous services				
	Subsidiaries, including:	137.62		*139.13*	
	Larsen & Toubro Infotech Limited		105.35		*101.42*
	L&T Aviation Services Private Limited		17.86		*23.74*
	Joint ventures, including:	4.36		*3.64*	
	L&T-Sargent & Lundy Limited		4.18		*3.62*
	Associates, including:	–		*0.19*	
	Feedback Infra Private Limited		–		*0.17*
	Total	141.98		*142.96*	
xiii.	Rent paid, including lease rentals under leasing/hire purchase arrangements				
	Subsidiaries, including:	1.16		*1.37*	
	L&T Electrical & Automation FZE		0.80		*0.79*
	PT Tamco Indonesia		0.28		*0.31*
	Total	1.16		*1.37*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
xiv.(a)	Charges incurred for deputation of employees from related parties				
	Subsidiaries, including:	11.06		*12.65*	
	L&T Electricals & Automation Saudi Arabia Company Limited LLC		1.19		*1.38*
	L&T Electrical & Automation FZE		6.99		*6.16*
	PT Tamco Indonesia		1.50		*1.55*
	Total	11.06		*12.65*	
xiv.(b)	Charges recovered for deputation of employees to related parties				
	Subsidiaries, including:	88.00		*84.47*	
	L&T Parel Project LLP		24.58		*22.39*
	L&T Electrical & Automation FZE				*8.54*
	L&T Construction Equipment Limited		11.40		*8.97*
	L&T Geostructure LLP		14.30		
	Joint ventures, including:	4.65		*3.99*	
	L&T-MHPS Boilers Private Limited		0.50		*0.64*
	L&T Special Steels and Heavy Forgings Private Limited		1.97		*1.21*
	L&T Infrastructure Development Projects Limited		2.17		*2.14*
	Associate:	15.81		*18.01*	
	L&T-Chiyoda Limited		15.81		*18.01*
	Total	108.46		*106.47*	
xv.	Dividend received				
	Subsidiaries, including:	535.59		*405.47*	
	Larsen & Toubro Infotech Limited		264.98		*149.48*
	L&T Technology Services Limited		95.57		*99.05*
	L&T Finance Holdings Limited		93.58		*93.58*
	L&T Hydrocarbon Engineering Limited		60.90		–
	Total	535.59		*405.47*	
xvi.	Commission received, including those under agency arrangements				
	Subsidiary:	7.95		*5.82*	
	L&T Construction Equipment Limited		7.95		*5.82*
	Joint venture:	2.00		*0.65*	
	L&T Kobelco Machinery Private Limited		2.00		*0.65*
	Total	9.95		*6.47*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18		*2016-17*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
xvii.	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	532.50		*422.94*	
	Larsen & Toubro Infotech Limited		77.58		*67.78*
	L&T Technology Services Limited				*49.04*
	L&T Hydrocarbon Engineering Limited		122.10		*90.99*
	L&T Geostructure LLP		107.92		*77.44*
	Joint ventures, including:	90.38		*90.07*	
	L&T-MHPS Boilers Private Limited		40.86		*35.50*
	L&T-Sargent & Lundy Limited		13.58		*17.70*
	L&T-MHPS Turbine Generators Private Limited				*9.64*
	Associate:	17.78		*2.77*	
	L&T-Chiyoda Limited		17.78		*2.77*
	Key management personnel:	0.08		*0.07*	
	Mr. D.K. Sen		0.08		*0.07*
	Total	640.74		*515.85*	
xviii.	Guarantee charges recovered from				
	Subsidiaries, including:	36.81		*30.98*	
	Nabha Power Limited		7.07		*9.45*
	L&T Shipbuilding Limited		4.50		
	L&T Hydrocarbon Engineering Limited		9.07		*6.54*
	Larsen & Toubro (Saudi Arabia) LLC		4.16		*4.64*
	Larsen Toubro Arabia LLC		7.97		*5.53*
	Total	36.81		*30.98*	
xix.	Interest received from				
	Subsidiaries, including:	109.69		*248.30*	
	L&T Shipbuilding Limited		42.13		*71.21*
	Nabha Power Limited		56.83		*62.41*
	Marine Infrastructure Developer Private Limited		–		*69.64*
	Joint ventures, including:	102.05		*79.54*	
	L&T Special Steels and Heavy Forgings Private Limited		102.05		*78.98*
	Total	211.74		*327.84*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
xx.	Interest paid to				
	Subsidiaries, including:	124.87		*45.38*	
	L&T Hydrocarbon Engineering Limited		98.24		*40.27*
	L&T Seawoods Limited		25.02		
	Joint venture:	33.06		–	
	L&T Infrastructure Development Projects Limited		33.06		–
	Total	157.93		*45.38*	
xxi.	Amount written off as bad debts	–			
	Joint ventures, including:		–	*0.55*	
	Krishnagiri Thopur Toll Road Limited		–		*0.31*
	Western Andhra Tollways Limited		–		*0.07*
	L&T Interstate Road Corridor Limited		–		*0.13*
	Total	–		*0.55*	
xxii.	Amount recognised in P&L as provision towards bad and doubtful debts (including expected credit loss on account of delay)				
	Subsidiaries, including:	(6.03)		*4.34*	
	L&T Hydrocarbon Engineering Limited		(0.83)		–
	Nabha Power Limited		2.93		*1.87*
	L&T Electricals & Automation Saudi Arabia Company Limited LLC		(7.25)		*2.22*
	Joint ventures, including:	22.69		*24.11*	
	PNG Tollway Limited		–		*22.11*
	L&T-MHPS Boilers Private Limited		21.66		–
	Total	16.66		*28.45*	
xxiii.	Amount recognised in P&L on account of impairment loss/provision on investment:				
	Subsidiaries, including:	0.75		–	
	Larsen & Toubro Hydrocarbon International Limited LLC		0.68		–
	Joint venture:	–		*950.00*	
	L&T Infrastructure Development Projects Limited		–		*950.00*
	Total	0.75		*950.00*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
xxiv.	Contribution to post-employment benefit plan				
(a)	Transaction with trust managed provident fund				
(i)	Towards employer's contribution:	64.13		*59.68*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		54.35		*51.52*
	Larsen & Toubro Limited Provident Fund of 1952		8.45		*6.64*
	Total	64.13		*59.68*	
(b)	Transaction with approved gratuity fund				
(i)	Towards employer's contribution:	6.18		*29.85*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		5.01		*23.59*
	Larsen & Toubro Gratuity Fund		1.17		*6.26*
	Total	6.18		*29.85*	
(ii)	Towards advance contribution/(refund):	(175.00)		–	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		(142.30)		–
	Larsen & Toubro Gratuity Fund		(32.70)		–
	Total	(175.00)		–	
(c)	Transaction with superannuation trust				
	Towards employer's contribution:	3.25		*3.32*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		3.25		*3.32*
	Total	3.25		*3.32*	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

xxv. Compensation paid to key management personnel:

₹ crore

Key Management Personnel	2017-18 Short-term employee benefits	2017-18 Post-employment benefits	2017-18 Other long term benefits	2017-18 Total	*2016-17 Short-term employee benefits*	*2016-17 Post-employment benefits*	*2016-17 Other long term benefits*	*2016-17 Total*
Executive Directors:								
(a) Mr. A. M. Naik (Group Executive Chairman upto September 30, 2017)	11.58	56.80 ^	19.38 *	87.76	*21.86*	*5.83*	*32.21**	*59.90*
(b) Mr. S. N. Subrahmanyan	13.99	3.70	–	17.69	*13.26*	*3.51*	–	*16.77*
(c) Mr. R. Shankar Raman	9.16	2.42	–	11.58	*9.00*	*2.38*	–	*11.38*
(d) Mr. Shailendra Roy	7.96	1.83	–	9.79	*8.13*	*1.93*	–	*10.06*
(e) Mr. D. K. Sen	6.37	1.69	–	8.06	*6.20*	*1.57*	–	*7.77*
(f) Mr. M. V. Satish	5.86	1.52	–	7.38	*5.96*	*1.44*	–	*7.40*
(g) Mr. J. D. Patil **	3.14	0.81	–	3.95	–	–	–	
Non-Executive Directors:								
(a) Mr. A. M. Naik (Group Chairman w.e.f. October 1, 2017)	2.54	1.50 ***	–	4.04	–	–	–	–
(b) Other Non-Executive Directors	3.82	–	–	3.82	*4.37*	–	–	*4.37*
Total	64.42	70.27	19.38	154.07	*68.78*	*16.66*	*32.21*	*117.65*

^ Post-employment benefits include gratuity ₹ 55.04 crore

* Represents encashment of past service accumulated leave

**Appointed w.e.f. July 1, 2017.

*** Represents pension

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(d) Amount due to/from related parties (including commitments):

₹ *crore*

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2018		*As at 31-3-2017*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
i.	Accounts receivable				
	Subsidiaries, including:	458.44		*528.35*	
	L&T Metro Rail (Hyderabad) Limited		188.22		*212.29*
	L&T Seawoods Limited		64.03		
	Joint ventures, including:	289.15		*404.08*	
	L&T-MHPS Boilers Private Limited		78.87		*65.55*
	L&T Infrastructure Development Projects Limited		40.66		*78.42*
	L&T Samakhiali Gandhidham Tollway Limited		38.19		*43.30*
	L&T Deccan Tollways Limited		33.22		*125.63*
	Krishnagiri Walajahpet Tollway Limited		42.68		*44.68*
	Associate:	0.15		–	
	L&T-Chiyoda Limited		0.15		–
	Total	747.74		*932.43*	
ii.	Accounts payables, including other payables				
	Subsidiaries, including:	771.22		*634.97*	
	L&T Shipbuilding Limited		78.23		
	Hi-Tech Rock Products & Aggregates Limited		89.21		*103.27*
	Larsen & Toubro (Oman) LLC		98.12		*118.89*
	L&T Geostructure LLP		234.82		*108.78*
	Joint ventures, including:	1019.17		*1844.04*	
	L&T-MHPS Boilers Private Limited		276.37		*1171.07*
	L&T-MHPS Turbine Generators Private Limited		700.05		*605.53*
	Associates, including:	0.61		*1.99*	
	Feedback Infra Private Limited				*1.27*
	Magtorq Private Limited		0.43		*0.57*
	L&T-Chiyoda Limited		0.18		
	Total	1791.00		*2481.00*	
iii.	Investment in debt securities				
	Subsidiaries, including:	867.35		*627.85*	
	L&T Shipbuilding Limited		867.35		*605.10*
	Joint ventures:	987.58		*264.42*	
	L&T Special Steels and Heavy Forgings Private Limited		217.73		–
	Kudgi Transmission Limited		509.49		–
	L&T Infrastructure Development Private Limited		260.36		*264.42*
	Total	1854.93		*892.27*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(d) Amount due to/from related parties: *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2018		*As at 31-3-2017*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
iv.	Loans and advances recoverable				
	Subsidiaries, including:	2134.44		*3199.61*	
	L&T Shipbuilding Limited		763.09		*932.58*
	L&T Geostructure LLP		223.11		
	Nabha Power Limited		615.10		*1587.64*
	Joint ventures, including:	1621.11		*1665.63*	
	L&T Special Steels and Heavy Forgings Private Limited		1399.58		*1184.98*
	L&T-MHPS Boilers Private Limited				*215.18*
	L&T-MHPS Turbine Generators Private Limited				*210.22*
	Associates, including:	0.39		*4.36*	
	L&T-Chiyoda Limited		0.79		*3.96*
	Total	3755.94		*4869.60*	
v.	Advances against equity contribution				
	Subsidiaries:	19.45		*6.35*	
	L&T Uttaranchal Hydropower Limited		19.45		–
	L&T Metro Rail (Hyderabad) Limited		–		*6.35*
	Total	19.45		*6.35*	
vi.	Unsecured loans (including lease finance)				
	Subsidiaries, including:	426.30		*5.52*	
	L&T Hydrocarbon Engineering Limited		129.91		*5.52*
	L&T Seawoods Limited		294.89		–
	Total	426.30		*5.52*	
vii.	Advances received in the capacity of supplier of goods/services classified as "advances from customers" in the Balance Sheet				
	Subsidiaries, including:	74.69		*90.12*	
	L&T Metro Rail (Hyderabad) Limited				*73.15*
	L&T Seawoods Limited		28.15		
	L&T Hydrocarbon Engineering Limited		29.95		
	Joint ventures, including:	17.00		*23.21*	
	L&T-MHPS Boilers Private Limited		17.00		*21.54*
	Total	91.69		*113.33*	
viii.	Due to directors #:				
	(Key management personnel)	49.11		*55.58*	
	Mr. A. M. Naik		9.77		*18.24*
	Mr. S. N. Subrahmanyan		11.58		*11.29*
	Mr. R. Shankar Raman		7.39		*7.41*
	Mr. Shailendra Roy		5.32		*5.84*
	Mr. D. K. Sen		5.19		*4.93*
	Mr. M. V. Satish		4.50		*4.32*
	Mr. J. D. Patil		2.28		–
	Total	49.11		*55.58*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(d) Amount due to/from related parties: *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2018		*As at 31-3-2017*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
ix.	Post employment benefit plan				
(a)	Trust managed provident fund				
(i)	Amount due to:	9.02		*10.63*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		8.38		*10.07*
	Total	9.02		*10.63*	
(b)	Approved gratuity fund	45.05		*61.75*	
(i)	Amount due to:				
	Larsen & Toubro Officers & Supervisors Gratuity Fund		36.31		*50.05*
	Larsen & Toubro Gratuity Fund		8.75		*11.70*
	Total	45.05		*61.75*	
(c)	Superannuation trust				
(i)	Amount due to:	6.74		*7.79*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		6.74		*7.79*
	Total	6.74		*7.79*	
x.(a)	Capital commitment given				
	Subsidiaries, including:	84.39		*8.93*	
	L&T Shipbuilding Limited		47.25		–
	Larsen & Toubro Heavy Engineering LLC		33.59		–
	L&T Construction Equipment Limited				*5.30*
	L&T Technology Services Limited				*1.60*
	L&T Hydrocarbon Engineering Limited				*1.99*
	Joint venture:	0.13		–	
	L&T Special Steels and Heavy Forgings Private Limited		0.13		–
	Total	84.52		*8.93*	
x.(b)	Revenue commitment given				
	Subsidiaries, including:	1476.64		*1660.62*	
	L&T Shipbuilding Limited		1185.88		*1260.35*
	L&T Geostructure LLP				*290.20*
	Joint ventures, including:	1205.16		*3386.85*	
	L&T-MHPS Boilers Private Limited		667.58		*2232.20*
	L&T-MHPS Turbine Generators Private Limited		394.67		*1086.15*
	Associates, including:	5.50		*3.89*	
	Feedback Infra Private Limited		–		*0.80*
	L&T-Chiyoda Limited		1.87		*0.96*
	Magtorq Private Limited		3.63		*2.13*
	Total	2687.30		*5051.36*	

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(d) Amount due to/from related parties: *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2018		*As at 31-3-2017*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
xi.	Commitment to fund				
	Subsidiaries:	715.45		*1063.20*	
	L&T Uttaranchal Hydropower Limited		233.45		*442.75*
	L&T Metro Rail (Hyderabad) Limited		482.00		*620.45*
	Total	715.45		*1063.20*	
xii.	Revenue commitment received				
	Subsidiaries, including:	1329.55		*2261.68*	
	L&T Metro Rail (Hyderabad) Limited		693.54		*1396.43*
	L&T Parel Project LLP		195.41		*397.04*
	L&T Asian Realty Project LLP		149.67		*237.62*
	L&T Construction Equipment Limited		156.46		–
	Joint ventures, including:	76.10		*138.67*	
	L&T MBDA Missile Systems Limited				
	L&T Deccan Tollways Limited		15.24		*25.95*
	L&T Infrastructure Development Projects Limited		13.70		*60.00*
	Krishnagiri Walajahpet Tollway Limited		13.63		
	L&T Samakhiali Gandhidham Tollway Limited		13.08		
	L&T BPP Tollway Limited		20.43		*26.27*
	Total	1405.65		*2400.35*	
xiii.	Capital commitment received				
	Subsidiary:	–		*0.77*	
	L&T Shipbuilding Limited		–		*0.77*
	Total	–		*0.77*	
xiv.	Provision for doubtful debts related to the amount of outstanding balances				
	Subsidiaries, including:	8.56		*16.64*	
	Nabha Power Limited		3.52		*2.46*
	L&T Electricals & Automation Saudi Arabia Company Limited LLC		1.81		*9.06*
	Larsen & Toubro Heavy Engineering LLC		0.90		
	Joint ventures, including:	52.73		*31.99*	
	L&T-MHPS Boilers Private Limited		21.84		
	PNG Tollway Limited		25.08		*25.08*
	Total	61.29		*48.63*	

"Major parties" denote entities account for 10% or more of the aggregate for that category of balance during respective period.

Includes commission due to non-executive directors ₹ 3.08 crore *(as at 31-3-2017: ₹ 3.55 crore).*

Note: 1. All the related party contracts / arrangements have been entered on arms' length basis.

2. The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

Notes forming part of the Financial Statements (contd.)

NOTE [52]

Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":

Particulars		2017-18	*2016-17*
Basic earnings per share			
Profit after tax as per accounts *(₹ crore)*	A	5387.30	*5453.74*
Weighted average number of equity shares outstanding	B	1,40,06,13,951	*1,39,85,23,545*
Basic EPS (₹)	A/B	38.46	*39.00*
Diluted earnings per share			
Profit after tax as per accounts *(₹ crore)*	A	5387.30	*5453.74*
Weighted average number of equity shares outstanding	B	1,40,06,13,951	*1,39,85,23,545*
Add: Weighted average number of potential equity shares on account of employee stock options	C	35,69,417	*47,40,600*
Weighted average number of equity shares outstanding for diluted EPS	D=B+C	1,40,41,83,368	*1,40,32,64,145*
Diluted EPS (₹)	A/D	38.37	*38.86*
Face value per share (₹)		2	*2*

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share:

Particulars	2017-18	*2016-17*
Weighted average number of potential equity shares on account of conversion of foreign currency convertible bonds	95,20,455	*95,20,455*

Note: The basic and diluted EPS and number of potential equity shares on account of conversion of foreign currency convertible bonds for the year 2016-17 have been restated pursuant to the issue of bonus equity shares in the ratio of 1:2 (one bonus equity share of ₹ 2 each for every two equity share of ₹ 2 each held).

NOTE [53]

Disclosure pursuant to Ind AS 27 "Separate Financial Statements"

Investment in following subsidiary companies, joint venture companies and associates is accounted at cost.

Subsidiaries:

Sr. No.	Name of the subsidiary company	Principal place of business	As at 31-3-2018			*As at 31-3-2017*		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	*Proportion of direct ownership (%)*	*Proportion of effective ownership Interest (%)*	*Proportion of effective voting power held (%)*
	Indian subsidiaries							
1.	L&T Cutting Tools Limited **	India	–	–	–	*100.00*	*100.00*	*100.00*
2.	Bhilai Power Supply Company Limited	India	99.90	99.90	99.90	*99.90*	*99.90*	*99.90*
3.	Spectrum Infotech Private Limited ^	India	–	–	–	*100.00*	*100.00*	*100.00*
4.	L&T Shipbuilding Limited	India	97.00	97.00	97.00	*97.00*	*97.00*	*97.00*
5.	L&T Electricals and Automation Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
6.	Hi-Tech Rock Products and Aggregates Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
7.	L&T Seawoods Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
8.	Kesun Iron and Steel Company Private Limited	India	95.00	95.00	95.00	*95.00*	*95.00*	*95.00*
9.	L&T EWAC Alloys Limited *	India	–	–	–	*100.00*	*100.00*	*100.00*
10.	L&T Geostructure LLP	India	74.00	74.00	74.00	*74.00*	*74.00*	*74.00*
11.	L&T Valves Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
12.	L&T Realty Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*

Notes forming part of the Financial Statements (contd.)

NOTE [53] *(contd.)*

Sr. No.	Name of the subsidiary company	Principal place of business	As at 31-3-2018 Proportion of direct ownership (%)	As at 31-3-2018 Proportion of effective ownership Interest (%)	As at 31-3-2018 Proportion of effective voting power held (%)	*As at 31-3-2017 Proportion of direct ownership (%)*	*As at 31-3-2017 Proportion of effective ownership Interest (%)*	*As at 31-3-2017 Proportion of effective voting power held (%)*
	Indian subsidiaries							
13.	L&T Power Limited	India	99.99	99.99	99.99	*99.99*	*99.99*	*99.99*
14.	L&T Cassidian Limited%	India	100.00	100.00	100.00	*74.00*	*74.00*	*74.00*
15.	L&T Aviation Services Private Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
16.	Larsen & Toubro Infotech Limited	India	82.96	82.96	82.96	*84.28*	*84.28*	*84.28*
17.	L&T Finance Holdings Limited	India	64.01	64.01	64.01	*66.62*	*66.62*	*66.62*
18.	L&T Capital Company Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
19.	L&T Power Development Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
20.	L&T Metro Rail (Hyderabad) Limited	India	99.99	99.99	99.99	*99.99*	*99.99*	*99.99*
21.	L&T Technology Services Limited	India	88.64	88.64	88.64	*89.77*	*89.77*	*89.77*
22.	L&T Construction Equipment Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
23.	L&T Infrastructure Engineering Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
24.	L&T Hydrocarbon Engineering Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
25.	Seawoods Retail Private Limited %	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
26.	Seawoods Realty Private Limited %	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
27.	Marine Infrastructure Developer Private Limited	India	97.00	97.00	97.00	*97.00*	*97.00*	*97.00*

* The Company has sold its stake on November 16, 2017
** The Company has sold its stake on September 27, 2017
^ Merged with the Company w.e.f. April 1, 2017
% Applied for strike off

Foreign subsidiaries:

Sr. No.	Name of the subsidiary company	Principal place of business	As at 31-3-2018 Proportion of direct ownership (%)	As at 31-3-2018 Proportion of effective ownership Interest (%)	As at 31-3-2018 Proportion of effective voting power held (%)	*As at 31-3-2017 Proportion of direct ownership (%)*	*As at 31-3-2017 Proportion of effective ownership Interest (%)*	*As at 31-3-2017 Proportion of effective voting power held (%)*
	Foreign subsidiaries							
1.	Larsen & Toubro LLC	USA	95.24	99.19	99.19	*95.24*	*100.00*	*100.00*
2.	Larsen & Toubro Hydrocarbon International Limited LLC	Kindgom of Saudi Arabia	90.00	100.00	100.00	*90.00*	*100.00*	*100.00*
3.	Larsen & Toubro (Saudi Arabia) LLC	Kindgom of Saudi Arabia	4.35	100.00	100.00	*4.35*	*100.00*	*100.00*
4.	L&T Global Holdings Limited	UAE	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*

Associate companies:

Sr. No.	Name of the associate company	Principal place of business	As at 31-3-2018 Proportion of direct ownership (%)	As at 31-3-2018 Proportion of effective ownership Interest (%)	As at 31-3-2018 Proportion of effective voting power held (%)	*As at 31-3-2017 Proportion of direct ownership (%)*	*As at 31-3-2017 Proportion of effective ownership Interest (%)*	*As at 31-3-2017 Proportion of effective voting power held (%)*
1.	Gujarat Leather Industries Limited @	India	50.00	50.00	50.00	*50.00*	*50.00*	*50.00*
2.	Magtorq Private Limited	India	42.85	42.85	42.85	*42.85*	*42.85*	*42.85*

@ Under liquidation

Notes forming part of the Financial Statements (contd.)

NOTE [53] *(contd.)*

Joint ventures:

Sr. No.	Name of the joint venture	Principal place of business	As at 31-3-2018		*As at 31-3-2017*	
			Proportion of direct ownership (%)	**Proportion of effective ownership Interest (%)**	*Proportion of direct ownership (%)*	*Proportion of effective ownership Interest (%)*
1.	L&T Chennai–Tada Tollway Limited	India	^	97.45	^	*97.45*
2.	L&T Rajkot-Vadinar Tollway Limited	India	^	97.45	^	*97.45*
3.	L&T Samakhiali Gandhidham Tollway Limited	India	0.02	97.45	*0.02*	*97.45*
4.	L&T Infrastructure Development Projects Limited	India	97.45	97.45	*97.45*	*97.45*
5.	L&T Transportation Infrastructure Limited	India	26.24	98.12	*26.24*	*98.12*
6.	Ahmedabad-Maliya Tollway Limited	India	^	97.45	^	*97.45*
7.	L&T Halol-Shamlaji Tollway Limited	India	^	47.75	^	*47.75*
8.	Krishnagiri Walajahpet Tollway Limited	India	–	97.45	^	*97.45*
9.	Devihalli Hassan Tollway Limited	India	–	97.45	*0.01*	*97.45*
10.	L&T Howden Private Limited	India	50.10	50.10	*50.10*	*50.10*
11.	L&T-MHPS Boilers Private Limited	India	51.00	51.00	*51.00*	*51.00*
12.	L&T-MHPS Turbine Generators Private Limited	India	51.00	51.00	*51.00*	*51.00*
13.	Raykal Aluminium Company Private Limited	India	75.50	75.50	*75.50*	*75.50*
14.	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00	*74.00*	*74.00*
15.	PNG Tollway Limited	India	13.26	72.11	*13.26*	*72.11*
16.	L&T Kobelco Machinery Private Limited	India	51.00	51.00	*51.00*	*51.00*
17.	L&T MBDA Missile Systems Limited *	India	51.00	51.00	–	–
18.	L&T-Sargent & Lundy Limited	India	50.00	50.00	*50.00*	*50.00*

* The joint venture is formed on April 05, 2017. ^ Proportion of direct ownership is less than 0.01%.

NOTE [54]

Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

a) Movement in provisions:

₹ crore

Sr. No.	Particulars	Class of provisions					
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation related obligations	Contractual rectification cost - construction contracts	Others	Total
1.	*Balance as at 1-4-2017*	*21.25*	*181.89*	*8.22*	*263.34*	–	*474.70*
2.	Additional provision during the year	23.72	36.24	–	153.64	17.99	231.59
3.	Provision used during the year	(10.15)	(31.84)	–	–	–	(41.99)
4.	Unused provision reversed during the year	(0.14)	(7.64)	–	(191.69)	–	(199.47)
5.	Additional provision for unwinding of interest and change in discount rate	0.29	–	0.49	–	–	0.78
6.	Transfer under scheme of arrangement	0.50	–	–	–	–	0.50
7.	Balance as at 31-3-2018 (7=1+2+3+4+5+6)	35.47	178.65	8.71	225.29	17.99	466.11

Notes forming part of the Financial Statements (contd.)

NOTE [54]

Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" *(contd.)*

b) Nature of provisions:

i. Product warranties: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2018 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of 2 to 4 years from the date of the Balance Sheet.

ii. Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms.

iii. Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

iv. Contractual rectification cost represents the estimated cost the Company is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under Ind AS 11 "Construction Contracts".

c) Disclosure in respect of contingent liabilities is given as part of Note 29 to the Balance Sheet.

NOTE [55]

Auditors' remuneration (excluding service tax):

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
a.	Paid as Auditor		
	(i) Statutory audit fees	1.90	*2.45*
	(ii) Limited review of standalone and consolidated financial statements on a quarterly basis	1.50	*1.30*
b.	For Taxation matters	0.46	*0.48*
c.	For Company law matters	0.30	*0.25*
d.	For Other services including certification work	0.52	*0.58*
e.	For Reimbursement of expenses	0.20	*0.27*

NOTE [56]

Contribution to political parties during the year 2017-18 is ₹ Nil *(previous year: ₹ Nil)*

NOTE [57]

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2018. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	2017-2018	*2016-17*
Principal amount due to suppliers under MSMED Act, 2006	66.85	*52.83*
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.28	*0.40*
Payment made to suppliers (other than interest) beyond the appointed day during the year	142.30	*187.48*
Interest paid to suppliers under MSMED Act (other than Section 16)	0.02	–
Interest paid to suppliers under MSMED Act (Section 16)	0.11	–
Interest due and payable to suppliers under MSMED Act for payments already made	5.68	*3.54*
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	10.20	*10.22*
Amount of further interest remaining due and payable even in the succeeding years	8.14	*8.14*

Notes forming part of the Financial Statements (contd.)

NOTE [58]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2018.

NOTE [59]

Disclosure in respect of joint operations:

I(a) Name of joint operation (with specific ownership interest in the arrangement):

Sr. No.	Name of the joint operation	Proportion of ownership interest %	Principal place of business	Description of interest
1.	Desbuild L&T Joint Venture	49%	India	Jointly Controlled Entity (Renovation of US Consulate, Chennai).
2.	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	50%	India	Jointly Controlled Entity (Design & Build work for Construction of TCS SEZ at Kolkata, West Bengal).
3.	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture	80%	Qatar	Jointly Controlled Entity (Main Construction Works for Al Rayyan Stadium and Precint).
4.	L&T-AM Tapovan Joint Venture	65%	India	Jointly Controlled Entity (Construction of Head Race Tunnel for Tapovan Vishnugad Hydro Electric project in Uttaranchal State).
5.	HCC-L&T Purulia Joint Venture	43%	India	Jointly Controlled Entity (Construction of Pumped Storage Project).
6.	International Metro Civil Contractors Joint Venture	26%	India	Jointly Controlled Entity (Construction of Delhi Metro Corridor Phase I Tunnel Project).
7.	Metro Tunneling Group	26%	India	Jointly Controlled Entity (Construction of Delhi Metro Corridor-Phase II Tunnel Project).
8.	L&T-Hochtief Seabird Joint Venture	90%	India	Jointly Controlled Entity (Construction of breakwater, Karwar).
9.	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	75%	India	Jointly Controlled Entity (Construction of UG Stations at Nehru Park, KMC and Pachiyappas College and associated tunnels for CMRL).
10.	Metro Tunneling Delhi- L&T Shanghai Urban Construction (Group) Corporation Joint Venture	60%	India	Jointly Controlled Entity (Construction of Delhi Metro Corridor- Tunnel Project-Phase-CC5).
11.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	68%	India	Jointly Controlled Entity (Design and Construction of Tunnel for Delhi MRTS Project of Phase-III).
12.	Aktor-Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	22%	Qatar	Jointly Controlled Entity (Contract for Design & Build Package 3, Gold Line Underground, a part of the construction of the Qatar integrated Railway Project).
13.	Civil Works Joint Venture	29%	Saudi Arabia	Jointly Controlled Entity (Contract for Detail Design, Construction and Commissioning of Package 2 of The Riyadh Metro Project).
14.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	51%	India	Jointly Controlled Entity (Construction of Twin Tunnel between IGI Airport and Sector 21 for DMRC).
15.	DAEWOO and L&T Joint Venture	50%	India	Jointly Controlled Entity (EPC for construction of Greenfield six-Lane Extradosed Cable Bridge over Ganga River).

Notes forming part of the Financial Statements (contd.)

NOTE [59] ***(contd.)***

Sr. No.	Name of the joint operation	Proportion of ownership interest %	Principal place of business	Description of interest
16.	L&T–STEC JV MUMBAI	65%	India	Jointly Controlled Entity (Design and Construction of Underground Section including Three Underground Stations at Marol Naka, MIDC and SEEPZ and Associated Tunnels).
17.	L&T-ISDPL (JV)^^	100%	India	Jointly Controlled Entity (Construction of Inner Harbour for Project Varsha at Visakapatanam).
18.	L&T-IHI Consortium^^^	100%	India	Jointly Controlled Entity (Construction of Mumbai Trans Harbour Link Project Package 1 & Package).
19.	L&T-Eastern Joint Venture**	65%	UAE	Jointly Controlled Entity (Construction and maintenance of 295 Residential Units at Dubai).
20.	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture	60%	India	Jointly Controlled Entity (Implementation of residual joint works for monorail system in Mumbai).
21.	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	50%	India	Jointly Controlled Entity (Operation and Maintenance of monorail system).
22.	L&T- Inabensa Consortium***	100%	India	Jointly Controlled Entity (Design, Supply, Construction, Installation, Testing and Commissioning for Mughalsarai - New Bhaupur Section of EDFC Electrical Works).
23.	L&T-Delma Mafraq Joint Venture *	100%	UAE	Jointly Controlled Entity (Improvement of Mafraq to AL Ghwaifat Border Post Highway Section No.4A).
24.	L&T-AL-Sraiya LRDP 6 Joint Venture	75%	Qatar	Jointly Controlled Entity (Execution of the Roads and Infrastructure in Doha Industrial Area).
25.	Larsen & Toubro Limited & NCC Limited Joint Venture	55%	India	Jointly Controlled Entity (Supply and construction of 2 parallel 2100 mm diameter steel gravity mains conduit pipes from Palra to Bhureka).
26.	Besix-Larsen & Toubro Joint Venture	50%	Dubai	Jointly Controlled Entity (DS 150/2 Jabel Ali Sewage Treatment Plant Phase 2).
27.	Larsen & Toubro Ltd - Passavant Energy & Environment JV ^	50%	India	Jointly Controlled Entity (Construction of 318MLD Wastewater Treatment Plant with 10 years O&M at Coronation Pillar, Delhi).
28.	LNT-Shriram EPC Tanzania UJV%	90%	Tanzania	Jointly Controlled Entity (Extension of Lake Victoria Pipeline to Tabora, Nzega and Igunga Towers, Tanzania).
29.	LTH Milcom Private Limited	56.67%	India	Jointly Controlled Entity.

* As at March 31, 2017, proportion of ownership interest was 60%

**The joint operation is in the process of liquidation

^ The joint operation has been formed on October 12, 2016

^^ The joint operation has been formed on December 1, 2017

^^^ The joint operation has been formed on July 14, 2017

*** The joint operation has been formed on April 25, 2016

% The joint operation has been formed on December 25, 2016

Notes forming part of the Financial Statements (contd.)

NOTE [59] ***(contd.)***

I(b) Financial interest in joint operation (to the extent of Company's share):

₹ crore

Sr. No.	Name of the joint operation	Year	Company's share							
			As at period end		For the year					
			Total Assets	Total Liabilities	Total Income	Total Expense excluding tax	Total tax	Profit after tax	Other Comprehensive Income	Total Comprehensive Income
1.	Desbuild L&T Joint Venture	2017-18	0.053	(0.592)	–	0.001	–	(0.001)	–	(0.001)
		2016-17	0.647	0.002	–	0.001	–	(0.001)	–	(0.001)
2.	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	2017-18	26.753	57.636	1.174	1.539	–	(0.365)	–	(0.365)
		2016-17	29.329	59.847	(7.822)	7.643	–	(15.465)	–	(15.465)
3.	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture	2017-18	532.638	531.469	626.043	626.603	–	(0.560)	0.003	(0.557)
		2016-17	275.057	273.330	188.727	186.944	–	1.783	(0.056)	1.727
4.	L&T - AM Tapovan Joint Venture	2017-18	141.500	183.162	0.503	0.520	–	(0.017)	–	(0.017)
		2016-17	143.338	184.982	–	0.692	–	(0.692)	–	(0.692)
5.	HCC - L&T Purulia Joint Venture	2017-18	2.966	(0.906)	–	0.013	–	(0.013)	–	(0.013)
		2016-17	6.572	2.688	–	0.008	–	(0.008)	–	(0.008)
6.	International Metro Civil Contractors Joint Venture	2017-18	9.766	10.110	0.059	0.048	0.018	(0.007)	–	(0.007)
		2016-17	9.743	10.079	0.047	0.018	(0.001)	0.030	–	0.030
7.	Metro Tunneling Group	2017-18	11.457	0.755	0.753	0.021	0.285	0.447	–	0.447
		2016-17	11.461	1.207	0.870	0.066	0.312	0.492	–	0.492
8.	L&T - Hochtief Seabird Joint Venture	2017-18	23.831	(50.477)	–	0.013	–	(0.013)	–	(0.013)
		2016-17	74.326	0.005	–	(0.251)	0.089	0.162	–	0.162
9.	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	2017-18	87.298	121.548	27.249	29.078	–	(1.829)	0.520	(1.309)
		2016-17	94.692	127.633	40.015	74.094	0.319	(34.398)	(0.510)	(34.908)
10.	Metro Tunneling Delhi- L&T Shanghai Urban Construction (Group) Corporation Joint Venture	2017-18	54.269	55.786	2.593	10.377	–	(7.784)	–	(7.784)
		2016-17	99.376	93.108	58.266	52.606	0.036	5.624	–	5.624
11.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	2017-18	94.892	221.616	50.094	106.114	–	(56.020)	(0.009)	(56.029)
		2016-17	169.850	240.545	46.692	121.573	0.069	(74.950)	(0.074)	(75.024)
12.	Aktor- Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	2017-18	491.395	489.967	997.411	997.008	–	0.403	0.010	0.413
		2016-17	588.525	587.509	1007.766	1006.718	–	1.048	(0.033)	1.015
13.	Civil Works Joint Venture	2017-18	1717.123	1500.921	1901.446	1573.576	–	327.870	4.332	332.202
		2016-17	1792.328	1620.490	2238.447	1880.248	–	358.199	(16.597)	341.602
14.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	2017-18	14.272	6.334	0.551	0.011	0.194	0.346	–	0.346
		2016-17	13.958	6.365	0.582	0.215	0.135	0.232	–	0.232
15.	DAEWOO and L&T Joint Venture	2017-18	150.957	150.195	96.439	95.037	0.643	0.759	–	0.759
		2016-17	28.615	28.612	23.172	23.168	0.001	0.003	–	0.003
16.	L&T – STEC JV MUMBAI	2017-18	534.150	526.782	388.537	375.696	4.486	8.355	–	8.355
		2016-17	179.030	180.016	109.656	110.643	–	(0.987)	–	(0.987)
17.	L&T- ISDPL (JV)	2017-18	32.907	32.907	18.314	18.314	–	–	–	–
18.	L&T-IHI Consortium	2017-18	45.023	45.023	71.707	71.707	–	–	–	–
19.	L&T-Eastern Joint Venture	2017-18	17.696	18.156	0.027	5.699	–	(5.672)	–	(5.672)
		2016-17	17.740	12.528	0.010	(0.026)	–	0.036	–	0.036

Notes forming part of the Financial Statements (contd.)

NOTE [59] ***(contd.)***

₹ crore

Sr. No.	Name of the joint operation	Year	Company's share							
			As at period end		For the year					
			Total Assets	Total Liabilities	Total Income	Total Expense excluding tax	Total tax	Profit after tax	Other Comprehensive Income	Total Comprehensive Income
20.	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture	2017-18	8.995	0.500	0.813	1.191	–	(0.378)	–	(0.378)
		2016-17	2.904	(5.969)	8.533	1.794	–	6.739	–	6.739
21.	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	2017-18	7.591	41.011	4.512	12.162	–	(7.650)	–	(7.650)
		2016-17	10.805	36.575	7.611	11.660	–	(4.049)	–	(4.049)
22.	L&T- Inabensa Consortium	2017-18	30.923	31.270	23.263	23.610	–	(0.347)	–	(0.347)
23.	L&T-Delma Mafraq Joint Venture	2017-18	325.673	401.918	635.825	699.959	–	(64.134)	(0.067)	(64.201)
		2016-17	266.412	278.457	343.945	387.295	–	(43.350)	–	(43.350)
24.	L&T-AL-Sraiya LRDP 6 Joint Venture	2017-18	275.208	250.604	279.741	279.569	–	0.172	0.128	0.300
		2016-17	214.439	190.135	264.506	239.370	–	25.136	–	25.136
25.	Larsen & Toubro Limited & NCC Limited Joint Venture	2017-18	65.194	39.595	13.312	13.316	0.037	(0.041)	–	(0.041)
		2016-17	68.326	42.686	159.325	140.235	7.727	11.363	–	11.363
26.	Besix - Larsen & Toubro Joint Venture	2017-18	254.207	227.628	402.949	376.649	–	26.300	0.278	26.578
		2016-17	110.947	110.947	64.889	64.889	–	–	–	–
27.	Larsen & Toubro Ltd - Passavant Energy & Environment JV	2017-18	22.756	23.290	29.978	30.513	–	(0.535)	–	(0.535)
		2016-17	2.615	2.615	1.521	1.521	–	–	–	–
28.	LNT-Shriram EPC Tanzania UJV	2017-18	172.037	171.898	89.469	89.331	–	0.138	0.001	0.139
29.	LTH Milcom Private Limited	2017-18	0.052	0.011	–	0.012	–	(0.012)	–	(0.012)
		2016-17	0.064	0.012	–	0.013	–	(0.013)	–	(0.013)
	Total	2017-18	5151.582	5088.117	5662.762	5437.687	5.663	219.412	5.196	224.608
		2016-17	4211.099	4084.404	4556.758	4311.137	8.687	236.934	(17.27)	219.664

II Joint operation (with specific ownership of activity carried out through the arrangement):

Sr. No.	Name of the joint operation	Principal place of business	Description of the interest
1.	L&T Sojitz Consortium	India	Design and construction of Special Bridge across Narmada River Structure for Dedicated Freight Corridor Corporation.
2.	L&T-KBL (UJV) Hyderabad	India	Jointly Controlled Operations (Investigation, Design, Supply and Erection of necessary lift systems with all electrical and mechanical components including surge protection systems).
3.	L&T-KBL-MAYTAS UJV	India	Jointly Controlled Operations (Transmission of 735 Mld treated water associated with all Civil, Electrical & Mechanical works at Hyderabad).
4.	Mallanna Sagar Reservoir LnT-Prasad-RK Infra JV^	India	Jointly Controlled Operations (Construction of Reservoir of 50 TMC, formation of earth bund with all associated components for Reach 2 and adjoining Reach 3).
5.	Larsen & Toubro Limited Waterleau Consortium	Qatar	Construction of Sewage Treatment Plant of 7.5 MLD at Alshamal.
6.	L&T-BRAPL JV (package II)	India	Jointly Controlled Operations (Design, Supply, Erection, Testing & Commissioning of 25 KV, 50HZ, Single Phase, Traction Over-head Equipment, Switching Stations, SCADA and other associated works, in the state of Karnataka and Andhra Pradesh, India.).

Notes forming part of the Financial Statements (contd.)

NOTE [59] ***(contd.)***

Sr. No.	Name of the joint operation	Principal place of business	Description of the interest
7.	L&T-BRAPL JV (package III)	India	Jointly Controlled Operations (Design, Supply, Erection, Testing & Commissioning of 25 KV, 50HZ, Single Phase, Traction Over-head Equipment, Switching Stations, and other associated works, in the state of Karnataka and Andhra Pradesh, India.).
8.	IIS-L&T Consortium	India	Design & Construction of 8 Special Steel Bridges over water main and Railways and across creek & rivers including Ulhas Damanganga, Par & Tapi rivers, involving Bridge Structure , approaches in formation in embankments with 1 Major Bridge , 3 Minor Bridges and 1 RUB, guide bunds and protection works including testing and commissioning on Design-Build Lumpsum price basis for JNPT Vadodara Section of Western Dedicated Freight Corridor (Phase-2).
9.	PES Engg P ltd-L&T Consortium	India	Construction of Medigadda Barrage.
10.	L&T ISDPL-DI (JV)^^	India	Dredging, Reclamation, Revetment, Quarrying and NAV Aids for project Sea-Bird, Phase- IIA at Naval Base, Karwar.
11.	L&T Galfar Consortium	Oman	Salalah Airport Project.
12.	L&T Oman-L&T consortium	Oman	Construction of 400KV Underground cable line and OHL from 400 KV Sohar IPP 3 GS to 400 KV Sohar Free Zone.
13.	L&T Oman-L&T consortium	Oman	Construction of new 400KV OHL from IBRI to IZKI and 400 KV reactors.
14.	L&T Oman-L&T consortium	Oman	Construction of 400/132 KV Grid stations at Qabel and Associated works.
15.	Sojitz Corporation-L&T consortium	India	DC of ST Works for Double Line Rly involving TD Syst EI Aut. Sig. TMS Interlocking of LC Gates Dispatch Tel. Sys FOCS GSM(R) Dig. Elec.Ex. Syst Master Clock Syst for JNPT VADODARA Sec.-422 KM including TC on Design-Build LS Basis of WDFC Phase 2.
16.	Sojitz Corporation-L&T consortium	India	Civil Building And Track Works Contract Ctp-14.
17.	Sojitz Corporation-L&T consortium	India	Design Supply Installation Testing and Commissioning of 2x25 kv Overhead Equipments Traction Sub-Stations Auxiliary Stations Switching Stations Auto Transformer Stations and SCADA System on Design-Build Lump Sum Price Basis for JNPT -Makarpur section.
18.	Sojitz Corporation-Gayathri Projects Ltd-L&T consortium	India	Civil Building And Track Works Contract Package- 3 (R).
19.	PESB and Larsen & Toubro Joint Venture	Malaysia	Execution of 500 KV Transmission Line Tender in Malaysia.
20.	Scomi Engineering Bhd-L&T consortium	India	RLBU - Mumbai Monorail Project.
21.	Sojitz Corporation-L&T consortium	India	Design Supply Installation Testing and Commissioning of 2x25 kv Overhead Equipments Traction Sub-Stations Auxiliary Stations Switching Stations Auto Transformer Stations and SCADA System on Design-Build Lump Sum Price Basis for Rewari- Makarpura.

^ The joint operation has been formed on October 11, 2017

^^ The joint operation has been formed on August 1, 2017

Notes forming part of the Financial Statements (contd.)

NOTE [60]

Disclosure pursuant to Ind AS 103 "Business Combinations":

During the year Spectrum Infotech Private Limited (SIPL), a wholly owned subsidiary, was merged with the Company under a scheme of amalgamation approved by National Company Law Tribunal on March 27, 2018. The merger is effective from the appointed date April 1, 2017. SIPL has a registered office in Bengaluru, India and is engaged in the business of Manufacture of Electronic Systems and Sub-systems.

No fresh shares are issued to effect the merger as SIPL is wholly owned subsidiary of the Company. Further the merger is accounted using pooling of interest method, involving the following:

a. The assets and liabilities of SIPL are reflected at their carrying amounts. No adjustment is made to reflect the fair values, or recognise any new asset or liability.

b. The financial information in the financial statements of the Company is restated from the effective date April 1, 2017.

c. The balance of the retained earnings appearing in the financial statements of the SIPL is aggregated with the corresponding balance appearing in the financial statements of the Company.

d. The identity of General Reserve and Securities Premium is preserved and is appearing in the financial statements of the Company in the same form in which they appeared in financial statements of SIPL; and

e. The excess of amount of investment by the Company in SIPL over the share capital of SIPL is treated as capital reserve in Company's financial statements and the same is presented separately from other capital reserves [refer to Note 18].

NOTE [61]

Disclosure pursuant to Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance":

The Company's exports qualify for various export benefits offered in the form of duty credit scrips under foreign trade policy framed by Department General of Foreign Trade India (DGFT). Income accounted towards such export incentives amounts to ₹ 111.04 crore *(previous year: ₹ 27.23 crore).*

NOTE [62]

Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

₹ crore

Sr. No.	Particulars	Non-current borrowings (Note 19)	Current borrowings (Note 23)	Current maturities of long term borrowings (Note 24)	Total
1	Opening balance	7134.28	2312.50	1111.59	10558.37
2	Changes from financing cash flows	(770.63)	1783.81	(1100.79)	(87.61)
3	The effect of changes in foreign exchange rates	10.06	32.62	(10.80)	31.88
4	Interest accrued	57.72	0.64	–	58.36
5	Other changes (transfer within categories)	(936.27)	–	936.27	–
6	Closing balance	5495.16	4129.57	936.27	10561.00

Notes forming part of the Financial Statements (contd.)

NOTE [62] ***(contd.)***

Amounts reported in the Statement of Cash Flows under financing activities:

₹ crore

Particulars	Amounts reported in statement of cash flows
Proceeds from non-current borrowings	1922.70
Repayment of non-current borrowings	(3794.12)
(Repayments)/proceeds from other borrowings (net)	1783.81
Total changes from financing cash flows (refer to Sr. No. 2 above)	(87.61)

NOTE [63]

Disclosure pursuant to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" on new Ind AS that has been issued but is not effective as of the closing day of the reporting period:

A. Ind AS 115 "Revenue from Contracts with Customers"

The Ministry of Corporate Affairs notified Ind AS 115 "Revenue from Contracts with Customers" in respect of accounting periods commencing on or after April 1, 2018, superseding Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue".

The Company's current revenue recognition policy is broadly aligned to the principles enunciated in Ind AS 115 and does not require any material change except for realty business. In terms of Ind AS 115, revenue of realty business will be recognised at the time of delivery of units to the customers as compared to revenue recognition based on percentage completion method currently followed as per the Guidance note issued by the Institute of Chartered Accountants of India. The management is in the process of implementing Ind AS 115 and does not expect any material impact on the Company's financial position as at March 31, 2018 and on the financial results of the Company in the first year of implementation viz. financial year commencing on April 1, 2018 except as above.

B. Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"

On March 28, 2018, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2018 and inserted Appendix B, Foreign Currency Transactions and Advance Consideration in Ind AS 21.

In Appendix B, it is clarified that the date of transaction to determine the exchange rate to use on initial recognition of related asset, expense or income is the date on which the initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The company's existing accounting policy conforms to the above clarification.

NOTE [64]

Figures for the previous year have been regrouped/re-classified to conform to the figures of the current year.

NOTES

Consolidated Financial Statements 2017-18

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
27th – 32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400 013.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
LARSEN & TOUBRO LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of LARSEN & TOUBRO LIMITED (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), which includes Group's share of profit/ loss in its associates and its joint ventures and which also includes 31 joint operations of the Group accounted on a proportionate basis, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 (including other comprehensive income), consolidated statement of cash flows and the consolidated statement of changes in equity of the Group including its joint operations, associates and joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint operations, associates and joint ventures are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and of its joint operations, associates and joint ventures 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 Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 the other auditors on separate financial statements/financial information of the joint operations, subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint operations, associates and joint ventures as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) The consolidated Ind AS financial statements include the financial information of 27 joint operations included in the standalone financials of the respective entities of the Group whose financial information reflect total assets of ₹ 4,801.11 crore as at March 31, 2018 and total revenues of ₹ 5,459.95 crore and net cash inflows amounting to ₹ 189.64 crore for the year ended on the date. The financial information of these joint operations have been audited by other auditors whose reports have been furnished to us by the Management and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations is based solely on the reports of such other auditors.

(b) The consolidated Ind AS financial statements include the financial information of 73 subsidiaries, whose financial information reflect total assets of ₹ 1,07,664.88 crore as at March 31, 2018, total revenues of ₹ 43,824.89 crore and net cash inflows amounting to ₹ 1,875.64 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements which have not been audited by us. The consolidated Ind AS financial statements also include the Group's share of total loss after tax (net) of ₹ 559.98 crore and total comprehensive loss (net) of ₹ 540.58 crore for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of 2 associates and 13 joint ventures, whose financial information have not been audited by us. The financial information of these subsidiaries, associates and joint ventures have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the reports of such other auditors.

(c) The consolidated Ind AS financial statements include the financial information of 3 joint operations whose financial information reflect total assets of ₹ 34.28 crore as at March 31, 2018, and total revenues of ₹ 5.32 crore and net cash outflows amounting to ₹ Nil for the year ended on the date. The financial information of these joint operations is unaudited and has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, the financial information of these joint operations is not material to the Group.

(d) The consolidated Ind AS financial statements include the financial information of 20 subsidiaries, whose financial information reflect total assets of ₹ 84.67 crore as at March 31, 2018, total revenue of ₹ 61.95 crore and net cash inflows amounting to ₹ 20.31 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements which have not been audited by their auditors. The consolidated Ind AS financial statements also include the Group's share of profit after tax (net) of ₹ 1.36 crore and total comprehensive income (net) of ₹ 1.38 crore for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of 5 associates and 2 joint ventures, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, the financial information of these subsidiaries, associates and joint ventures are not material to the Group.

(e) The audit of the consolidated financial information for the year ended March 31, 2017 was carried out by us jointly with another firm of chartered accountants, and the report had expressed unmodified opinion in relation thereto.

Our opinion on the consolidated Ind AS 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 of 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 reports of the other auditors on the financial information of joint operations, subsidiaries, associates and joint venture incorporated in India, 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 Ind AS financial statements.

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

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its joint operations companies, subsidiary companies, associate companies and joint venture companies incorporated in India, none of the Directors of the Group companies, its joint operations, associate companies and joint venture companies incorporated in India is disqualified as on March 31, 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 Parent, subsidiary companies, joint operation companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of Parent's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

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

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

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

P. R. RAMESH
(Partner)
(Membership No. 70928)

MUMBAI, May 28, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph "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 Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **LARSEN & TOUBRO LIMITED** (hereinafter referred to as "Parent") and its subsidiary companies (hereinafter referred to as the "Group"), which includes internal financial controls over financial reporting of its joint operations, its joint ventures and its associate 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 Parent, its subsidiary companies, its joint operations, its joint ventures and its associate 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 (the "Guidance Note") 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its joint operations, its joint ventures and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI 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 auditors' 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 other auditors of the subsidiary companies, joint operations, joint ventures and associate 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 Parent, its subsidiary companies, its joint operations, its joint ventures and its associate 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 other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its joint operations, its joint ventures and its associate 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 March 31, 2018, 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.

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 in so far as it relates to 35 subsidiary companies, 1 joint operation, 12 joint venture companies and 2 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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 in so far as it relates to 5 subsidiary companies, and 2 associate companies, which are companies incorporated in India, whose financial information is unaudited, and is based solely on the Management's representations provided to us and our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group is not affected as the financial information of such entities is not material to the Group.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial information certified by the Management.

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

P. R. RAMESH
(Partner)
(Membership No. 70928)

MUMBAI, May 28, 2018

Consolidated Balance Sheet as at March 31, 2018

	Note	As at 31-3-2018 ₹ crore	₹ crore	*As at 31-3-2017 ₹ crore*	*₹ crore*
ASSETS:					
Non-current assets					
Property, plant and equipment	**2**		10642.04		*11232.97*
Capital work-in-progress	**2**		2143.07		*1944.71*
Investment Property	**3**		4345.86		*3613.26*
Goodwill	**4**		1561.78		*1398.66*
Other intangible assets	**5**		2030.51		*432.22*
Intangible assets under development	**5**		11300.36		*11353.23*
Financial assets					
Investments in joint ventures and associates	**55(e)**	2487.59		*2772.90*	
Other investments	**6**	3359.47		*2679.90*	
Loans	**7**	1793.85		*1487.38*	
Loans towards financing activities	**8**	61816.54		*47133.86*	
Other financial assets	**9**	614.32		*857.60*	
			70071.77		*54931.64*
Deferred tax assets (net)	**50(d)**		2131.98		*1736.15*
Other non-current assets	**10**		4587.74		*3697.51*
Current assets					
Inventories	**11**		4847.80		*4139.74*
Financial assets					
Investments	**12**	9464.25		*14300.22*	
Trade receivables	**13**	34654.08		*28688.97*	
Cash and cash equivalents	**14**	6834.34		*3526.87*	
Other bank balances	**15**	1198.19		*1779.09*	
Loans	**16**	559.72		*486.45*	
Loans towards financing activities	**17**	26448.01		*24927.38*	
Other financial assets	**18**	4194.59		*3286.34*	
			83353.18		*76995.32*
Other current assets	**19**		46524.83		*39056.82*
Group(s) of assets classified as held for sale	**52**		1512.43		*1649.37*
TOTAL ASSETS			245053.35		*212181.60*

Consolidated Balance Sheet as at March 31, 2018 (contd.)

	Note	As at 31-3-2018 ₹ crore	₹ crore	*As at 31-3-2017 ₹ crore*	*₹ crore*
EQUITY AND LIABILITIES:					
Equity					
Equity share capital	**20**	280.27		*186.59*	
Other equity	**21**	55376.72		*50029.93*	
Equity attributable to owners of the Company			55656.99		*50216.52*
Non-controlling interest			5625.00		*3563.60*
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	**22**	72914.76		*67340.58*	
Other financial liabilities	**23**	353.95		*226.09*	
			73268.71		*67566.67*
Provisions	**24**		523.54		*526.60*
Deferred tax liabilities (net)	**50(d)**		637.92		*610.95*
Other non-current liabilities	**25**		67.97		*172.14*
Current liabilities					
Financial liabilities					
Borrowings	**26**	19331.85		*16534.47*	
Current maturities of long term borrowings	**27**	15277.47		*10078.90*	
Trade payables	**28**	37794.96		*30294.86*	
Other financial liabilities	**29**	4848.99		*4828.64*	
			77253.27		*61736.87*
Other current liabilities	**30**		27326.97		*23384.55*
Provisions	**31**		2483.75		*2667.81*
Current tax liabilities (net)			747.26		*240.29*
Liabilities associated with group(s) of assets classified as held for sale	**52**		1461.97		*1495.60*
TOTAL EQUITY AND LIABILITIES			245053.35		*212181.60*
CONTINGENT LIABILITIES	**32**				
COMMITMENTS (capital and others)	**33**				
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 65**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. DAMODARAN
(DIN 02106990)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Directors

Mumbai, May 28, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

	Note	2017-18 ₹ crore	2017-18 ₹ crore	*2016-17 ₹ crore*	*2016-17 ₹ crore*
INCOME:					
Revenue from operations	**34**		119862.10		*110011.00*
Other income	**35**		1412.03		*1344.11*
Total income			121274.13		*111355.11*
EXPENSES:					
Manufacturing, construction and operating expenses:	**36**				
Cost of raw materials, components consumed		15377.21		*14320.98*	
Excise duty		178.94		*699.19*	
Construction materials consumed		24057.20		*20716.99*	
Purchase of stock-in-trade		1357.76		*1610.57*	
Stores, spares and tools consumed		2384.91		*2090.42*	
Sub-contracting charges		24639.02		*22560.54*	
Changes in inventories of finished goods, work-in-progress and stock-in-trade and property development		(1230.19)		*84.00*	
Other manufacturing, construction and operating expenses		10520.74		*10595.04*	
Finance cost of financial services business and finance lease activity		6019.74		*5362.09*	
			83305.33		*78039.82*
Employee benefits expense	**37**		15292.48		*13853.97*
Sales, administration and other expenses	**38**		7698.10		*6988.24*
Finance costs	**39**		1538.52		*1338.73*
Depreciation, amortisation, impairment and obsolescence			1928.73		*2369.93*
			109763.16		*102590.69*
Less: Overheads capitalised			5.19		*1.51*
Total expenses			109757.97		*102589.18*
Profit before exceptional items and tax			11516.16		*8765.93*
Exceptional items	**42**		123.00		*121.43*
Profit before tax			11639.16		*8887.36*
Tax expense:					
Current tax	**50(a)**	3732.27		*2834.35*	
Deferred tax (net)	**50(a)**	(533.40)		*(827.76)*	
			3198.87		*2006.59*
Profit after tax			8440.29		*6880.77*
Add: Share in profit/(loss) of joint ventures/associates (net)	**55(f)**		(435.86)		*(395.27)*
Profit for the year			8004.43		*6485.50*
Other comprehensive income					
A. Items that will not be reclassified to profit or loss:					
Re-measurements of the net defined benefit Plans		34.84		*(31.30)*	
Income tax on re-measurements of the net defined benefit Plans		(5.47)		*5.95*	
			29.37		*(25.35)*
B. Items that will be reclassified to profit or loss:					
Debt instruments through other comprehensive income		(45.48)		*(5.33)*	
Income tax on debt instruments through other comprehensive income		(2.05)		*(1.08)*	
			(47.53)		*(6.41)*
Foreign currency translation reserve		97.61		*(133.12)*	
Income tax on foreign currency translation reserve		0.49		*2.29*	
			98.10		*(130.83)*
Carried forward - Other comprehensive income			79.94		*(162.59)*

Consolidated Statement of Profit and Loss for the year ended March 31, 2018 (contd.)

	Note	2017-18 ₹ crore	2017-18 ₹ crore	2016-17 ₹ crore	2016-17 ₹ crore
Brought forward - Other comprehensive income			79.94		*(162.59)*
Effective portion of gains and losses on hedging instruments in a cash flow hedge		91.06		*555.83*	
Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge		(8.38)		*(218.59)*	
			82.68		*337.24*
Cost of hedging reserve		1.16		*4.17*	
Income tax on cost of hedging reserve		(0.52)		*(1.04)*	
			0.64		*3.13*
Other Comprehensive Income for the year [net of tax]			163.26		*177.78*
Total comprehensive income for the year			8167.69		*6663.28*
Profit for the year attributable to:					
- Owners of the Company			7369.86		*6041.23*
- Non controlling interests			634.57		*444.27*
			8004.43		*6485.50*
Other comprehensive income for the year attributable to:					
- Owners of the Company			162.33		*146.38*
- Non controlling interests			0.93		*31.40*
			163.26		*177.78*
Total comprehensive income for the year attributable to:					
- Owners of the Company			7532.19		*6187.61*
- Non controlling interests			635.50		*475.67*
			8167.69		*6663.28*
Basic earnings per equity share (₹)	**49**		52.62		*43.20*
Diluted earnings per equity share (₹)	**49**		52.49		*43.05*
Face value per equity share (₹)			2.00		*2.00*
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 65**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. DAMODARAN
(DIN 02106990)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Directors

Mumbai, May 28, 2018

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

A. Equity share capital

Particulars	2017-18		*2016-17*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	93,29,65,803	186.59	*93,14,78,845*	*186.30*
Add: Shares issued on exercise of employee stock options during the year	16,38,898	0.33	*14,86,958*	*0.29*
Add: Bonus shares allotted during the year	46,67,64,755	93.35	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*

B. Other equity

₹ crore

Particulars	Equity component of Foreign currency convertible bonds	Reserves and surplus						Items of other comprehensive income			Total Other Equity	Non–controlling interest	Total
		Capital reserve	Capital Redemp-tion Reserve	Securities premium account	Employee share options (net)	Statutory Reserves	Retained Earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other Comprehen-sive Income			
Balance as at 1-4-2016	153.20	280.40	–	8164.72	282.22	2659.30	31724.59	609.59	44.01	76.03	43994.06	2892.84	46886.90
Profit for the year (a)	–	–	–	–	–	–	6041.23	–	–	–	6041.23	444.27	6485.50
Other comprehensive income (b)	–	–	–	–	–	–	(20.72)	(131.35)	303.51	(5.06)	146.38	31.40	177.78
Total comprehensive income for the year (a+b)	–	–	–	–	–	–	6020.51	(131.35)	303.51	(5.06)	6187.61	475.67	6663.28
Issue of equity shares	–	–	–	154.18	–	–	–	–	–	–	154.18	–	154.18
Share issue expenses	–	–	–	(0.05)	–	–	–	–	–	–	(0.05)	–	(0.05)
Impact of business combination	–	(0.12)	–	–	–	–	–	–	–	–	(0.12)	–	(0.12)
Transfer from/(to) retained earnings during the year	–	–	–	–	(21.86)	83.00	(61.14)	–	–	–	–	–	–
Employee share options (net)	–	–	–	–	42.89	–	–	–	–	–	42.89	19.96	62.85
Depreciation charged against retained earnings (net of deferred tax)	–	–	–	–	–	–	(0.30)	–	–	–	(0.30)	–	(0.30)
Dividend paid for previous year	–	–	–	–	–	–	(1701.51)	–	–	–	(1701.51)	(92.14)	(1793.65)
Additional tax on dividend paid for the previous year	–	–	–	–	–	–	(368.49)	–	–	–	(368.49)	–	(368.49)
Net gain/loss on transaction with non-controlling interest	–	–	–	–	–	–	1721.66	–	–	–	1721.66	(1721.66)	–
Increase in non-controlling interest due to dilution/ divestment/acquisition	–	–	–	–	–	–	–	–	–	–	–	1988.93	1988.93
Balance as at 31-3-2017	153.20	280.28	–	8318.85	303.25	2742.30	37335.32	478.24	347.52	70.97	50029.93	3563.60	53593.53

Consolidated Statement of Changes in Equity for the year ended March 31, 2018 (contd.)

₹ crore

Particulars	Share application money pending allotment	Equity component of Foreign currency convertible bonds	Reserves and surplus						Items of other comprehensive income			Total Other Equity	Non–controlling interest	Total
			Capital reserve	Capital Redemption Reserve	Securities premium account	Employee share options (net)	Statutory Reserves	Retained Earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other Comprehensive Income			
Balance as at 1-4-2017	–	153.20	280.28	–	8318.85	303.25	2742.30	37335.32	478.24	347.52	70.97	50029.93	3563.60	53593.53
Profit for the year (c)	–	–	–	–	–	–	–	7369.86	–	–	–	7369.86	634.57	8004.43
Other comprehensive income (d)	–	–	–	–	–	–	–	23.56	94.43	90.53	(46.19)	162.33	0.93	163.26
Total comprehensive income for the year (c+d)	–	–	–	–	–	–	–	7393.42	94.43	90.53	(46.19)	7532.19	635.50	8167.69
Issue of equity shares	–	–	–	–	137.63	–	–	–	–	–	–	137.63	–	137.63
Transfer to non- financial assets/liabilities	–	–	–	–	–	–	–	–	–	(0.28)	–	(0.28)	–	(0.28)
Share issue expenses	–			–	(0.13)	–	–	–	–	–	–	(0.13)		(0.13)
Impact of business combination	–	–	(4.20)	–	–	–	–	–	–	–	–	(4.20)	–	(4.20)
Transfer from/(to) retained earnings during the year	–	–	–	42.00	0.02	(21.30)	610.61	(631.33)	–	–	–	–	–	–
Employee share options (net)	–	–	–	–	–	31.61	–	–	–	–	–	31.61	5.57	37.18
Utilised for issue of bonus shares	–	–	–	–	(93.35)	–	–	–	–	–	–	(93.35)	–	(93.35)
Dividend paid for the previous year	–	–	–	–	–	–	–	(1960.76)	–	–	–	(1960.76)	(151.20)	(2111.96)
Additional tax on dividend paid for the previous year	–	–	–	–	–	–	–	(441.05)	–	–	–	(441.05)	–	(441.05)
Share application money received during the year	3.56	–	–	–	–	–	–	–	–	–	–	3.56	–	3.56
Net gain/loss on transactions with non-controlling interest	–	–	–	–	–	–	–	113.83	–	–	–	113.83	(113.83)	–
Increase in non-controlling interest due to dilution/ divestment/acquisition	–	–	–	–	–	–	–	27.74	–	–	–	27.74	1685.36	1713.10
Balance as at 31-03-2018	3.56	153.20	276.08	42.00	8363.02	313.56	3352.91	41837.17	572.67	437.77	24.78	55376.72	5625.00	61001.72

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. DAMODARAN
(DIN 02106990)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Directors

Mumbai, May 28, 2018

Consolidated Statement of Cash Flows for the year ended March 31, 2018

	2017-18	*2016-17*
	₹ crore	*₹ crore*
A. Cash flow from operating activities:		
Profit before tax (excluding non-controlling interest and exceptional items)	11516.16	*8765.93*
Adjustments for :		
Dividend received	(2748.08)	*(748.63)*
Depreciation, amortisation, impairment and obsolescence	1928.73	*2369.93*
Exchange difference on items grouped under financing/investing activities	(31.03)	*(80.51)*
Effect of exchange rate changes on cash and cash equivalents	(53.53)	*34.92*
Interest expense	1538.52	*1338.73*
Interest income	(665.67)	*(422.62)*
(Profit)/loss on sale of property, plant and equipment and investment property (net)	(686.23)	*(17.88)*
(Profit)/loss on sale/fair valuation of investments (net)	2217.72	*(34.22)*
(Profit)/loss on sale of stake in subsidiary companies of Realty Segments	–	*(95.81)*
(Gain)/loss on derivatives at fair value through profit or loss	125.74	*56.89*
Employee stock option-discount forming part of employee benefits expense	111.39	*88.17*
Gain on settlement of debt	(5.58)	*–*
Operating profit before working capital changes	13248.14	*11254.90*
Adjustments for :		
(Increase)/decrease in trade and other receivables	(14499.91)	*(2471.33)*
(Increase)/decrease in inventories	(642.38)	*1509.77*
Increase/(decrease) in trade payables and customer advances	11725.82	*5307.44*
Cash generated from operations before financing activities	9831.67	*15600.78*
(Increase)/decrease in loans and advances towards financing activities	(16459.25)	*(5743.85)*
Cash generated from operations	(6627.58)	*9856.93*
Direct taxes refund/(paid) [net]	(3403.44)	*(3201.67)*
Net cash (used in)/from operating activities	(10031.02)	*6655.26*
B. Cash flow from investing activities:		
Purchase of fixed assets	(2877.17)	*(2977.09)*
Sale of fixed assets (including advance received)	862.13	*156.33*
Purchase of non-current investments	(1170.49)	*(1055.24)*
Sale of non-current investments	428.59	*67.00*
(Purchase)/sale of current investments (net)	2551.83	*(6769.76)*
Change in other bank balance and cash not available for immediate use	484.65	*(321.60)*
Investment in joint ventures	–	*(2010.36)*
Deposits/loans given to associates, joint ventures and third parties	(621.93)	*(410.10)*
Deposits/loans repaid by associates, joint ventures and third parties	229.89	*197.74*
Interest received	534.51	*408.84*
Dividend received from associates	0.66	*0.57*
Dividend received from other investments	2748.08	*748.63*
Consideration received on transfer of foundry business unit	–	*83.65*
Settlement of derivative contracts related to current investments	(125.74)	*(56.89)*
Consideration received on disposal of subsidiaries (including advance received)	1048.29	*2169.01*
Consideration paid on acquisition of subsidiaries	(213.77)	*(7.07)*
Cash & cash equivalents acquired pursuant to acquisition of subsidiaries	50.47	*–*
Cash & cash equivalents discharged pursuant to disposal of subsidiaries	(15.50)	*(19.60)*
Net cash (used in)/from investing activities	3914.50	*(9795.94)*

Consolidated Statement of Cash Flows for the year ended March 31, 2018 (contd.)

	2017-18	*2016-17*
	₹ crore	*₹ crore*
C. Cash flow from financing activities:		
Proceeds from issue of share capital (including share application money)	49.50	*53.32*
Proceeds from non-current borrowings [Note 62]	46903.46	*30522.82*
Repayment of non-current borrowings [Note 62]	(36964.48)	*(27286.28)*
Proceeds from other borrowings (net) [Note 62]	2680.02	*1643.82*
Payment (to)/from non-controlling interest (net)- including sale proceeds on divestment of part stake in subsidiary companies	1413.12	*2058.82*
Settlement of derivative contracts related to borrowings	149.31	*170.51*
Dividends paid	(1960.76)	*(1701.51)*
Additional tax on dividend	(429.01)	*(391.54)*
Interest paid (including cash flows on account of interest rate swaps)	(2470.70)	*(2174.03)*
Net cash (used in)/from financing activities	9370.46	*2895.93*
Net (decrease)/increase in cash and cash equivalents (A + B + C)	3253.94	*(244.75)*
Cash and cash equivalents at beginning of the year	3544.75	*3789.50*
Cash and cash equivalents at end of the year	6798.69	*3544.75*

Notes:

1. Statement of Cash Flows has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Purchase & Sale of fixed assets represents additions & deletions to property, plant and equipment, investment property and intangible assets adjusted for movement of (a) capital work in progress for property, plant and equipment and investment property and (b) Intangible assets under development during the year.
3. Cash and cash equivalents included in the Statement of Cash flows comprise the following :

	2017-18	*2016-17*
	₹ crore	*₹ crore*
(a) Cash and cash equivalents disclosed under current assets [Note 14]	6834.34	*3526.87*
(b) Other bank balances disclosed under current assets [Note 15]	1198.19	*1779.09*
(c) Cash and cash equivalents disclosed under non-current assets [Note 9]	320.31	*224.06*
Total Cash and cash equivalents as per Balance Sheet	8352.84	*5530.02*
Add: (i) Unrealised exchange (gain)/loss on cash and cash equivalents	(35.65)	*17.88*
Less: (ii) Other bank balances disclosed under current assets [Note 15]	1198.19	*1779.09*
Less: (iii) Cash and cash equivalents disclosed under non-current assets [Note 9]	320.31	*224.06*
Total Cash and cash equivalents as per Statement of Cash Flows	6798.69	*3544.75*

4. Previous year's figures have been regrouped/reclassified wherever applicable.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018
by the hand of

P. R. RAMESH
Partner
Membership No. 70928

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. DAMODARAN
(DIN 02106990)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Directors

Mumbai, May 28, 2018

Notes forming part of the Consolidated Financial Statements

NOTE [1]

Significant Accounting Policies

(a) Statement of compliance

The Group's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financials statements have been approved for issue by the Board of Directors at their meeting held on May 28, 2018.

(b) Basis of accounting

The Group maintains its accounts on accrual basis following historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

(d) Basis of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

(ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

(iii) The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

(iv) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

(v) The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

(vi) The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

(e) Investments in joint venture and associates

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is objective evidence of impairment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

(f) Interests in joint operations

When the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation. Interests in joint operations are included in the segments to which they relate.

(g) Business Combination/Goodwill on consolidation

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

NOTE [1] ***(contd.)***

Goodwill on consolidation as on the date of transition i.e. April 1, 2015 represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary.

Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of(a) consideration paid for acquiring control and (b) acquisition date fair value of previously held ownership interest, if any, in a subsidiary over the Group's share in the fair value of the net assets (including identifiable intangibles) of the subsidiary as on the date of acquisition of control.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

(h) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Group covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

(i) Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances.

(i) Revenue from operations

Revenue for the periods upto June 30, 2017 includes excise duty collected from customers. Revenue from July 1, 2017 onwards is exclusive of Goods and Service tax (GST) which subsumed excise duty. Revenue also includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/ acknowledged by customers are not taken into account.

A. Sale of goods

Revenue from sale of manufactured and traded goods is recognised when all the following conditions are satisfied:

1. significant risks and rewards of ownership of the goods are transferred to the buyer;
2. the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the good sold;
3. the amount of revenue can be measured reliably;
4. it is probable that the economic benefits associated with the transaction will flow to the Group; and
5. the costs incurred or to be incurred in respect of the transaction can be measured reliably

B. Revenue from construction/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

1. Cost plus contracts: Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the period plus the margin as agreed with the customer.
2. Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to the condition that it is probable that such cost will

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

be recoverable. 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 the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

i. the amount of revenue can be measured reliably;

ii. it is probable that the economic benefits associated with the contract will flow to the Group;

iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and

iv. the costs incurred or to be incurred in respect of the contract can be measured reliably

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to date plus recognised profits (or recognised losses as the case may be), the surplus is shown as the amount due to customers and in case the aggregate of contract cost incurred to date plus recognised profits (or recognised losses as the case may be) exceeds the progress billing, the surplus is shown as due from customers. Amounts received before the related work is performed are disclosed in the consolidated Balance Sheet, as a liability towards advance received. Amount billed for work performed but yet to be paid by the customer are disclosed in the consolidated Balance Sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

C. Revenue from construction/project related activity and contracts executed in joint arrangements under work-sharing arrangement [being joint operations, in terms of Ind AS 111 "Joint Arrangements"], is recognised on the same basis as adopted in respect of contracts independently executed by the Group.

D. Revenue from property development activities which are in substance similar to delivery of goods is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

Revenue from those property development activities in the nature of a construction contract is recognised based on the 'Percentage of completion method' (POC) when the outcome of the contract can be estimated reliably upon fulfillment of all the following conditions:

1. all critical approvals necessary for commencement of the project have been obtained;

2. contract costs for work performed (excluding cost of land/developmental rights and borrowing cost) constitute at least 25% of the estimated total contract costs representing a reasonable level of development;

3. at least 25% of the saleable project area is secured by contracts or agreements with buyers; and

4. at least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents is realised at the reporting date in respect of each of the contracts and the parties to such contracts can be reasonably expected to comply with the contractual payment terms.

The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to date to the total estimated cost of the project. For the purpose of computing percentage of construction, cost of land, developmental rights and borrowing costs are excluded.

Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

NOTE [1] ***(contd.)***

In the case of the developmental project business and the realty business, revenue includes profit on sale of investment properties or sale of stake in the subsidiary and/or joint venture companies as the sale/divestments are inherent in the business model.

E. Rendering of services

Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. the amount of revenue can be measured reliably;
2. it is probable that the economic benefits associated with the transaction will flow to the Group;
3. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. the costs incurred or to be incurred in respect of the transaction can be measured reliably

Stage of completion is determined by the proportion of actual costs incurred to date to the estimated total costs of the transaction. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

In respect of information technology (IT) business and technology services business, revenue from contracts awarded on time and material basis is recognised when services are rendered and related costs are incurred. Revenue from fixed price contracts is recognised using the proportionate completion method.

F. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (i) B above.

G. Income from hire purchase and lease transactions is accounted on accrual basis, pro-rata for the period, at the rates implicit in the transaction. Income from bill discounting, advisory and syndication services and other financing activities is accounted on accrual basis. Income from interest-bearing assets is recognised on accrual basis over the life of the asset based on the effective yield.

H. Revenue on account of construction services rendered in connection with Build-Operate-Transfer (BOT) projects undertaken by the Group is recognised during the period of construction using percentage of completion method. After the completion of construction period, revenue relatable to fare/toll collections of such projects from users of facilities is accounted when the amount is due and recovery is certain. License fees for way-side amenities are accounted on accrual basis.

I. Commission income is recognised as and when the terms of the contract are fulfilled.

J. Income from investment management fees is recognised in accordance with the contractual terms and the SEBI regulations based on average Assets Under Management (AUM) of mutual fund schemes over the period of the agreement in terms of which services are performed. Portfolio management fees are recognised in accordance with the related contracts entered with the clients over the period of the agreement. Trusteeship fees are accounted on accrual basis.

K. Revenue from port operation services is recognised on completion of respective services or as per terms agreed with the port operator, wherever applicable.

L. Revenue from charter hire is recognised based on the terms of the time charter agreement.

M. Revenue from operation and maintenance services of power plant receivable under the Power Purchase Agreement is recognised on accrual basis.

N. Other operational revenue:

1. Government grants, which are revenue in nature and are towards compensation for the qualifying costs, incurred by the Group, are recognised as other operational income in the Statement of Profit and Loss in the period in which such costs are incurred. Government grant receivable in the form duty credit scrips is recognised as other

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] *(contd.)*

operational income in the Statement of Profit and Loss in the period in which the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.

2. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(ii) Other income

A. Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.

B. Dividend income is accounted in the period in which the right to receive the same is established.

C. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably.

(j) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

(k) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Own manufactured PPE is capitalised at cost including an appropriate share of overheads. 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.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to policies on leases, borrowing costs, impairment of assets and foreign currency transactions below).

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata from the date it is ready for use. Extra shift depreciation is provided on a location basis.

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 acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Group shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life adopted by the Group for similar assets.

Freehold land is not depreciated.

NOTE [1] ***(contd.)***

(l) Investment property

Properties (including those under construction) held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

(m) Intangible assets

Intangible assets are recognised when it is probable that the 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. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Research and development expenditure on new products:

(i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred

(ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

B. the Group has intention to complete the intangible asset and use or sell it;

C. the Group has ability to use or sell the intangible asset;

D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

F. the Group has ability to reliably measure the expenditure attributable to the intangible asset during its development. Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

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

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. The estimated useful life for major categories of the intangible assets are as follows:

(i) specialised software: over a period of three to ten years;

(ii) technical know-how: over a period of three to seven years;

(iii) development costs for new products: over a period of five years;

(iv) customer contracts and relationships: over a period of the contract which generally is over seven to ten years;

(v) intangible assets with indefinite useful life that are acquired separately are carried at cost less accumulated impairment losses;

(vi) fare collection rights obtained in consideration for rendering construction services represent the right to collect fare during the concession period in respect of Build-Operate-Transfer (BOT) projects undertaken by the Group. Fare collection rights are

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

capitalised as intangible asset upon completion of the project at the cumulative construction costs including related margins. Till the completion of the project, the same is recognised as intangible assets under development. Fare collection rights are amortised using the straight line method over the period of concession; and

(vii) exploration and evaluation expenditure incurred for potential mineral reserves is recognised and reported as part of "intangible assets under development" when such costs are expected to be either recouped in full through successful exploration and development of the area of interest or alternatively, by its sale; or when exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically available reserves and active and significant operations in relation to the area are continuing or are planned for the future. Exploration assets are re-assessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above is met. All other exploration and evaluation expenditure is recognised as expense in the period in which it is incurred.

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

(n) Impairment of assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

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

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as 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. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

(o) Employee benefits

(i) Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

(ii) Post-employment benefits:

A. Defined contribution plans: The Group's superannuation scheme, state governed provident fund scheme, employee state insurance scheme, social security contributions and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

NOTE [1] ***(contd.)***

B. Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plans vide (ii) B above.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognised in the Statement of Profit and Loss under finance cost.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the company's offer of the termination benefit is accepted or when the Group recognises the related restructuring costs whichever is earlier.

(p) Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. Power generation projects executed under long term Power Purchase Agreements (PPA) with state utilities that are in substance finance leases are classified accordingly.

(i) Finance leases:

Leases where the all the risks and rewards of ownership of the related assets are substantially transferred to the lessee are classified as finance leases.

A. Assets taken under finance lease are capitalised at the commencement of the lease at the lower of the fair value or the present value of 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 period.

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

(Also refer to policy on depreciation above)

(q) Financial instruments

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, as the case may be, the fair value of such financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

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

1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value

2. Other investments in debt instruments – at amortised cost, subject to following conditions:

   - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

   - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)

   - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

   - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.

5. Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

6. The group has elected to measure the investments in associates and joint ventures held through unit trusts at FVTPL.

B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other

NOTE [1] ***(contd.)***

equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

C. A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or

2. the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the group has transferred substantially all the risks and rewards of the asset, or b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

D. Impairment of financial assets: The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

In respect of financial services business, the Group applies a separate model of the expected credit loss for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL as follows:

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

- The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition

(ii) Financial liabilities

A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

(iii) The Group designates certain hedging instruments such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

B. Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

In case of time period related hedges, the forward element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the forward element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such forward element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight line basis over the period of the forward contract or the financial instrument.

The cash flow hedges are allocated to the forecast transactions on gross exposure basis.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(iv) Compound financial instruments issued by the Group which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(r) Inventories

Inventories are valued after providing for obsolescence, as under:

(i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

(ii) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

(iii) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes related overheads and excise duty paid/payable on such goods.

(iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

Assessment of net realisable value is made at each subsequent period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

(s) 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 subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(t) Securities premium account

(i) Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account

(u) Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(v) Share-based payment arrangements

The stock options granted to employees pursuant to the Group's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

(w) Foreign currencies

(i) The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for:

A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

B. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

C. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations. The portion of foreign currency translation reserve attributed to non-controlling interest is reflected as part of non-controlling interest.

(x) Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting:

(i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including (a) inter segment revenue and (b) profit on sale of stake in the subsidiary and/or joint venture companies under Developmental projects segment and Realty business grouped under "Others" segment

(ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. In respect of (a) Financial Services segment and (b) Power Generation projects under Developmental Projects segment which are classified as assets given on finance lease, the interest expenses on borrowings are accounted as segment expenses.

(iii) Most of the centrally incurred costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.

(iv) Income which relates to the Group as a whole and not allocable to segments is included in "unallocable corporate income".

(v) Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Group.

(vi) Segment result includes the interest expense incurred on interest bearing advances with corresponding credit included in "unallocable corporate income"

(vii) Segment results have not been adjusted for the exceptional item attributable to the corresponding segment. The said exceptional item has been included in "unallocable corporate income net of expenditure". The corresponding segment assets have been carried under the respective segments without adjusting the exceptional item

(viii) Segment assets and liabilities include those directly identifiable with the respective segments. In respect of (a) Financial Services segment, and (b) Power Generation projects under Developmental Projects segment which are classified as assets given on finance lease, segment liabilities include borrowings as the interest expenses on borrowings are accounted as segment expenses in respect of the segment and projects. Investment in joint ventures and associates identified with a particular segment are reported as part of the segment assets of those respective segments.

Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole.

NOTE [1] ***(contd.)***

(ix) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost [see Note 1(v) above] and is allocated to the segment.

(x) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis

(y) Taxes on income

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Dividend distribution tax paid on profits distributed by the subsidiary company during the period is treated as an item of expense and recognised in the Statement of Profit and Loss. The dividend distribution tax paid in earlier years for which set off is available against the tax liability arising out of the dividend distribution by the Parent Company is recognised as an item of income in the period in which such set off is availed with corresponding effect in the equity to the extent of such set off. Both the recognition of expense and income as aforesaid are included in the current tax in the Statement of Profit and Loss.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Dividend distribution tax payable on profits of subsidiary companies which are proposed to be distributed in foreseeable future, is recognised as deferred tax liability with corresponding effect in the Statement of Profit and Loss in the period in which such profits are proposed to be so distributed. Such liability is reversed in the period in which the profits are distributed by the subsidiary company.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable

(z) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) the Group entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

(aa) Commitments

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

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) uncalled liability on shares and other investments partly paid;

c) funding related commitment to associate and joint venture companies; and

d) 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

(ab) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(ac) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

(ad) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [2]

Property, Plant and Equipment and Capital work-in-progress

₹ crore

Class of assets	Cost						Depreciation						Impairment		Book value	
	As at 1-4-2017	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2018	*Up to 31-3-2017*	Pursuant to acquisition of subsidiaries	For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2018	*Up to 31-3-2017*	Up to 31-3-2018	As at 31-3-2018	*As at 31-03-2017*
Land																
Freehold	*599.07*	–	34.34	0.76	48.43	585.74	–	–	–	–	–	–	–	–	585.74	*599.07*
Taken on lease	*439.28*	–	–	0.13	0.04	439.37	*2.70*	–	6.91	0.02	–	9.63	–	–	429.74	*436.58*
Sub total - Land	*1038.35*	–	34.34	0.89	48.47	1025.11	*2.70*	–	6.91	0.02	–	9.63	–	–	1015.48	*1035.65*
Buildings																
Owned	*3720.33*	–	71.17	6.81	113.25	3685.06	*345.87*	–	168.75	0.69	17.16	498.15	*87.25*	189.31	2997.60	*3287.21*
Leased out	*67.98*	–	1.90	–	19.20	50.68	*6.11*	–	4.06	–	1.33	8.84	–	–	41.84	*61.87*
Sub total - Buildings	*3788.31*	–	73.07	6.81	132.45	3735.74	*351.98*	–	172.81	0.69	18.49	506.99	*87.25*	189.31	3039.44	*3349.08*
Plant & equipment																
Owned	*6752.97*	64.97	530.28	7.91	132.65	7223.48	*1840.32*	56.29	915.43	2.07	80.89	2733.22	*15.50*	28.36	4461.90	*4897.15*
Leased out	*41.63*	–	133.70	–	7.94	167.39	*7.91*	–	8.95	–	2.10	14.76	–	–	152.63	*33.72*
Taken on lease	*0.99*	–	–	–	–	0.99	*0.05*	–	0.07	–	–	0.12	–	–	0.87	*0.94*
Sub total - Plant & equipment	*6795.59*	64.97	663.98	7.91	140.59	7391.86	*1848.28*	56.29	924.45	2.07	82.99	2748.10	*15.50*	28.36	4615.40	*4931.81*
Computers																
Owned	*539.56*	1.77	131.77	1.46	38.80	635.76	*256.78*	0.75	138.36	0.97	33.34	363.52	–	–	272.24	*282.78*
Leased out	*1.87*	–	–	–	0.75	1.12	*1.27*	–	0.55	–	0.72	1.10	–	–	0.02	*0.60*
Sub total - Computers	*541.43*	1.77	131.77	1.46	39.55	636.88	*258.05*	0.75	138.91	0.97	34.06	364.62	–	–	272.26	*283.38*
Office equipment																
Owned	*264.15*	8.34	54.15	0.48	7.68	319.44	*115.21*	6.80	62.54	0.19	6.22	178.52	*0.01*	0.01	140.91	*148.93*
Leased out	*1.02*	–	–	–	–	1.02	*0.56*	–	0.31	–	–	0.87	–	–	0.15	*0.46*
Sub total - Office equipment	*265.17*	8.34	54.15	0.48	7.68	320.46	*115.77*	6.80	62.85	0.19	6.22	179.39	*0.01*	0.01	141.06	*149.39*
Furniture and fixtures																
Owned	*305.62*	33.78	52.45	1.06	12.54	380.37	*89.24*	22.85	58.74	0.40	8.48	162.75	*0.24*	0.24	217.38	*216.14*
Leased out	*11.81*	–	–	–	–	11.81	*3.49*	–	2.08	–	–	5.57	–	–	6.24	*8.32*
Sub total - Furniture & fixtures	*317.43*	33.78	52.45	1.06	12.54	392.18	*92.73*	22.85	60.82	0.40	8.48	168.32	*0.24*	0.24	223.62	*224.46*
Vehicles																
Owned	*294.07*	52.90	60.70	0.38	26.38	381.67	*84.14*	52.89	52.43	0.10	14.48	175.08	–	–	206.59	*209.93*
Leased out	*106.20*	–	4.25	–	79.76	30.69	*47.29*	–	8.20	–	42.09	13.40	–	–	17.29	*58.91*
Sub total - Vehicles	*400.27*	52.90	64.95	0.38	106.14	412.36	*131.43*	52.89	60.63	0.10	56.57	188.48	–	–	223.88	*268.84*
Other assets																
Owned																
Aircraft	*49.23*	–	195.22	–	–	244.45	*6.82*	–	9.56	–	–	16.38	–	–	228.07	*42.41*
Ships	*37.25*	–	–	–	–	37.25	*9.67*	–	4.74	–	–	14.41	–	–	22.84	*27.58*
Dredged channel and Breakwater structures	*1011.08*	–	–	–	–	1011.08	*111.47*	–	56.08	–	–	167.55	–	–	843.53	*899.61*
Leasehold Improvements	*44.00*	–	0.64	0.18	1.85	42.97	*23.24*	–	4.79	0.12	1.64	26.51	–	–	16.46	*20.76*
Sub total - Other assets	*1141.56*	–	195.86	0.18	1.85	1335.75	*151.20*	–	75.17	0.12	1.64	224.85	–	–	1110.90	*990.36*
Total	*14288.11*	161.76	1270.57	19.17	489.27	15250.34	*2952.14*	139.58	1502.55	4.56	208.45	4390.38	*103.00*	217.92	10642.04	*11232.97*
Previous year	*13749.33*	0.13	969.45	(38.16)	392.64	14288.11	*1577.34*	0.09	1602.26	(4.43)	223.12	2952.14		103.00		
Add: Capital work-in-progress															2143.07	*1944.71*
														**	12785.11	*13177.68*

** refer note 42(c)

Notes:

(a) Carrying value of property, plant and equipment pledged as collateral for liabilities and/or commitments as at March 31, 2018 ₹ 2073.45 crore *(previous year: ₹ 2112.99 crore)*

(b) Carrying value of property, plant and equipment having restriction on title as at March 31, 2018 ₹ 2042.16 crore *(previous year: ₹ 2033.26 crore)*

(c) Depreciation for the year includes ₹ 4.85 crore *(previous year: ₹ 23.33 crore)* on account of obsolescence.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [2] *(contd.)*

(d) Impairment during the year is ₹ 115.41 crore and reversal of impairment during the year on sale is ₹ 0.49 crore. Impairment for and upto the previous year was: ₹ 111.86 crore out of which ₹ 8.86 crore was transferred to held for sale.

(e) Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to Ind AS 17 "Leases".

(f) Cost as at April 1, 2017 of individual assets has been reclassified, wherever necessary.

(g) Amount transferred from property, plant & equipment to group(s) of assets classified as held for sale: NIL *(previous year: ₹ 70.21 crore)*

(h) Range of useful life of property, plant and equipment is as below:

Sr. No.	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1	Leasehold land	15	999
2	Owned buildings	5	61
3	Owned plant and equipment	3	35
4	Computers	3	7
5	Office equipment	3	30
6	Furniture and fixtures	3	13
7	Owned vehicles	3	15
8	Aircraft	18	18
9	Ships	14	14
10	Dredged channel	50	50
11	Breakwater structures	50	50

NOTE [3]
Investment Property

₹ crore

Class of assets	Cost						Depreciation						Impairment	Book value	
	As at 1-4-2017	Additions	Foreign currency fluctuation	Transfer to/from inventories and owners occupied property	Deductions	As at 31-03-2018	*Up to 31-03-2017*	For the period	Foreign currency fluctuation	Transfer to/from inventories and owners occupied property	Deductions	Up to 31-3-2018	Up to 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
Land	*49.30*	509.19	0.05	30.35	7.09	581.80	–	5.33	–	–	–	5.33	2.48	573.99	*49.30*
Buildings	*139.51*	1268.71	–	(5.98)	5.39	1396.85	*8.87*	25.10	–	0.98	5.33	29.62	–	1367.23	*130.64*
Total	*188.81*	1777.90	0.05	24.37	12.48	1978.65	*8.87*	30.43	–	0.98	5.33	34.95	2.48	1941.22	*179.94*
Previous year	*216.67*	*42.72*	*(0.19)*	*4.40*	*74.79*	*188.81*	*5.05*	*6.40*	–	*0.42*	*3.00*	*8.87*			
Add: Capital work-in-progress														2404.64	*3433.32*
														4345.86	*3613.26*

Notes:

(a) Carrying value of Investment property pledged as collateral for liabilities and/or commitments and having restriction on title as at March 31, 2018 ₹ 0.16 crore *(₹ 0.16 crore as at March 31, 2017)*

(b) Useful life of building included in investment property: 20 to 60 years

(c) Amount recognized in the Statement of Profit and Loss for investment property:

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
1	Rental income derived from investment property	73.31	*64.41*
2	Direct operating expenses arising from investment property that generated rental income	2.10	*2.57*

(d) Fair value of investment property: ₹ 6448.68 crore as at March 31, 2018 *(₹ 4574.21 crore as at March 31, 2017).*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [3] *(contd.)*

(e) The fair values of investment property have been determined with the help of internal architectural department and independent valuer on a case to case basis. Fair value of property that are evaluated by independent valuer is ₹ 2510.89 crore. *(₹ 2202.79 crore as at March 31, 2017)*. Valuation is based on government rates, market research, marked trend and comparable values as considered appropriate.

(f) Impairment during the year ₹ 2.48 crore (on land) *[previous year ₹ 403.71 crore (on capital work-in-progress) out of which ₹ 270.22 crore pertained to assets disposed of]*.

NOTE [4]

Goodwill

₹ crore

Class of assets	Cost					Amortisation					Impairment	Book value	
	As at 1-4-2017	Additions*	Foreign currency fluctuation	Deductions	As at 31-3-2018	*Up to 31-3-2017*	For the period	Foreign currency fluctuation	Deductions	Up to 31-3-2018	As at 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
Goodwill on consolidation	*1446.76*	245.24	42.67	124.79	1609.88	–	–	–	–	–	48.10 #	1561.78	*1398.66*
Previous year	*1495.06*	*2.83*	*(44.61)*	*6.52*	*1446.76*	–	–	–	–	–	*48.10*	*1398.66*	

Impairment upto 31-3-2018 ₹ 48.10 crore, during the year ₹ NIL * Refer Note 51

NOTE [5]

Other Intangible assets and Intangible assets under development

₹ crore

Class of assets	Cost						Amortisation						Book value	
	As at 1-4-2017	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2018	*Up to 31-3-2017*	Pursuant to acquisition of subsidiaries	For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2018	As at 31-3-2018	*As at 31-3-2017*
Specialised Software	*987.93*	0.09	75.68	13.74	4.52	1072.92	*735.56*	0.03	120.96	9.66	4.11	862.10	210.82	*252.37*
Technical knowhow	*64.92*	–	55.10	–	–	120.02	*35.35*	–	13.87	–	–	49.22	70.80	*29.57*
Trade Names	–	6.25	–	–	–	6.25	–	–	6.24	–	–	6.24	0.01	–
New Product Design and Development	*164.81*	–	53.75	7.20	2.37	223.39	*73.32*	–	33.46	3.61	1.87	108.52	114.87	*91.49*
Customer contracts and relationship	*131.73*	71.70	–	4.42	–	207.85	*72.94*	–	36.37	2.80	–	112.11	95.74	*58.79*
Fare Collection Rights	–	–	1548.23	–	–	1548.23	–	–	9.96	–	–	9.96	1538.27	–
Total	*1349.39*	78.04	1732.76	25.36	6.89	3178.66	*917.17*	0.03	220.86	16.07	5.98	1148.15	2030.51	*432.22*
Previous year	*1418.29*	*0.01*	*98.02*	*10.17*	*177.10*	*1349.39*	*861.58*	–	*208.61*	*9.36*	*162.38*	*917.17*		
Add: Intangible assets under development													11300.36	*11353.23*
												**	13330.87	*11785.45*

** refer note 42(c)

Addition to other intangible assets include internally developed: ₹ 74.43 crore *(previous year: ₹ 34.99 crore)*

Notes:

(a) Borrowing cost capitalised in accordance with Ind AS 23 "Borrowing Costs" is as follows:

₹ crore

Class of Assets	2017-18	*2016-17*
Investment property	51.98	*137.01*
Capital work-in-progress (PPE)	102.45	*96.45*
Intangible assets under development	914.93	*784.79*
Total	1069.36	*1018.25*

(b) The average capitalization rate for borrowing cost is 10.06%. *(previous year: 10.26%)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [6]

Financial Assets: Other Investments - non-current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Equity instruments	665.06	*600.03*
Preference shares	281.85	*66.80*
Debentures or bonds	1248.10	*1378.88*
Mutual funds	18.94	*17.06*
Security receipt	1016.88	*505.27*
Units of fund	128.64	*111.86*
	3359.47	*2679.90*

NOTE [7]

Financial Assets: Loans - non-current

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured security deposits, considered good		208.39		*170.49*
Unsecured security deposits, doubtful:	26.59		*0.45*	
Less: Provision for doubtful security deposits	26.59		*0.45*	
		–		–
Unsecured long term loans and advances to related parties:				
Associates companies:				
Advances	18.49		*18.40*	
		18.49		*18.40*
Joint Ventures:				
Inter-corporate deposits	1565.74		*1167.22*	
Amount receivable	–		*130.41*	
		1565.74		*1297.63*
Other secured loans, considered good:				
Loans against mortgage of house property	0.23		*0.74*	
		0.23		*0.74*
Other unsecured loans, considered good:				
Advance recoverable in cash		1.00		*0.12*
Other unsecured loans, doubtful:				
Other loans and advances	15.47		*2.29*	
Less: Provision for doubtful advances	15.47		*2.29*	
		–		–
		1793.85		*1487.38*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [8]

Financial Assets: Loans towards financing activities - non-current

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured loans:				
Considered good:				
Term loans	38709.90		*30984.17*	
Finance lease	70.93		*44.36*	
Debentures	9147.47		*4044.53*	
Considered doubtful:				
Term loans	3438.87		*2488.74*	
	51367.17		*37561.80*	
Less: Allowance for expected credit losses	3438.87		*2488.74*	
		47928.30		*35073.06*
Unsecured loans:				
Considered good:				
Term loans	4464.64		*2125.74*	
Finance lease	8995.06		*9229.02*	
Debentures	428.54		*706.04*	
		13888.24		*12060.80*
		61816.54		*47133.86*

NOTE [9]

Other financial assets - non-current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Cash and cash equivalent not available for immediate use	320.31	*224.06*
Fixed deposits with banks (maturity more than 12 months)	–	*1.19*
Forward contract receivables	238.38	*577.05*
Embedded derivative receivables	5.06	*10.74*
Other receivables	50.57	*44.56*
	614.32	*857.60*

NOTE [10]

Other non-current assets

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital advances:				
Secured	21.48		*26.47*	
Unsecured	53.83		*146.42*	
		75.31		*172.89*
Advance recoverable other than in cash		1737.94		*1064.42*
Current Tax receivable (net)		2774.49		*2460.20*
		4587.74		*3697.51*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [11]

Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Raw materials [includes goods-in-transit ₹ 18.52 crore *(previous year: ₹ 38.52 crore)*]	614.19	*576.51*
Components [includes goods-in-transit ₹ 23.34 crore *(previous year: ₹ 23.72 crore)*]	474.91	*518.24*
Construction materials [includes goods-in-transit ₹ 67.32 crore *(previous year: ₹ 55.70 crore)*]	151.41	*164.03*
Manufacturing work-in-progress	630.27	*828.36*
Finished goods	245.25	*340.82*
Stock-in-trade (in respect of goods acquired for trading) [includes goods-in-transit ₹ 26.31 crore *(previous year: ₹ 18.77 crore)*]	200.63	*188.59*
Stores and spares [including goods-in-transit ₹ 3.77 crore *(previous year: ₹ 5.09 crore)*]	209.55	*248.34*
Loose tools [includes goods-in-transit ₹ Nil *(previous year: ₹ 0.09 crore)*]	14.12	*15.09*
Property development projects (including land)	2307.47	*1259.76*
	4847.80	*4139.74*

Note: During the year ₹ 157.49 crore *(previous year: ₹ 752.13 crore)* was recognised as expense towards write-down of inventory.

NOTE [12]

Financial Assets: Investments - current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Equity shares	177.04	*199.17*
Government and trust securities	1206.48	*780.10*
Debentures and bonds	3712.59	*3089.02*
Mutual funds	4366.71	*10227.85*
Preference shares	1.43	*4.08*
	9464.25	*14300.22*

NOTE [13]

Financial Assets-current: Trade receivables

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured, considered good		0.15		*17.84*
Unsecured:				
Considered good	34653.93		*28671.13*	
Considered doubtful	2899.78		*2465.16*	
	37553.71		*31136.29*	
Less: Allowance for doubtful debts	2899.78		*2465.16*	
		34653.93		*28671.13*
		34654.08		*28688.97*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [14]

Financial Assets-current: Cash and cash equivalents

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Balance with banks	3710.42	*2639.05*
Cheques and drafts on hand	838.52	*571.85*
Cash on hand	64.02	*64.48*
Fixed deposits with banks (maturity less than 3 months)	2221.38	*251.49*
	6834.34	*3526.87*

NOTE [15]

Financial Assets-current: Other bank balances

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Fixed deposits with banks	900.03	*1557.59*
Earmarked balances with banks-unclaimed dividend	64.09	*46.92*
Earmarked balances with banks-Section 4(2)(l)(D) of RERA	7.92	–
Margin money deposits with banks	31.46	*4.76*
Cash and bank balances not available for immediate use	194.69	*169.82*
	1198.19	*1779.09*

NOTE [16]

Financial Assets: Loans - current

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured security deposits, considered good		478.77		*447.61*
Unsecured security deposits, doubtful	5.91		*3.74*	
Less: Provision for doubtful security deposits	5.91		*3.74*	
		–		–
Unsecured long term loans and advances to related parties:				
Joint Ventures:				
Inter-corporate deposits	18.20		*18.20*	
		18.20		*18.20*
Other secured loans, considered good:				
Loans against mortgage of house property	0.33		*0.31*	
		0.33		*0.31*
Other unsecured loans, considered good:				
Inter-corporate deposits, Unsecured		15.13		*20.01*
Others		47.29		*0.32*
		559.72		*486.45*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [17]

Financial Assets - current: Loans towards financing activities

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured loans:				
Considered good:				
Term loans	18472.85		*18212.95*	
Finance lease	25.59		*25.85*	
Debentures	1066.62		*1052.12*	
Considered doubtful:				
Term loans	0.60		*0.14*	
	19565.66		*19291.06*	
Less: Allowance for expected credit losses	0.60		*0.14*	
		19565.06		*19290.92*
Unsecured loans:				
Considered good:				
Term loans	6600.47		*5325.67*	
Finance lease	281.83		*303.81*	
Debentures	0.65		*6.98*	
		6882.95		*5636.46*
		26448.01		*24927.38*

NOTE [18]

Other current financial assets

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Advances to related parties:				
Associate companies	6.27		*7.87*	
Joint venture companies	64.69		*127.39*	
		70.96		*135.26*
Advances recoverable in cash		3428.45		*2110.29*
Forward contract receivable		643.92		*843.56*
Embedded derivative receivables		51.26		*197.23*
Doubtful advances:				
Deferred credit sale of ships	27.11		*26.97*	
Other loans and advances	176.35		*167.61*	
	203.46		*194.58*	
Less: Allowance for doubtful loans and advances	203.46		*194.58*	
		–		–
		4194.59		*3286.34*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [19]

Other current assets

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Due from customers (construction and project related activity)		28772.62		*23762.64*
Due from customers (property development activity) [Note 44(c)]		–		*91.05*
Retention money (including unbilled revenue)		12454.33		*10306.31*
Unamortised expenses		17.15		*10.13*
Accrual of fee income		0.14		*0.16*
Balance with customs, port trust, etc.		61.44		*199.55*
Advance recoverable other than in cash		4954.10		*4492.84*
Government grant receivable		127.80		*45.57*
Doubtful other loans and advances	4.16		*4.16*	
Less: Provision for doubtful advances	4.16		*4.16*	
		–		–
Others		137.25		*148.57*
		46524.83		*39056.82*

NOTE [20]

Equity share capital

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

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Authorised:				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	*1,62,50,00,000*	*325.00*
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*

(b) Reconciliation of the number of equity shares and share capital:

Particulars	2017-18		*2016-17*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	93,29,65,803	186.59	*93,14,78,845*	*186.30*
Add: Shares issued on exercise of employee stock options during the year	16,38,898	0.33	*14,86,958*	*0.29*
Add: Shares issued as bonus on July 15, 2017	46,67,64,755	93.35	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*

(c) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

(d) Shareholder holding more than 5% of equity shares as at the end of the year:

Name of the shareholder	As at 31-3-2018		*As at 31-3-2017*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	24,63,52,777	17.58	*14,64,24,938*	*15.69*
L&T Employees Welfare Foundation	17,21,28,421	12.28	*11,47,52,281*	*12.30*
Administrator of the Specified Undertaking of the Unit Trust of India	–	–	*6,11,02,860*	*6.55*

(e) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	*Number of equity shares to be issued as fully paid*	*₹ crore (at face value)*
Employee stock options granted and outstanding #	42,65,623@	0.85*	*42,47,360*	*0.85**
0.675% 5 years & 1 day US$ denominated foreign currency convertible bonds (FCCB)	95,20,455@	1.90**	*63,46,986*	*1.27***

* The equity shares will be issued at a premium of ₹ 94.42 crore *(previous year: ₹ 146.71 crore)*

** The equity shares will be issued at a premium of ₹ 1214.50 crore *(previous year: ₹ 1215.13 crore)* on the exercise of options by the bond holders

\# Note 20 (h) for terms of employee stock option schemes

@ The number of options have been adjusted consequent to bonus issue wherever applicable

(f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2018 are 77,50,59,331 *(previous period of five years ended March 31, 2017: 30,82,94,576 shares)*

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on March 31, 2018 – Nil *(previous period of five years ended March 31, 2017: Nil)*

(h) Stock option schemes

(i) Terms:

A. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of 4 years [5 years in the case of series 2006(A)], subject to the discretion of the management and fulfillment of certain conditions.

B. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

(ii) The details of the grants under the aforesaid schemes under various series are summarized below:

Sr. No.	Series reference	2000		2002 (A)		2002 (B)		2003 (A)		2003(B)		2006		2006(A)	
		2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
1	Grant price - (₹)	2.00*	*2.30*	2.00*	*2.30*	2.00*	*2.30*	7.80*	*11.70*	7.80*	*11.70*	267.10*	*400.70*	267.10*	*400.70*
2	Grant dates	1-6-2000		19-4-2002		19-4-2002		23-5-2003 onwards		23-5-2003 onwards		1-9-2006 onwards		1-7-2007 onwards	
3	Vesting commences on	1-6-2001		19-4-2003		19-4-2003		23-5-2004 onwards		23-5-2004 onwards		1-9-2007 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	13200	*25200*	32250	*32250*	59550	*59550*	47178	*47178*	427131	*526919*	176584	*257366*	3491467	*4844579*
5	Options lapsed prior to bonus	–	–	–	–	–	–	–	–	–	*41662*	–	*35747*	108685	*454865*
6	Options granted prior to bonus	–	–	–	–	–	–	–	–	17700	*89100*	–	–	6200	*384450*
7	Options exercised prior to bonus	–	*12000*	–	–	–	–	–	–	29789	*147226*	39708	*45035*	494210	*1282697*
8	Options outstanding as on July 14, 2017 **	13200	–	32250	–	59550	–	47178	–	415042	–	136876	–	2894772	–
9	Adjusted options as on July 14, 2017** consequent to bonus issue	19800	–	48375	–	89325	–	70767	–	622567	–	205321	–	4342684	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] *(contd.)*

Sr. No.	Series reference	2000		2002 (A)		2002 (B)		2003 (A)		2003(B)		2006		2006(A)	
		2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
10	Options lapsed post bonus issue	–	–	–	–	–	–	–	–	49313	–	202516	–	451376	–
11	Options granted post bonus issue	–	–	–	–	–	–	–	–	71600	–	–	–	573580	–
12	Options exercised post bonus issue	–	–	–	–	–	–	–	–	156962	–	2805	–	915424	–
13	Options granted and outstanding at the end of the year	19800	*13200*	48375	*32250*	89325	*59550*	70767	*47178*	487892	*427131*	–	*176584*	3549464	*3491467*
	of which														
	Options vested	19800	*13200*	48375	*32250*	89325	*59550*	70767	*47178*	130806	*75692*	–	*176584*	1563209	*1746787*
	Options yet to vest	–	–	–	–	–	–	–	–	357086	*351439*	–	–	1986255	*1744680*
14	Weighted average remaining contractual life of options (in years)	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	4.72	*4.98*	Nil	*Nil*	3.74	*3.48*

* Pursuant to the issue of bonus shares ** Record date: July 14, 2017

(iii) The number and weighted average exercise price of stock options are as follows:

Particulars	2017-18		*2016-17*	
	No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
(A) Options granted and outstanding at the beginning of the year	42,47,360	347.41	*57,93,042*	*354.10*
(B) Options granted pre bonus issue	23,900	112.61	*4,73,550*	*327.51*
(C) Options allotted pre bonus issue	5,63,707	380.14	*14,86,958*	*358.97*
(D) Options lapsed pre bonus issue	1,08,685	400.70	*5,32,274*	*370.25*
(E) Options granted and outstanding prior to bonus issue	35,98,868	339.12	–	–
(F) Adjusted options consequent to bonus issue	53,98,839	226.07	–	–
(G) Options granted post bonus issue	6,45,180	238.32	–	–
(H) Options allotted post bonus issue	10,75,191	229.25	–	–
(I) Options lapsed post bonus issue	7,03,205	248.92	–	–
(J) Options granted and outstanding at the end of the year	42,65,623	223.35	*42,47,360*	*347.41*
(K) Options exercisable at the end of the year out of (J) *supra*	19,22,282	218.19	*21,51,241*	*359.04*

(iv) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1106.67 *(previous year: ₹ 1386.19)* per share.

(v) In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

(vi) Weighted average fair values of options granted during the year is ₹ 965.25 *(previous year: ₹ 1056.73)* per option.

(vii) The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2017-18	*2016-17*
(i)	Weighted average risk-free interest rate	6.83%	*6.72%*
(ii)	Weighted average expected life of options	4.17 years	*4.08 years*
(iii)	Weighted average expected volatility	27.92%	*30.79%*
(iv)	Weighted average expected dividends over the life of the option	₹ 58.37 per option	*₹ 74.52 per option*
(v)	Weighted average share price	₹ 1178.47 per option	*₹ 1355.66 per option*
(vi)	Weighted average exercise price	₹ 229.73 per share	*₹ 327.51 per share*
(vii)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

(viii) The balance in shares option (net) account as at March 31, 2018 is ₹ 108.59 crore *(previous year: ₹ 177.25 crore)*, including ₹ 76.12 crore *(previous year: ₹ 117.36 crore)* for which the options have been vested to employees as at March 31, 2018.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] *(contd.)*

(i) During the year ended March 31, 2018, the Company paid the final dividend of ₹ 14 per equity share for the year ended March 31, 2017

(j) On May, 28, 2018 the Board of Directors has recommended the final dividend of ₹ 16 per equity share for the year ended March 31, 2018 subject to approval from shareholders. On approval, the total dividend payment based on number of shares outstanding as on March 31, 2018 is expected to be ₹ 2242.19 crore and the payment of dividend distribution tax is expected to be ₹ 460.89 crore.

(k) Capital Management

The Group continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Group with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio as at 31-3-2018 is 1.75:1 *(as at 31-3-2017: 1.75:1).*

(l) Stock ownership scheme of subsidiary companies:

(i) Larsen & Toubro Infotech Limited

Employee Stock Ownership Scheme ('ESOS Plan')

(A) The grant of options to the employees under ESOS Plan is on the basis of their performance and other eligibility criteria.

Sr. No.	Particulars	ESOP scheme 2000		ESOP Scheme 2000		U.S. Stock Option Sub-plan		ESOP scheme	
		I,II & III		IV - XXI		2006		2015	
		2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
i	Grant Price	₹ 5	*₹ 5*	₹ 2	*₹ 2*	USD 2.4	*USD 2.4*	₹ 1	*₹ 1*
ii	Grant Dates	01 April 2001 onwards		01 October 2001 onwards		15 March 2007 onwards		10 June 2016 onwards	
iii	Vesting commences on	01 April 2002 onwards		01 October 2002 onwards		15 March 2008 onwards		10 June 2017 onwards	
iv	Options granted & outstanding at the beginning of the year	36,720	*82,660*	14,50,725	*23,50,106*	47,000	*1,43,650*	35,96,300	–
v	Options reinstated during the year	–	–	–	–	–	–		–
vi	Options granted during the year	–	–	–	–	–	–	1,29,300	*36,58,000*
vii	Options allotted/exercised during the year	3,375	*11,830*	6,73,315	*7,25,445*	8,000	*17,650*	7,43,460	–
viii	Options lapsed/cancelled during the year	12,000	*34,110*	92,108	*1,73,936*	–	*79,000*	1,32,000	*61,700*
ix	Options granted & outstanding at the end of the year	21,345	*36,720*	6,85,302	*14,50,725*	39,000	*47,000*	28,50,140	*35,96,300*
x	Options vested at the end of the year out of (ix)	21,345	*36,720*	4,47,852	*2,23,760*	39,000	*47,000*	3,12,600	–
xi	Options unvested at the end of the year out of (ix)	–	–	2,37,450	*12,26,965*	–	–	25,37,540	*35,96,300*
xii	Weighted average remaining contractual life of options (in years)	–	–	0.7	*1.7*	–	–	5.3	*6.2*

The number and weighted average exercise price of stock options are as follows:

Sr. No.	Particulars	2017-18		*2016-17*	
		No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
i	Options granted and outstanding at the beginning of the year	51,30,745	2.73	*25,76,416*	*11.14*
ii	Options granted during the year	1,29,300	1.00	*36,58,000*	*1.00*
iii	Options allotted during the year	14,28,150	2.35	*7,54,925*	*5.64*
iv	Options lapsed/cancelled during the year	2,36,108	1.59	*3,48,746*	*36.92*
v	Options granted and outstanding at the end of the year	35,95,787	2.90	*51,30,745*	*2.73*
vi	Options vested at the end of the year out of (vi)	8,20,797	9.03	*3,07,480*	*25.84*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] *(contd.)*

(B) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 850 per share *(previous year: ₹ 621 per share)*.

(C) Weighted average fair value of options granted during the year is ₹ 644.71 per share *(previous year: ₹ 407.39 per share)*.

(D) The fair value has been calculated using the Black-Scholes Option Pricing model and significant assumptions and inputs to estimate the fair value options granted during the year are as follows:

Sr. No.	Particulars	2017-18	*2016-17*
i	Weighted average risk-free interest rate	6.69%	*7.10%*
ii	Weighted average expected life of options	3 years	*3 years*
iii	Weighted average expected volatility	17.88%	*19.23%*
iv	Weighted average expected dividends over the life of option	₹ 115.33	*₹ 115.56*
v	Weighted average share price	₹ 644.71	*₹ 407.74*
vi	Weighted average exercise price	₹ 1	*₹ 1*
vii	Method used to determine expected volatility	The expected volatility has been calculated entirely based on historical volatility of IT Index.	

(ii) L&T Technology Services Limited

(A) Employee stock option plan (ESOP)

(i) The objective of the ESOP Scheme, 2016 is to reward those employees who contribute significantly to the Company's profitability and shareholder's value as well as encourage improvement in performance and retention of talent. The options are vested equally over a period of 5 years subject to the discretion of the management and fulfillment of certain conditions.

(ii) The exercise period for the options granted under the ESOP Scheme, 2016 would be seven years (84 months) from the date of grant of options or six years from the date of first vesting or three years (36 months) from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of our Company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 and shall be subject to compliance with accounting policies under the said regulation. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee.

(iii) Details of grant under ESOP Scheme, 2016 is summarized below:

Sr. No.	Series reference	ESOP scheme, 2016	
		2017-18	*2016-17*
1	Grant price -₹	2	*2*
2	Grant dates	28-07-2016 onwards	
3	Vesting commences on	28-07-2017 onwards	
4	Options granted and outstanding at the beginning of the year	39,80,000	–
5	Options lapsed during the year	1,83,300	*1,65,000*
6	Options granted during the year	1,93,900	*41,45,000*
7	Options exercised during the year	7,65,655	–
8	Options granted and outstanding at the end of the year-(a)	32,24,945	*39,80,000*
	of (a) above - vested outstanding options	10,82,345	–
	of (a) above - unvested outstanding options	21,42,600	*39,80,000*
9	Weighted average remaining contractual life of options (in years)	5.41	*6.36*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] *(contd.)*

(iv) Options granted on July 28, 2016 include 15,00,000 and 5,00,000 options granted to non-executive directors and key managerial personnel respectively. Options granted on August 28, 2016 include 50,000 options granted to key managerial personnel. No options were granted to key managerial personnel during the current year.

(v) The number and weighted average exercise price of stock options are as follows:

Sr. No.	Particulars	2017-18		*2016-17*	
		No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
(i)	Options granted and outstanding at the beginning of the year	39,80,000	2	–	–
(ii)	Options granted during the year	1,93,900	2	*41,45,000*	*2*
(iii)	Options exercised during the year	7,65,655	2	–	–
(iv)	Options lapsed during the year	1,83,300	2	*1,65,000*	*2*
(v)	Options granted and outstanding at the end of the year	32,24,945	2	*39,80,000*	*2*
(vi)	Options exercisable at the end of the year out of - (a) above	10,82,345	2	–	–

(vi) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 849.70 per share.

(vii) No options expired during the periods covered in the above table.

(viii) In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

(ix) The fair value at grant date of options granted during the year ended March 31, 2018 is ₹ 737.10 *(previous year: ₹ 281.00)*. The fair value of grant date is determined using the Black Scholes Model which takes into account the exercise price, term of option, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The model inputs for options granted during the year included:

Sr. No.	Particulars	2017-18	*2016-17*
(i)	Weighted average exercise price	₹ 2.00	*₹ 2.00*
(ii)	Grant date	23-Aug-17	*28-Jul-16 & 27-Aug-16*
(iii)	Expiry date	22-Aug-24	*27-Jul-23 & 26-Aug-23*
(iv)	Weighted average share price at grant date	₹ 737.10 per option	*₹ 281.00 per option*
(v)	Weighted average expected price volatility of Company's share	42.54%	*25.17%*
(vi)	Weighted average expected dividend yield over life of option	8.05%	*18.53%*
(vii)	Weighted average risk-free interest	6.44%	*6.95%*
(viii)	Method used to determine expected volatility	The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.	

(iii) L&T Finance Holdings Limited

(A) The subsidiary has formulated Employee Stock Option Schemes 2010 (ESOP Scheme-2010), 2010-A (ESOP Scheme 2010-A) and 2013 (ESOP Scheme 2013). The grant of options to the employee under the Stock Options scheme is on the basis of their performance and other eligibility criteria. The options allotted under scheme 2010 are vested over a

NOTE [20] *(contd.)*

period of 4 years in ratio of 15%, 20%, 30% and 35% respectively from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. The options granted under scheme 2013 are vested in a graded manner over a period of four year with 0%, 33%, 33% and 34% of grants vesting each year, commencing from the end of 24 month from the date of grant. Options can be exercised within a period of 7 years from the date of grant for schemes 2010 and 2010A. The options granted under scheme 2013 can be exercised within period of 8 years from the date of grant and would be settled by way of equity. Management has discretion to modify the exercise period.

(B) The details of the grants are summarized below:

Sr. No.	Series reference	Scheme 2010		Scheme 2013	
		2017-18	*2016-17*	2017-18	*2016-17*
1	Grant Price (₹)	44.20		Market Price	
2	Options granted and outstanding at the beginning of the year	28,18,795	*61,08,998*	2,37,93,000	*2,35,50,000*
3	Options granted during the year	33,30,000	*6,50,000*	1,37,20,000	*1,16,40,000*
4	Options cancelled/ lapsed during the year	2,52,862	*21,36,393*	38,42,500	*1,08,77,500*
5	Options exercised and shares allotted during the year	16,91,008	*18,03,810*	35,80,500	*5,19,500*
6	Options granted and outstanding at the end of the year				
	of which	42,04,925	*28,18,795*	3,00,90,000	*2,37,93,000*
	Options vested	1,71,425	*15,76,795*	14,30,000	*23,90,500*
	Options yet to vest	40,33,500	*12,42,000*	2,86,60,000	*2,14,02,500*
7	Weighted average remaining contractual life of options (in years)	6.01	*5.05*	6.15	*6.29*

(C) Weighted average fair values of options granted during the year is ₹ 68.27 *(previous year: ₹ 27.24)* per options.

(D) The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2017-18	*2016-17*
a)	Weighted average risk-free interest rate	6.72%	*7.49%*
b)	Weighted average expected life of options	3.90 years	*3.98 years*
c)	Weighted average expected volatility	32.57%	*32.53%*
d)	Weighted average expected dividends	₹ 3.12 per option	*₹ 3.19 per option*
e)	Weighted average share price	₹ 145.59 per option	*₹ 75.53 per option*
f)	Weighted average exercise price	₹ 116.58 per option	*₹ 73.70 per option*
g)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's shares price applicable to the expected life of each option.	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [21]

Other Equity

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Equity component of foreign currency convertible bonds		153.20		*153.20*
Share application money pending allotment		3.56		–
Capital reserve [Note 1(g)]				
Capital reserve	4.16		*10.52*	
Capital reserve on consolidation	271.92		*269.76*	
		276.08		*280.28*
Capital redemption reserve		42.00		–
Securities premium account [Note 1(t)]		8363.02		*8318.85*
Employee share options (net) [Note 1(v)]				
Employee share options outstanding	536.49		*595.25*	
Deferred employee compensation expense	(222.93)		*(292.00)*	
		313.56		*303.25*
Statutory reserves				
Debenture redemption reserve ^	1345.81		*1025.44*	
Reserve u/s 45 IC of the Reserve Bank India Act, 1934	1399.55		*1222.89*	
Reserve u/s 29C of National Housing Bank Act, 1987	92.57		*32.00*	
Reserve under section 36(1)(viii) of Income tax Act, 1961	514.98		*461.97*	
		3352.91		*2742.30*
Retained earnings		41837.17		*37335.32*
Foreign currency translation reserve [Note 1(w)(iii)]		572.67		*478.24*
Hedging reserve [Note 1(q)]				
Cash flow hedging reserve	449.22		*359.62*	
Cost of hedging reserve	(11.45)		*(12.10)*	
		437.77		*347.52*
Debt instruments through other comprehensive income [Note 1(q)]		24.78		*70.97*
		55376.72		*50029.93*

^ Debenture redemption reserve (DRR): The Group has issued redeemable non-convertible debentures and created DRR in terms of the Companies (Share capital and Debenture) Rules, 2014 (as amended). A company is required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis (excluding private placement by non-banking finance companies). The amounts credited to the DRR may not be utilised except to redeem debentures.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [22]

Financial Liabilities: Borrowings - non-current

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	25187.11	8876.75	34063.86	*19633.76*	*9776.15*	*29409.91*
Redeemable non-convertible floating rate debentures	50.00	–	50.00	*275.00*	–	*275.00*
Redeemable non-convertible inflation indexed debentures	–	116.96	116.96	–	*113.52*	*113.52*
Preference share	–	905.26	905.26	–	*1147.02*	*1147.02*
0.675% Foreign currency convertible bonds	–	1245.64	1245.64	–	*1201.78*	*1201.78*
Term loans from banks	23855.61	12677.23	36532.84	*22412.79*	*12741.60*	*35154.39*
Term loans from others	–	–	–	–	*38.63*	*38.63*
Finance lease obligation [Note 48(b)(i)(B)]	–	0.20	0.20	–	*0.25*	*0.25*
Sales tax deferment loan	–	–	–	–	*0.08*	*0.08*
	49092.72	23822.04	72914.76	*42321.55*	*25019.03*	*67340.58*

Loans guaranteed by directors ₹ Nil *(previous year: ₹ Nil)*

NOTE [23]

Other financial liabilities - non-current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Forward contract payables	19.97	*38.39*
Embedded derivatives payables	79.39	*32.48*
Financial guarantee contracts	0.52	*0.65*
Due to others	254.07	*154.57*
	353.95	*226.09*

NOTE [24]

Provisions - non-current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Employee pension scheme [Note 45(b)(i)]	301.13	*294.74*
Post retirement medical benefit plan [Note 45(b)(i)]	209.04	*221.19*
Provision for employee benefits-others	12.44	*9.21*
Other provisions [Note 53]	0.93	*1.46*
	523.54	*526.60*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [25]

Other non-current Liabilities

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Other payables	67.97	*172.14*
	67.97	*172.14*

NOTE [26]

Financial Liabilities: Borrowings - current

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand	1511.47	57.66	1569.13	*1738.90*	*65.50*	*1804.40*
Short term loans and advances from banks	96.88	4005.91	4102.79	*365.83*	*1941.23*	*2307.06*
Short term unsecured loans from others	–	463.73	463.73	–	*429.05*	*429.05*
Commercial paper	–	13196.20	13196.20	–	*11993.96*	*11993.96*
	1608.35	17723.50	19331.85	*2104.73*	*14429.74*	*16534.47*

NOTE [27]

Financial Liabilities: Current maturities of long term borrowings

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	6777.81	1740.55	8518.36	*5181.37*	*2217.74*	*7399.11*
Redeemable non-convertible floating rate debentures	0.94	–	0.94	–	–	–
Preference shares	–	249.55	249.55	–	*178.82*	*178.82*
Term loans from banks	5132.80	1375.68	6508.48	*993.20*	*1506.34*	*2499.54*
Loans from financial institutions	–	–	–	*0.63*	–	*0.63*
Finance lease obligation [Note 48(b)(i)(B)]	–	0.06	0.06	–	*0.60*	*0.60*
Sales tax deferment loan	–	0.08	0.08	–	*0.20*	*0.20*
	11911.55	3365.92	15277.47	*6175.20*	*3903.70*	*10078.90*

Loans guaranteed by directors ₹ Nil *(previous year: ₹ Nil)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [28]

Financial Liabilities - current: Trade payables

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Acceptances		447.62		*390.20*
Due to related parties:				
Associate companies	23.03		*18.41*	
Joint venture companies	1142.79		*1928.39*	
		1165.82		*1946.80*
Micro and small enterprises		176.45		*130.26*
Due to others		36005.07		*27827.60*
		37794.96		*30294.86*

NOTE [29]

Other financial liabilities - current

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Unclaimed dividend	63.69	*46.61*
Unclaimed interest on debentures	14.16	*10.87*
Financial guarantee contracts	0.95	*1.55*
Forward contract payables	171.65	*544.33*
Embedded derivative payables	131.84	*184.70*
Due to others	4466.70	*4040.58*
	4848.99	*4828.64*

NOTE [30]

Other current liabilities

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
Due to customers- construction contract	8610.43	*6163.28*
Due to customers (property development projects)	705.11	*525.44*
Advances from customers	15036.31	*13955.55*
Other payables	2975.12	*2740.28*
	27326.97	*23384.55*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [31]

Current Liabilities: Provisions

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity [Note 45(b)(i)]	215.17		*199.94*	
Compensated absences	1024.72		*999.95*	
Employee pension scheme [Note 45(b)(i)]	25.55		*22.67*	
Post-retirement medical benefits plan [Note 45(b)(i)]	13.12		*13.36*	
Others	5.00		*4.09*	
		1283.56		*1240.01*
Others:				
Additional tax on dividend	68.54		*18.94*	
Other provisions [Note 53]	1131.65		*1408.86*	
		1200.19		*1427.80*
		2483.75		*2667.81*

NOTE [32]

Contingent Liabilities

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
a) Claims against the Group not acknowledged as debts	3386.98	*4431.11*
b) Sales-tax liability that may arise in respect of matters in appeal	254.63	*273.06*
c) Excise duty / Service Tax / Custom duty / Entry Tax / Stamp duty / Municipal Cess liability that may arise, including those in respect of matters in appeal/ challenged by the Group in WRIT	356.23	*269.04*
d) Income-Tax liability (including penalty) that may arise in respect of which the Group is in appeal	692.12	*753.92*
e) Guarantees or Letter of credit or letter of comfort given to third parties	2555.45	*823.76*
f) Contingent Liabilities incurred in relation to interest in joint operations	7267.96	*7018.24*
g) Share in contingent liabilities of joint operations for which the Group is contingently liable	139.20	*53.24*
h) Contingent liabilities in respect of liabilities of other joint operators in respect of joint operations	6576.16	*6230.96*

Notes:

(i) The Group expects reimbursements of ₹ 97.67 crore *(previous year: ₹ 34.01 crore)* in respect of the above contingent liabilities.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings. Further, the liability mentioned in (a) to (d) above excludes interest and penalty in cases where the Group has determined that the possibility of such levy is remote.

(iii) In respect of matters at (e), the cash flows, if any, could occur any time during the subsistence of the underlying agreement.

(iv) In respect of matters at (f) to (h), the cash outflows, if any, could generally occur upto completion of projects undertaken by the respective joint operations.

(v) Particulars of share in contingent liabilities of joint ventures and associates are given in Note 55 (g).

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [33]

Commitments:

Particulars	As at 31-3-2018	*As at 31-3-2017*
	₹ crore	*₹ crore*
(i) Estimated amount of contracts remaining to be executed on capital account for Property, plant & equipment (net of advances)	836.78	*883.58*
(ii) Estimated amount of contracts remaining to be executed for Intangible assets	2075.57	*2908.45*
(iii) Estimated amount of contracts remaining to be executed for Investment property	409.74	*495.95*

NOTE [34]

Revenue from operations

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales & service:				
Construction and project related activity [Note 44(a)]	83595.78		*74504.71*	
Manufacturing and trading activity	7838.44		*9083.68*	
Engineering service fees	3849.87		*3312.25*	
Software development products and services	7445.55		*6482.86*	
Income from financing activity/annuity based projects	10452.48		*9190.34*	
Property development activity [Note 44(c)]	686.81		*2272.71*	
Fare collection and related activities	28.60		–	
Servicing fees	737.52		*825.71*	
Commission	206.98		*163.89*	
Charter hire income	0.79		*1.66*	
Investment/portfolio management and trusteeship fees	615.56		*357.87*	
Fees for operation and maintenance of power plant	2628.68		*2216.31*	
Premium earned (net) from insurance business	–		*174.73*	
		118087.06		*108586.72*
Other operational income:				
Income from hire of plant and equipment	15.73		*19.64*	
Lease rentals	111.02		*70.89*	
Property maintenance recoveries	1.75		–	
Premium earned (net) on related forward exchange contracts	59.44		*59.56*	
Profit on sale of subsidiaries/associate of realty business	–		*95.81*	
Profit on sale of investment properties	619.09		–	
Miscellaneous income	968.01		*1178.38*	
		1775.04		*1424.28*
		119862.10		*110011.00*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [35]
Other income

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income:				
Interest income on long term investments	33.99		*22.19*	
Interest Income on current investments	399.47		*205.77*	
Interest Income on others:				
Joint venture & associate companies	107.10		*82.12*	
Others	125.11		*112.54*	
		665.67		*422.62*
Dividend income:				
Trade investments	1.66		*1.64*	
Others	53.78		*82.45*	
		55.44		*84.09*
Current investments	2692.64		*664.54*	
		2692.64		*664.54*
Net gain/(loss) on sale or fair valuation of investments		(2217.72)		*34.22*
Gain/(loss) on derivatives at fair value through profit or loss		(125.74)		*(56.89)*
Net gain/(loss) on sale of property, plant and equipment		67.14		*17.88*
Lease rentals		5.46		*8.03*
Miscellaneous income (net of expenses)		269.14		*169.62*
		1412.03		*1344.11*

NOTE [36]
Manufacturing, construction and operating expenses

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Materials consumed:				
Raw materials and components	15492.48		*14425.96*	
Less: Scrap sales	115.27		*104.98*	
		15377.21		*14320.98*
Excise Duty		178.94		*699.19*
Construction materials consumed		24057.20		*20716.99*
Purchase of stock-in-trade	1387.31		*1610.57*	
Value of stock in trade transferred on sale of business	(29.55)		–	
		1357.76		*1610.57*
Stores, spares and tools consumed		2384.91		*2090.42*
Sub-contracting charges		24639.02		*22560.54*
Change in inventories of finished goods, work-in-progress, stock-in-trade and property development:				
Closing stock:				
Finished goods	245.25		*340.82*	
Stock-in-trade	200.63		*188.59*	
Work-in-progress	4540.13		*4385.19*	
Cost of built up space and property development land:				
Work-in-progress	2307.47		*1259.39*	
Completed property	110.70		–	
Property development land	–		–	
	7404.18		*6173.99*	
Carried forward	7404.18	67995.04	*6173.99*	*61998.69*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [36]

Manufacturing, construction and operating expenses *(contd.)*

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward	7404.18	67995.04	*6173.99*	*61998.69*
Less: Opening stock:				
Finished goods	340.82		*284.99*	
Stock-in-trade	188.59		*179.99*	
Work-in-progress	4385.19		*4570.76*	
Cost of built up space and property development land:				
Work-in-progress	1259.39		*1197.58*	
Property development land	–		*293.63*	
	6173.99		*6526.95*	
	(1230.19)		*352.96*	
Value of inventory transferred on sale of business	–		*(268.96)*	
		(1230.19)		*84.00*
Other manufacturing, construction and operating expenses:				
Excise duty on stocks	(48.72)		*19.28*	
Power and fuel	1276.40		*1309.05*	
Royalty and technical know-how fees	16.00		*16.44*	
Packing and forwarding	411.41		*383.45*	
Hire charges-plant and equipment and others	1663.04		*1375.15*	
Bank guarantee charges	203.15		*188.56*	
Insurance claim incurred (net)	–		*152.01*	
Engineering, professional, technical and consultancy fees	1423.68		*1163.42*	
Insurance	252.41		*230.88*	
Rent	530.37		*492.58*	
Rates and taxes	414.42		*405.05*	
Travelling and conveyance	875.89		*1016.00*	
Repairs to plant and equipment	83.03		*92.16*	
Repairs to buildings	8.27		*25.42*	
General repairs and maintenance	412.88		*377.86*	
Miscellaneous expenses	2998.51		*3347.73*	
		10520.74		*10595.04*
Finance cost of financial services business and finance lease activity:				
Interest and other financing charges	6019.74		*5362.09*	
		6019.74		*5362.09*
		83305.33		*78039.82*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [37]

Employee benefits expense

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries, wages and bonus		13666.38		*12340.21*
Contribution to and provision for:				
Provident fund and pension fund	254.27		*225.25*	
Superannuation/employee pension and social security schemes	188.49		*179.80*	
Gratuity funds [Note 45(b)(ii)]	140.83		*131.78*	
		583.59		*536.83*
Expenses on employee stock option scheme		111.39		*88.17*
Employee medical & other insurance premium expenses		179.16		*171.80*
Staff welfare expenses		1011.83		*996.90*
Recoveries on account of deputation charges		(259.87)		*(279.94)*
		15292.48		*13853.97*

NOTE [38]

Sales, administration and other expenses

Particulars	2017-18		*2016-17*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Power and fuel		118.13		*114.14*
Packing and forwarding		157.36		*157.97*
Insurance		76.47		*69.73*
Rent		536.31		*496.13*
Rates and taxes		151.38		*166.98*
Travelling and conveyance		688.91		*623.48*
Repairs to buildings		31.77		*20.66*
General repairs and maintenance		446.05		*440.43*
Professional fees		730.79		*598.85*
Directors' fees		6.28		*3.60*
Telephone, postage and telegrams		206.18		*201.19*
Advertising and publicity		168.36		*180.05*
Stationery and printing		63.88		*64.63*
Commission:				
Distributors and agents	499.91		*286.64*	
Others	7.12		*6.49*	
		507.03		*293.13*
Bank charges		155.37		*127.84*
Miscellaneous expenses		739.19		*644.50*
Bad debts and advances written off	1205.38		*458.55*	
Less: Allowances for doubtful debts and advances written back	372.36		*82.24*	
		833.02		*376.31*
Receivable discounting charges -non recourse		36.25		*50.90*
Allowances for doubtful debts and loans and advances (net)		2214.17		*2075.53*
Provision/(reversal) for foreseeable losses on construction contracts		(2.28)		*(8.91)*
Exchange (gain)/loss [net]		(245.82)		*62.34*
Other provisions		79.30		*228.76*
		7698.10		*6988.24*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [38] ***(contd.)***

38(a) Aggregation of expenses disclosed vide [Note 36 -Manufacturing ,construction and operating expenses], [Note 37 - Employee benefits expense], [Note 38 - Sales, administration and other expenses] and [Note 39 - Finance costs]

₹ crore

Sr. No.	Nature of expenses	2017-18					2016-17				
		Note 36: Manufacturing, construction and operating expenses	Note 37: Employee benefits expense	Note 38: Sales, administration and other expenses	Note 39: Finance costs	Total	Note 36: Manufacturing, construction and operating expenses	Note 37: Employee benefits expense	Note 38: Sales, administration and other expenses	Note 39: Finance costs	Total
1	Power and fuel	1276.40	–	118.13	–	1394.53	1309.05	–	114.14	–	1423.19
2	Packing and forwarding	411.41	–	157.36	–	568.77	383.45	–	157.97	–	541.42
3	Insurance	252.41	179.16	76.47	–	508.04	230.88	171.80	69.73	–	472.41
4	Rent	530.37	–	536.31	–	1066.68	492.58	–	496.13	–	988.71
5	Rates and taxes	414.42	–	151.38	–	565.80	405.05	–	166.98	–	572.03
6	Travelling and conveyance	875.89	–	688.91	–	1564.80	1016.00	–	623.48	–	1639.48
7	Repairs to plant and equipment	83.03	–	–	–	83.03	92.16	–	–	–	92.16
8	Repairs to buildings	8.27	–	31.77	–	40.04	25.42	–	20.66	–	46.08
9	General repairs and maintenance	412.88	–	446.05	–	858.93	377.86	–	440.43	–	818.29
10	Engineering, professional, technical and consultancy fees	1423.68	–	730.79	–	2154.47	1163.42	–	598.85	–	1762.27
11	Interest and other financing charges	6019.74	–	–	1538.52	7558.26	5362.09	–	–	1338.73	6700.82
12	Miscellaneous expenses	2998.38	–	739.19	–	3737.57	3347.73	–	644.50	–	3992.23

NOTE [39]

Finance costs

Particulars	2017-18	*2016-17*
	₹ crore	*₹ crore*
Interest expenses	1511.08	*1270.52*
Other borrowing costs	13.07	*2.58*
Exchange loss (attributable to finance costs)	14.37	*65.63*
	1538.52	*1338.73*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40]

The List of subsidiaries, associates, joint ventures and joint operations included in the Consolidated Financial Statements are as under:

Sr. No.	Name of subsidiary company	Principal place of business	As at 31-3-2018		As at 31-3-2017	
			Proportion of effective ownership Interest (%)	Proportion of voting power held (%)	*Proportion of effective ownership Interest (%)*	*Proportion of voting power held (%)*
	Indian Subsidiaries					
1.	Hi-Tech Rock Products and Aggregates Limited	India	100.00	100.00	*100.00*	*100.00*
2.	L&T Geostructure LLP	India	74.00	74.00	*74.00*	*74.00*
3.	L&T Infrastructure Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
4.	L&T Cassidian Limited #	India	100.00	100.00	*74.00*	*74.00*
5.	Spectrum Infotech Private Limited @	India	–	–	*100.00*	*100.00*
6.	L&T Hydrocarbon Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
7.	Larsen & Toubro Infotech Limited	India	82.96	82.96	*84.28*	*84.28*
8.	L&T Technology Services Limited	India	88.64	88.64	*89.77*	*89.77*
9.	AugmentIQ Data Sciences Private Limited %	India	–	–	*84.28*	*84.28*
10.	L&T Thales Technology Services Private Limited	India	65.60	65.60	*66.43*	*66.43*
11.	Syncordis Software Services India Private Limited ^^	India	82.96	82.96	–	–
12.	Esencia Technologies India Private Limited ^	India	88.64	88.64	–	–
13.	L&T Capital Markets Limited	India	64.01	64.01	*66.62*	*66.62*
14.	L&T Finance Holdings Limited	India	64.01	64.01	*66.62*	*66.62*
15.	L&T Housing Finance Limited	India	64.01	64.01	*66.62*	*66.62*
16.	L&T Infra Debt Fund Limited	India	64.01	64.01	*66.62*	*66.62*
17.	L&T Infra Investment Partners Advisory Private Limited	India	64.01	64.01	*66.62*	*66.62*
18.	L&T Infra Investment Partners Trustee Private Limited	India	64.01	64.01	*66.62*	*66.62*
19.	L&T Infrastructure Finance Company Limited	India	64.01	64.01	*66.62*	*66.62*
20.	L&T Investment Management Limited	India	64.01	64.01	*66.62*	*66.62*
21.	L&T Mutual Fund Trustee Limited	India	64.01	64.01	*66.62*	*66.62*
22.	L&T Trustee Company Private Limited	India	100.00	100.00	*100.00*	*100.00*
23.	L&T Financial Consultants Limited	India	64.01	64.01	*66.62*	*66.62*
24.	Mudit Cement Private Limited	India	64.01	64.01	*66.62*	*66.62*
25.	L&T Access Distribution Services Limited @@	India	–	–	*66.62*	*66.62*
26.	L&T Finance Limited	India	64.01	64.01	*66.62*	*66.62*
27.	L&T Infra Investment Partners	India	35.16	35.16	*36.55*	*36.55*
28.	L&T Metro Rail (Hyderabad) Limited	India	100.00	100.00	*100.00*	*100.00*
29.	Sahibganj Ganges Bridge-Company Private Limited	India	100.00	100.00	*100.00*	*100.00*
30.	Marine Infrastructure Developer Private Limited	India	97.00	97.00	*97.00*	*97.00*
31.	L&T Arunachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
32.	L&T Himachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
33.	L&T Power Development Limited	India	100.00	100.00	*100.00*	*100.00*
34.	L&T Uttaranchal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
35.	Nabha Power Limited	India	100.00	100.00	*100.00*	*100.00*
36.	Chennai Vision Developers Private Limited	India	100.00	100.00	*100.00*	*100.00*
37.	L&T Asian Realty Project LLP	India	100.00	100.00	*100.00*	*100.00*
38.	L&T Parel Project LLP	India	100.00	100.00	*100.00*	*100.00*
39.	L&T Realty Limited	India	100.00	100.00	*100.00*	*100.00*
40.	L&T westend project LLP ^^^	India	100.00	100.00	–	–
41.	L&T Seawoods Limited	India	100.00	100.00	*100.00*	*100.00*
42.	L&T Vision Ventures Limited	India	68.00	68.00	*68.00*	*68.00*
43.	Seawoods Retail Private Limited #	India	100.00	100.00	*100.00*	*100.00*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of subsidiary company	Principal place of business	As at 31-3-2018 Proportion of effective ownership Interest (%)	As at 31-3-2018 Proportion of voting power held (%)	*As at 31-3-2017 Proportion of effective ownership Interest (%)*	*As at 31-3-2017 Proportion of voting power held (%)*
	Indian Subsidiaries					
44.	Seawoods Realty Private Limited #	India	100.00	100.00	*100.00*	*100.00*
45.	L&T Electricals and Automation Limited	India	100.00	100.00	*100.00*	*100.00*
46.	L&T Construction Equipment Limited	India	100.00	100.00	*100.00*	*100.00*
47.	L&T Cutting Tools Limited *	India	–	–	*100.00*	*100.00*
48.	L&T Valves Limited	India	100.00	100.00	*100.00*	*100.00*
49.	EWAC Alloys Limited **	India	–	–	*100.00*	*100.00*
50.	L&T Shipbuilding Limited	India	97.00	97.00	*97.00*	*97.00*
51.	Bhilai Power Supply Company Limited	India	99.90	99.90	*99.90*	*99.90*
52.	L&T Power Limited	India	99.99	99.99	*99.99*	*99.99*
53.	Kesun Iron and Steel Company Private Limited	India	95.00	95.00	*95.00*	*95.00*
54.	L&T Aviation Services Private Limited	India	100.00	100.00	*100.00*	*100.00*
55.	L&T Capital Company Limited	India	100.00	100.00	*100.00*	*100.00*
56.	L&T Infra Contractors Private Limited	India	100.00	100.00	*100.00*	*100.00*

* The Group has sold its stake on September 27, 2017
** The Group has sold its stake on November 16, 2017
@ The Company is merged with Larsen & Toubro Limited w.e.f. April 1, 2017
@@ The Company is merged with L&T Capital Markets Limited w.e.f. April 1, 2017
^ The Group acquired stake on June 1, 2017
^^ The Group acquired stake on December 11, 2017
^^^ The Company is incorporated on August 8, 2017
% The Company is merged with Larsen & Toubro Infotech Limited w.e.f. April 1, 2017
# The Company is in process for closure

Sr. No.	Name of subsidiary company	Principal place of business	As at 31-3-2018 Proportion of effective ownership Interest (%)	As at 31-3-2018 Proportion of voting power held (%)	*As at 31-3-2017 Proportion of effective ownership Interest (%)*	*As at 31-3-2017 Proportion of voting power held (%)*
	Foreign Subsidiaries					
1.	Larsen & Toubro (Oman) LLC	Sultanate of Oman	65.00	65.00	*65.00*	*65.00*
2.	Larsen & Toubro Qatar LLC#	Qatar	49.00	100.00	*49.00*	*100.00*
3.	Larsen & Toubro Saudi Arabia LLC	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
4.	Larsen & Toubro T&D SA (Proprietary) Limited	South Africa	72.50	72.50	*72.50*	*72.50*
5.	Larsen & Toubro Readymix & Asphalt Concrete Industries LLC*	UAE	–	–	*49.00*	*100.00*
6.	Larsen & Toubro Heavy Engineering LLC	Sultanate of Oman	70.00	99.99	*70.00*	*70.00*
7.	Larsen & Toubro Hydrocarbon International Limited LLC	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
8.	L&T Modular Fabrication Yard LLC	Sultanate of Oman	70.00	99.99	*65.00*	*65.00*
9.	L&T Overseas Projects Nigeria Limited	Nigeria	100.00	100.00	*100.00*	*100.00*
10.	Larsen Toubro Arabia LLC	Kingdom of Saudi Arabia	75.00	99.99	*75.00*	*75.00*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of subsidiary company	Principal place of business	As at 31-3-2018		As at 31-3-2017	
			Proportion of effective ownership Interest (%)	Proportion of voting power held (%)	*Proportion of effective ownership Interest (%)*	*Proportion of voting power held (%)*
	Foreign Subsidiaries					
11.	Larsen & Toubro ATCO Saudi LLC	Kingdom of Saudi Arabia	100.00	100.00	*75.00*	*75.00*
12.	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Kuwait	49.00	100.00	*49.00*	*75.00*
13.	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Indonesia	95.00	95.00	*95.00*	*95.00*
14.	Larsen & Toubro Electromech LLC **	Sultanate of Oman	70.00	99.99	–	–
15.	L&T Information Technology Services (Shanghai) Co., Ltd.	China	82.96	82.96	*84.28*	*84.28*
16.	L&T Infotech Financial Services Technologies Inc.	Canada	82.96	82.96	*84.28*	*84.28*
17.	Larsen & Toubro Infotech Canada Limited	Canada	82.96	82.96	*84.28*	*84.28*
18.	Larsen & Toubro Infotech LLC	USA	82.96	82.96	*84.28*	*84.28*
19.	Larsen & Toubro Infotech South Africa (PTY) Limited	South Africa	62.14	62.14	*63.12*	*63.12*
20.	Larsen & Toubro Infotech GmbH	Germany	82.96	82.96	*84.28*	*84.28*
21.	Larsen & Toubro Infotech Austria GmbH	Austria	82.96	82.96	*84.28*	*84.28*
22.	L&T Information Technology Spain, S.L.	Spain	82.96	82.96	*84.28*	*84.28*
23.	Larsen & Toubro LLC	USA	99.19	99.19	*100.00*	*100.00*
24.	L&T Technology Services LLC	USA	88.64	88.64	*89.77*	*89.77*
25.	L&T Infotech S. DE R.L. DE C.V. ^	Mexico	82.96	82.96	–	–
26.	Syncordis S.A. Luxembourg ^^	Luxembourg	82.96	82.96	–	–
27.	Syncordis France SARL^^	France	82.96	82.96	–	–
28.	Syncordis Limited ^^	UK	82.96	82.96	–	–
29.	Syncordis PSF S.A. ^^	Luxembourg	82.96	82.96	–	–
30.	Esencia Technologies, Inc. ^^^	USA	88.64	88.64	–	–
31.	L&T Realty FZE	UAE	100.00	100.00	*100.00*	*100.00*
32.	Henikwon Corporation SDN. BHD.	Malaysia	100.00	100.00	*100.00*	*100.00*
33.	Kana Controls General Trading & Contracting Company W.L.L.	Kuwait	49.00	100.00	*49.00*	*100.00*
34.	L&T Electrical & Automation FZE	UAE	100.00	100.00	*100.00*	*100.00*
35.	L&T Electricals & Automation Saudi Arabia Company Limited LLC	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
36.	PT Tamco Indonesia	Indonesia	100.00	100.00	*100.00*	*100.00*
37.	Servowatch Systems Limited	UK	100.00	100.00	*100.00*	*100.00*
38.	Tamco Electrical Industries Australia Pty Limited	Australia	100.00	100.00	*100.00*	*100.00*
39.	Tamco Switchgear (Malaysia) SDN BHD	Malaysia	100.00	100.00	*100.00*	*100.00*
40.	Thalest Limited	UK	100.00	100.00	*100.00*	*100.00*
41.	Larsen & Toubro (East Asia) Sdn.Bhd.	Malaysia	30.00	100.00	*30.00*	*100.00*
42.	Larsen & Toubro International FZE	UAE	100.00	100.00	*100.00*	*100.00*
43.	L&T Global Holdings Limited	UAE	100.00	100.00	*100.00*	*100.00*

* The Group has sold its stake on September 28, 2017
^ The Group has acquired stake on March 1, 2017
^^ The Group has acquired stake on December 15, 2017
^^^ The Group has acquired stake on June 1, 2017
** The company is reclassified from joint venture to subsidiary due to purchase of additional stake on August 16, 2017
# The company is in the process of liquidation

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of associate company	Principal place of business	As at 31-3-2018 Proportion of effective ownership Interest (%)	As at 31-3-2018 Proportion of voting power held (%)	*As at 31-3-2017 Proportion of effective ownership Interest (%)*	*As at 31-3-2017 Proportion of voting power held (%)*
1.	L&T-Chiyoda Limited	India	50.00	50.00	*50.00*	*50.00*
2.	Gujarat Leather Industries Limited@	India	50.00	50.00	*50.00*	*50.00*
3.	Larsen & Toubro Qatar & HBK Contracting Co.WLL	Qatar	50.00	50.00	*50.00*	*50.00*
4.	L&T Camp Facilities LLC	UAE	49.00	49.00	*49.00*	*49.00*
5.	International Seaport (Haldia) Private Limited	India	21.74	21.74	*21.74*	*21.74*
6.	Magtorq Private Limited	India	42.85	42.85	*42.85*	*42.85*
7.	Feedback Infra Private Limited^^	India	–	–	*15.42*	*15.42*
8.	Grameen Capital India Limited^	India	16.64	16.64	*17.32*	*17.32*
9.	Ardom Towergen Private Limited	India	7.77	7.77	*8.08*	*8.08*
10.	KMC Infratech Road Holdings Limited^^^	India	–	–	*0.09*	*0.09*

@ The company is in process for closure

^ The company operates under severe long term restrictions that significantly impair its ability to transfer funds to the company and hence the same has not been considered for consolidation

^^ The Group has sold its stake on March 19, 2018

^^^ The Group has sold its stake on September 7, 2017

Sr. No.	Name of joint venture	Principal place of business	As at 31-3-2018 Proportion of effective ownership interest (%)	*As at 31-3-2017 Proportion of effective ownership interest (%)*
	Joint Ventures			
1.	L&T-MHPS Boilers Private Limited	India	51.00	*51.00*
2.	L&T-MHPS Turbine Generators Private Limited	India	51.00	*51.00*
3.	L&T Howden Private Limited	India	50.10	*50.10*
4.	L&T-Sargent & Lundy Limited	India	50.00	*50.00*
5.	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	*74.00*
6.	L&T MBDA Missile Systems Limited *	India	51.00	–
7.	L&T Sapura Offshore Private Limited	India	60.00	*60.00*
8.	L&T Sapura Shipping Private Limited	India	60.00	*60.00*
9.	L&T-Gulf Private Limited	India	50.00	*50.00*
10.	L&T Hydrocarbon Caspian LLC **	Azerbaijan	50.00	–
11.	L&T Infrastructure Development Projects Limited	India	97.45	*97.45*
12.	L&T Chennai–Tada Tollway Limited	India	97.45	*97.45*
13.	L&T BPP Tollway Limited	India	97.45	*97.45*
14.	L&T Rajkot-Vadinar Tollway Limited	India	97.45	*97.45*
15.	L&T Deccan Tollways Limited	India	97.45	*97.45*
16.	L&T Samakhiali Gandhidham Tollway Limited	India	97.45	*97.45*
17.	Kudgi Transmission Limited	India	97.45	*97.45*
18.	L&T Sambalpur-Rourkela Tollway limited	India	97.45	*97.45*
19.	Panipat Elevated Corridor Limited	India	97.45	*97.45*
20.	Krishnagiri Thopur Toll Road Limited	India	97.45	*97.45*
21.	Western Andhra Tollways Limited	India	97.45	*97.45*
22.	Vadodara Bharuch Tollway Limited	India	97.45	*97.45*
23.	L&T Transportation Infrastructure Limited	India	98.12	*98.12*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] *(contd.)*

Sr. No.	Name of joint venture	Principal place of business	As at 31-3-2018 Proportion of effective ownership interest (%)	*As at 31-3-2017 Proportion of effective ownership interest (%)*
	Joint Ventures			
24.	LTIDPL INDVIT Services Limited(formerly known as L&T Western India Tollbridge Limited)	India	97.45	*97.45*
25.	L&T Interstate Road Corridor Limited	India	97.45	*97.45*
26.	Ahmedabad-Maliya Tollway Limited	India	97.45	*97.45*
27.	L&T Port Kachchigarh Limited #	India	–	*97.45*
28.	L&T Halol-Shamlaji Tollway Limited	India	47.75	*47.75*
29.	Krishnagiri Walajahpet Tollway Limited	India	97.45	*97.45*
30.	Devihalli Hassan Tollway Limited	India	97.45	*97.45*
31.	PNG Tollway Limited	India	72.11	*72.11*
32.	L&T IDPL Trustee Manager Pte. Ltd.	Singapore	97.45	*97.45*
33.	L&T Kobelco Machinery Private Limited	India	51.00	*51.00*
34.	Raykal Aluminium Company Private Limited	India	75.50	*75.50*
35.	Larsen & Toubro Electromech LLC ^	Sultanate of Oman	–	*65.00*
36.	Indiran Engineering Projects and Systems Kish PJSC	Iran	50.00	*50.00*

^ The company is reclassified from joint venture to subsidiary due to purchase of additional stake on August 16, 2017

\# The company is merged with L&T Infrastructure Development Projects Limited w.e.f. April 1,2016

* The joint venture has been entered on April 5, 2017

** The joint venture has been entered on June 24, 2017

Sr. No.	Name of joint operation (with specific ownership interest in the arrangement)	Principal place of business	As at 31-3-2018 Proportion of effective ownership interest (%)	*As at 31-3-2017 Proportion of effective ownership interest (%)*
1.	Desbuild L&T Joint Venture	India	49.00	*49.00*
2.	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	India	50.00	*50.00*
3.	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture	Qatar	80.00	*80.00*
4.	L&T - AM Tapovan Joint Venture	India	65.00	*65.00*
5.	HCC - L&T Purulia Joint Venture	India	43.00	*43.00*
6.	International Metro Civil Contractors Joint Venture	India	26.00	*26.00*
7.	Metro Tunneling Group	India	26.00	*26.00*
8.	L&T - Hochtief Seabird Joint Venture	India	90.00	*90.00*
9.	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	75.00	*75.00*
10.	Metro Tunneling Delhi- L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	60.00	*60.00*
11.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	India	68.00	*68.00*
12.	Aktor-Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	Qatar	22.00	*22.00*
13.	Civil Works Joint Venture	Kingdom of Saudi Arabia	29.00	*29.00*
14.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	India	51.00	*51.00*
15.	DAEWOO and L&T Joint Venture	India	50.00	*50.00*
16.	L&T – STEC JV MUMBAI	India	65.00	*65.00*
17.	L&T- ISDPL (JV)^^	India	100.00	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of joint operation (with specific ownership interest in the arrangement)	Principal place of business	As at 31-3-2018 Proportion of effective ownership interest (%)	*As at 31-3-2017 Proportion of effective ownership interest (%)*
18.	L&T-IHI Consortium^^^	India	100.00	–
19.	L&T-Eastern Joint Venture**	UAE	65.00	*65.00*
20.	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture	India	60.00	*60.00*
21.	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	India	50.00	*50.00*
22.	L&T- Inabensa Consortium***	India	100.00	*100.00*
23.	L&T-Delma Mafraq Joint Venture	UAE	100.00	*60.00*
24.	L&T-AL-Sraiya LRDP 6 Joint Venture	Qatar	75.00	*75.00*
25.	Larsen & Toubro Limited & NCC Limited Joint Venture	India	55.00	*55.00*
26.	Besix - Larsen & Toubro Joint Venture	UAE	50.00	*50.00*
27.	Larsen & Toubro Ltd - Passavant Energy & Environment JV ^	India	50.00	*50.00*
28.	LNT-Shriram EPC Tanzania UJV%	Tanzania	90.00	*90.00*
29.	LTH Milcom Private Limited	India	56.67	*56.67*
30.	Bauer- L&T Geo Joint Venture	India	37.00	*37.00*
31.	EMAS Saudi Arabia Ltd	Kindgom of Saudi Arabia	50.00	*50.00*

** The joint operation is in the process of liquidation.
^ The joint operation has been entered on October 12, 2016
^^ The joint operation has been entered on December 1, 2017
^^^ The joint operation has been entered on July 14, 2017
*** The joint operation has been entered on April 25, 2016
% The joint operation has been entered on December 25, 2016

Sr. No.	Name of joint operation (with specific proportion of activity carried out through the arrangement)	Principal place of business
1.	L&T Sojitz Consortium	India
2.	L&T-KBL (UJV) Hyderabad	India
3.	L&T-KBL-MAYTAS UJV	India
4.	Mallanna Sagar Reservoir LnT-Prasad-RK Infra JV	India
5.	Larsen & Toubro Limited Waterleau Consortium	Qatar
6.	L&T-BRAPL JV (package II)	India
7.	L&T-BRAPL JV (package III)	India
8.	IIS - L&T Consortium	India
9.	PES Engg P ltd-L&T Consortium	India
10.	L&T ISDPL - DI (JV)	India
11.	L&T Galfar Consortium	Oman
12(a).	L&T Oman-L&T consortium	Oman
12(b).	L&T Oman-L&T consortium	Oman
12(c).	L&T Oman-L&T consortium	Oman
13(a).	Sojitz Corporation-L&T consortium	India
13(b).	Sojitz Corporation-L&T consortium	India
13(c).	Sojitz Corporation-L&T consortium	India

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] *(contd.)*

Sr. No.	Name of joint operation (with specific proportion of activity carried out through the arrangement)	Principal place of business
14.	Sojitz Corporation-Gayathri Projects Ltd-L&T consortium	India
15.	PESB and Larsen & Toubro Joint Venture	Malaysia
16.	Scomi Engineering Bhd-L&T consortium	India
17.	Sojitz Corporation-L&T consortium	India
18.	Consortium of M/s. J. Ray McDermott Sdn. Bhd. and M/s. L&T Hydrocarbon Engineering Limited	India
19.	Consortium of L&T Hydrocarbon Engineering Limited and EMAS AMC Pte. Ltd.	Kingdom of Saudi Arabia
20.	L&T Parel Project LLP-Omkar Realtors & Developers Pvt. Ltd. (Crescent bay)	India
21.	L&T Asian Realty Project LLP-Nirmal Life Style Developers Pvt. Ltd. (Nirmal Lifestyle)	India

NOTE [41]

The components of other equity shown in the Consolidated Balance Sheet include the Group's share in the respective reserves of subsidiaries. Reserve attributable to non-controlling interest is reported separately in the consolidated Balance Sheet. Retained earnings comprise Group's share in general reserve and balance of Profit and Loss.

NOTE [42]

(a) Exceptional items for 2017-18 include:

i. Gain on divestment of Group's stake in subsidiary companies (EWAC Alloys Limited: ₹ 281.01 crore and L&T Cutting Tools Limited: ₹ 136.74 crore).

ii. Write off of trade receivable from a customer against whom insolvency proceedings are underway ₹ 294.75 crore [note 1(x)(vii)].

(b) Exceptional items for 2016-17 include:

i. Gain on divestment of Group's stake in a subsidiary company (L&T General Insurance Company Limited) ₹ 402.43 crore.

ii. Impairment of investment in a joint venture company (L&T Infrastructure Development Projects Limited) ₹ 281.00 crore.

(c) On May 1, 2018, the Company signed, subject to regulatory approvals, definitive agreements with Schneider Electric for strategic divestment of its Electrical and Automation (E&A) business (a reported segment which includes certain associated subsidiary companies outside India), for an all-cash consideration of ₹ 14000 crore which is subject to customary post-closing adjustments.

In view of the pro-longed timelines for obtaining regulatory approvals, the E&A business is not classified as "discontinued operation" and the related assets and liabilities have not been classified as "held for sale" in accordance with the applicable accounting standards.

NOTE [43]

The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 179.90 crore *(previous year: ₹ 177.88 crore)*. Further, the Group has incurred capital expenditure on research and development activities as follows:

(a) on Property, Plant & Equipment ₹ 6.73 crore *(previous year: ₹ 9.75 crore)*

(b) on intangible assets being expenditure on new product development ₹ 49.91 crore *(previous year: ₹ 43.01 crore)*

(c) on other intangible assets ₹ 3.81 crore *(previous year: ₹ 3.20 crore)*

NOTE [44]

(a) Disclosures pursuant to Ind AS 11 "Construction Contracts":

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
i	Contract revenue recognised for the financial year [Note 34]	83595.78	*74504.71*
ii	Aggregate amount 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	318302.24	*265885.96*
iii.	Amount of customer advances outstanding for contracts in progress as at the end of the financial year	14298.92	*13267.98*
iv.	Retention amount by customers for contracts in progress as at the end of the financial year	10113.25	*8258.37*
	* Includes Provision for foreseeable loss	248.55	*247.41*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [44] *(contd.)*

(b) The Group has undertaken a project for construction, operation and maintenance of the Metro Rail System on Design-Build-Finance-Operate-Transfer (DBFOT) basis as per the concession agreement with the government authorities. The significant terms of the arrangement are as under-

Period of the Concession	Initial period of 36 years & 5 months and extendable by another 25 years at the option of the concessionaire subject to fulfilment of certain conditions under concession agreement.
Remuneration	Fare collection Rights from the users of the Metro Rail System, license to use land provided by the government for constructing depots and for transit oriented development and earn lease rental income on such development and grant of viability gap fund.
Funding from grantor	Viability Gap Funding of ₹ 1458 crore
Infrastructure return at the end of the concession period	Being DBFOT project, the project assets have to be transferred at the end of concession period
Renewal and termination Options	Further extension of 25 years will be granted at the option of the concessionaire upon satisfaction of Key Performance Indicators laid under the concession agreement. This option is to be exercised by the concessionaire during the 33rd year of the initial concession period. Termination of the Concession Agreement can either be due to (a) Force Majeure (b) Non Political event (c) Indirect political event (d) Political event. On occurrence of any of the above events, the obligations, dispute resolution, termination payments etc. are as detailed in the Concession Agreement.
Rights & Obligations	Major obligations of the concessionaire are relating to– (a) project agreements (b) change in ownership (c) issuance of Golden Share to the Government (d) maintenance of aesthetic quality of the Rail System (e) operation and maintenance of the rolling stock and equipment necessary and sufficient for handling Users equivalent to 110% of the Average PHPDT etc. Major obligations of the Government are – (a) providing required constructible right of way for construction of rail system and land required for construction of depots and transit oriented development. (b) providing reasonable support and assistance in procuring applicable permits required for construction (c) providing reasonable assistance in obtaining access to all necessary infrastructure facilities and utilities (d) obligations relating to competing facilities (e) obligations relating to supply of electricity etc.
Classification of Service Arrangement	Intangible assets have been recognised towards rights to charge the users of the utility
Construction revenue recognised	₹ 469.10 crore *(previous year: ₹ 790.85 crore)* [included in 44(a)(i) above]

(c) Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions issued by the Institute of Chartered Accountants of India:

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
i.	Amount of project revenue recognised for the financial year [Note 34]	686.81	*2272.71*
ii.	Aggregate amount of costs incurred and profits recognised (less recognised losses) as at the end of the financial year	4967.14	*4507.66*
iii.	Amount of advances received	20.95	*65.54*
iv.	Amount of work-in-progress and the value of inventories [Note 11]	2307.47	*1259.76*
v.	Excess of revenue recognised over actual bills raised (unbilled revenue) [Note 19]	–	*91.05*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45]

Disclosure pursuant to Ind AS 19 "Employee Benefits" [Note 1(o)]

(a) Defined contribution plans: Amount of ₹ 387.19 crore *(previous year: ₹ 346.85 crore)* is recognised as an expense. Out of above, ₹ 386.04 crore *(previous year: ₹ 345.24 crore)* is included in "employee benefit expense" [Note 37] in the Statement of Profit and Loss and ₹ 1.15 crore *(previous year: ₹ 1.61 crore)* has been capitalised.

(b) Defined Benefit plans:

(i) The amounts recognised in Balance Sheet are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
A) Present value of defined benefit obligation								
– Wholly funded	676.92	*640.87*	–	–	–	–	3618.47	*3315.73*
– Wholly unfunded	215.17	*203.29*	222.16	*234.55*	326.68	*317.41*	14.84	*2.59*
	892.09	*844.16*	222.16	*234.55*	326.68	*317.41*	3633.31	*3318.32*
Less: Fair value of plan assets	610.99	*615.72*	–	–	–	–	3676.19	*3348.38*
Add: Amount not recognised as an asset (limit in para 64(b))	4.78	*4.80*	–	–	–	–	–	–
Amount to be recognised as liability or (asset)	285.88	*233.24*	222.16	*234.55*	326.68	*317.41*	(42.88)	*(30.06)*
B) Amounts reflected in the Balance Sheet								
Liabilities	292.73	*240.91*	222.16	*234.55*	326.68	*317.41*	33.83	*32.50*
Assets	(6.85)	*(7.67)*	–	–	–	–	(2.96)	*(4.95)*
Net liability/(asset)	285.88	*233.24*	222.16	*234.55*	326.68	*317.41*	30.87	*27.55*
Net liability/(asset) - current #	285.88	*233.24*	13.12	*13.36*	25.55	*22.67*	30.87	*27.55*
Net liability/(asset) - Non-current	–	–	209.04	*221.19*	301.13	*294.74*	–	–

Liability for unfunded gratuity with respect to group(s) of assets classified as held for sale is included thereunder

(ii) The amounts recognised in Statement of Profit and Loss are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
1. Current service cost	134.31	*127.65*	21.51	*16.47*	3.68	*2.48*	116.19$	*115.73$*
2. Interest cost	45.74	44.23	16.48	14.59	22.00	21.47	280.26	259.47
3. Interest income on plan assets	(41.19)	(40.51)	–	–	–	–	(280.26)	(259.47)
4. Re-measurement - Actuarial losses/(gains) - Difference between actual return on plan assets and interest income	(24.87)	(47.34)	–	–	–	–	(14.02)	(18.82)
5. Re-measurement - Actuarial losses/ (gains) - Others	21.00	35.88	(34.82)	19.11	3.75	23.64	–	(9.87)
6. Past service cost	3.30	–	(0.70)	–	–	–	–	–
7. Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	14.02	28.69
8. Adjustment for earlier years	–	0.27	–	–	–	–	–	–
9. Re-measurement - Effect of the limit in para 64(b)	(0.19)	(0.39)	–	–	–	–	–	–
10. Translation adjustments	(0.30)	0.91	–	–	–	–	–	–
11. Amount capitalised out of the above	(0.81)	(0.46)	(0.02)	(0.01)	–	–	–	–
Total (1 to 11)	136.99	120.24	2.45	50.16	29.43	47.59	116.19	115.73

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] ***(contd.)***

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
I. Amount included in "employee benefits expense"	140.83	131.78	22.60	18.44	3.68	2.48	116.19	115.73
II. Amount included as part of "manufacturing construction and operating expenses"	0.21	–	–	–	–	–	–	–
III. Amount included as part of "finance cost"	0.47	0.31	14.67	12.61	22.00	21.47	–	–
IV. Amount included as part of "Other comprehensive income	(4.52)	(11.85)	(34.82)	19.11	3.75	23.64	–	–
Total (I+II+III+IV)	136.99	120.24	2.45	50.16	29.43	47.59	116.19	115.73
Actual return on plan assets	66.06	87.85	–	–	–	–	294.28	278.29

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

₹ crore

	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Opening balance of the present value of defined benefit obligation	844.16	*758.23*	234.55	*193.31*	317.41	*287.55*	3318.32	*3036.16*
Add: Current service cost	134.31	127.65	21.51	16.47	3.68	2.48	116.19$	115.73$
Add: Interest cost	45.74	44.23	16.48	14.59	22.00	21.47	280.26	259.47
Add: Contribution by plan participants								
i) Employer	–	–	–	–	–	–	–	–
ii) Employee	–	–	–	–	–	–	295.03	288.27
Add/(less): Re-measurement - Actuarial losses/(gains)								
i) Actuarial (gains)/losses arising from changes in demographic assumptions	19.82	0.15	(30.16)	0.08	–	–	–	–
ii) Actuarial (gains)/losses arising from changes in financial assumptions	(16.61)	26.79	(18.66)	24.41	(15.48)	17.43	–	(9.87)
iii) Actuarial (gains)/losses arising from changes in experience adjustments	17.79	8.94	14.00	(5.38)	19.23	6.21	–	–
Less: Benefits paid	(168.71)	(127.70)	(12.02)	(8.93)	(20.16)	(17.73)	(482.35)	(388.56)
Add: Past Service Cost	3.30	–	(0.70)	–	–	–	–	0.01
Add: Liabilities assumed on transfer of employees	6.28	–	–	–	–	–	105.86	17.11
Add: Business combination/acquisition	5.49	(1.89)	(2.84)	–	–	–	–	–
Add: Adjustment for earlier years	–	0.38	–	–	–	–	–	–
Add/(less): Translation adjustments	0.52	7.38	–	–	–	–	–	–
Closing balance of the present value of defined benefit obligation	892.09	844.16	222.16	234.55	326.68	317.41	3633.31	3318.32

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] *(contd.)*

(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	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Opening balance of the fair value of the plan assets	615.72	*559.86*	3348.38	*3041.76*
Add: Interest Income on plan assets*	41.19	*40.51*	280.26	*259.47*
Add/(Less): Re-measurement - Actuarial gains/(losses)	–	–	–	–
Add/(Less): Actuarial gains/(losses) - Difference between actual return on plan assets and interest income	24.87	*47.34*	14.02	*18.82*
Add/(Less): Actuarial gains/(losses) - Others	–	–	–	–
Add: Contribution by the employer	73.90	*70.39*	116.32	*113.75*
Add: Contribution by plan participants	–	–	295.44	*284.44*
Add: Assets assumed on transfer of employees	–	–	108.71	*21.23*
Add: Business combination/disposal (net)	(3.70)	–	(4.43)	*(2.03)*
Less: Benefits paid	(140.99)	*(102.51)*	(482.35)	*(388.56)*
Add: Adjustment for earlier years	–	*0.13*	(0.16)	*(0.50)*
Closing balance of the plan assets	610.99	*615.72*	3676.19	*3348.38*

Notes: The fair value of the plan assets under the trust managed provident fund plan has been determined at amounts based on their value at the time of redemption, assuming a constant rate of return to maturity.

* Basis used to determine interest income on plan assets:
The Trust formed by the Parent Company and a few subsidiaries manage the investments of provident funds and gratuity fund. Interest income on plan assets is determined by multiplying the fair value of the plan assets by the discount rate stated in (vii) below both determined at the start of the annual reporting period.

The Group expects to fund ₹ 93.63 crore *(previous year: ₹ 37.48 crore)* towards its gratuity plan and ₹ 122.04 crore *(previous year: ₹ 140.68 crore)* towards its trust-managed provident fund plan during the year 2018-19.

$ Employer's contribution to provident fund.

(v) The fair value of major categories of plan assets are as follows:

₹ crore

Particulars	Gratuity plan					
	As at 31-3-2018			*As at 31-3-2017*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	1.68	1.68	–	*5.49*	*5.49*
Equity instruments	16.51	–	16.51	*15.47*	*0.65*	*16.12*
Debt instruments - Corporate bonds	82.54	99.91	182.45	*77.91*	*159.60*	*237.51*
Debt instruments - Central Government bonds	128.18	–	128.18	*149.30*	*6.20*	*155.50*
Debt instruments - State Government bonds	66.35	–	66.35	*123.39*	*5.49*	*128.88*
Debt instruments - Public Sector Unit bonds	–	55.59	55.59	*2.34*	*73.33*	*75.67*
Mutual funds - Equity	4.96	–	4.96	*0.21*	*66.61*	*66.82*
Mutual funds - Debt	–	0.29	0.29	–	*0.52*	*0.52*
Mutual funds - Others	–	–	–	–	*0.10*	*0.10*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] ***(contd.)***

₹ crore

Particulars	Gratuity plan					
	As at 31-3-2018			*As at 31-3-2017*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Special deposit scheme	–	2.54	2.54	–	*1.50*	*1.50*
Fixed deposits	–	1.47	1.47	–	*1.21*	*1.21*
Insurer managed fund	–	147.80	147.80	–	*115.39*	*115.39*
Advance taken	–	3.17	3.17	–	*(175.00)*	*(175.00)*
Others	–	0.00	0.00	–	*(13.99)*	*(13.99)*
Closing balance of the plan assets	298.54	312.45	610.99	*368.62*	*247.10*	*615.72*

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2018			*As at 31-3-2017*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	7.50	7.50	–	*12.53*	*12.53*
Equity instruments	–	0.01	0.01	–	–	–
Debt instruments - Corporate bonds	541.31	104.37	645.68	*353.45*	*113.96*	*467.41*
Debt instruments - Central Government bonds	838.08	0.20	838.28	*659.29*	–	*659.29*
Debt instruments - State Government bonds	748.74	0.18	748.92	*688.71*	–	*688.71*
Debt instruments - Public Sector Unit bonds	483.37	582.43	1065.80	*408.53*	*648.03*	*1056.56*
Mutual funds - Equity	85.69	14.32	100.01	*12.82*	*67.41*	*80.23*
Mutual funds - Debt	0.05	0.26	0.31	–	*4.11*	*4.11*
Mutual funds - Others	2.81	6.71	9.52	–	–	–
Special deposit scheme	–	270.32	270.32	–	*268.34*	*268.34*
Fixed deposits	–	3.09	3.09	–	–	–
Others	0.70	(13.95)	(13.25)	–	*111.20*	*111.20*
Closing balance of the plan assets	2700.75	975.44	3676.19	*2122.80*	*1225.58*	*3348.38*

(vi) The Average duration of the Defined Benefit Obligation at the end of the reporting period is as follows:

	Plans	As at 31-3-2018	*As at 31-3-2017*
1.	Gratuity	6.30	*7.54*
2.	Post-retirement medical benefit plan	14.86	*17.48*
3.	Pension plan	7.50	*8.06*

(vii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

	Plans	As at 31-3-2018	*As at 31-3-2017*
(A)	Discount rate:		
	(a) Gratuity plan	7.56%	*7.10%*
	(b) Pension plan	7.56%	*7.10%*
	(c) Post-retirement medical benefit plan	7.56%	*7.10%*
(B)	Annual increase in healthcare costs (see note below)	5.00%	*5.00%*
(C)	Salary Growth rate:		
	(a) Gratuity plan	5.03%	*5.00%*
	(b) Pension plan	5.99%	*6.00%*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] *(contd.)*

(D) Attrition Rate:

(a) For post-retirement medical benefit plan & pension plan, the attrition rate varies from 1% to 12% *(previous year: 2% to 8%)* for various age groups.

(b) For gratuity plan the attrition rate varies from 1% to 25% *(previous year: 1% to 6%)* for various age groups.

(E) 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.

(F) 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.

(G) The obligation of the Group under the post-retirement medical benefit plan is limited to the overall ceiling limits. At present, healthcare cost, as indicated in the principal actuarial assumption given above, has been assumed to increase at 5% p.a.

(H) A one percentage point change in actuarial assumptions would have the following effects on defined benefit obligation:

₹ crore

Particulars	Effect of 1% increase		Effect of 1% decrease	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Gratuity				
Impact of change in salary growth rate	84.32	*55.39*	(75.11)	*(45.08)*
Impact of change in discount rate	(74.17)	*(48.65)*	84.82	*50.31*
Post-retirement medical benefit plan				
Impact of change in Health care cost	24.44	*27.53*	(19.96)	*(21.99)*
Impact of change in discount rate	(29.80)	*(36.17)*	37.71	*46.02*
Company pension plan				
Impact of change in discount rate	(24.29)	*(26.07)*	28.04	*26.68*

(viii) Characteristics of defined benefit plans and associated risks:

(A) Gratuity plan:

The Parent Company operates gratuity plan through a trust wherein 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. The company's scheme is more favourable as compared to the obligation under The Payment of Gratuity Act, 1972.

The defined benefit plans for gratuity of the Parent Company and material domestic subsidiary companies are administered by separate gratuity funds that is legally separate from the Parent Company and the material domestic subsidiary companies. The trustees nominated by the group are responsible for the administration of the plan. There are no minimum funding requirements of these plans. The funding of these plans is based on gratuity fund's actuarial measurement framework set out in the funding policies of the plan. These actuarial measurements are similar compared to the assumptions set out in (vii) supra. An insignificant portion of the gratuity plan of the group attributable to subsidiary companies is administered by the respective subsidiary companies and is funded through insurer managed funds. A part of the gratuity plan is unfunded and managed within the group. Further, it also includes amounts payable in respect of the Group's foreign operations which result in gratuity payable to employees engaged as per the local laws of country of operation. Employees do not contribute to any of these plans.

(B) Post-retirement medical care plan:

The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] ***(contd.)***

(C) Pension plan:

In addition to contribution to state-managed pension plan (EPS scheme), the Group operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees. The quantum of pension depends on the cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

(D) Trust managed provident fund plan:

The Parent Company and a few subsidiaries manage provident fund plan through a provident fund trust for its employees which is permitted under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan mandates contribution by employer at a fixed percentage of employee's salary. Employees also contribute to the plan at a fixed percentage of their salary as a minimum contribution and additional sums at their discretion. The plan 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.

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 loss. Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

All the above defined benefit plans expose the Group to general actuarial risks such as interest rate risk and market (investment) risk.

NOTE [46]

Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) Information about Reportable segments

₹ crore

Particulars	For the year ended 31-3-2018			*For the year ended 31-3-2017*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Gross Segment Revenue						
Infrastructure	59083.13	735.84	59818.97	*52923.08*	*997.73*	*53920.81*
Power	6200.58	7.65	6208.23	*6938.56*	*0.23*	*6938.79*
Heavy Engineering	3845.49	268.39	4113.88	*3149.15*	*297.79*	*3446.94*
Electrical & Automation [Note 42(c)]	5209.03	299.24	5508.27	*4968.56*	*398.71*	*5367.27*
Hydrocarbon	11735.83	23.80	11759.63	*9602.50*	*25.84*	*9628.34*
IT & Technology Services	11187.79	169.64	11357.43	*9731.29*	*156.25*	*9887.54*
Financial Services	10063.75	–	10063.75	*8545.17*	*0.12*	*8545.29*
Developmental Projects	4294.05	–	4294.05	*4027.78*	*339.50*	*4367.28*
Others	8242.45	591.87	8834.32	*10124.91*	*737.52*	*10862.43*
Elimination	–	(2096.43)	(2096.43)	–	*(2953.69)*	*(2953.69)*
Total Revenue	119862.10	–	119862.10	*110011.00*	–	*110011.00*
Segment result [Profit/(Loss) before interest and tax]						
Infrastructure			5293.30			*4722.54*
Power			163.99			*201.18*
Heavy Engineering			515.84			*498.57*
Electrical & Automation [Note 42(c)]			668.82			*549.89*
Hydrocarbon			771.81			*508.42*
IT & Technology Services			2146.51			*1825.53*
Financial Services			1440.64			*786.44*
Developmental Projects			196.40			*32.01*
Others			1139.10			*387.19*
Total			12336.41			*9511.77*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46]

(a) Information about Reportable segments *(contd.)*

₹ crore

Particulars	For the year ended 31-3-2018			*For the year ended 31-3-2017*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Inter segment margins on capital jobs			12.90			*(28.14)*
Interest expenses			(1538.52)			*(1338.73)*
Unallocated corporate income net of expenditure			828.37			*742.46*
Profit before Tax			11639.16			*8887.36*
Provision for current tax			(3732.27)			*(2834.35)*
Provision for deferred tax			533.40			*827.76*
Profit after tax			8440.29			*6880.77*
Share in profit/(loss) of joint venture/associate companies (net)			(435.86)			*(395.27)*
Adjustments for non-controlling interest in subsidiaries			(634.57)			*(444.27)*
Net profit after tax, non-controlling interest and share in profit/(loss) of joint ventures/associates			7369.86			*6041.23*

₹ crore

Particulars	Segment Assets		Segment Liabilities	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Infrastructure	58443.26	*50020.69*	40932.30	*33912.75*
Power	6437.33	*6847.03*	5647.48	*6362.49*
Heavy Engineering	6624.54	*5123.67*	5245.60	*3826.93*
Electrical & Automation [Note 42(c)]	4412.36	*4364.25*	2140.87	*1935.65*
Hydrocarbon	9226.17	*6728.63*	7841.04	*5589.70*
IT & Technology Services	7555.66	*6166.03*	2182.27	*1893.77*
Financial Services	87888.63	*71841.82*	76383.88	*64341.27*
Developmental Projects	30375.07	*28240.72*	10515.57	*8931.32*
Others	19531.60	*18599.96*	6971.77	*6953.07*
Segment Total	230494.62	*197932.80*	157860.78	*133746.95*
Corporate unallocated assets/liabilities	17011.32	*15741.59*	28363.17	*26147.32*
Inter Segment assets/liabilities	(2452.59)	*(1492.79)*	(2452.59)	*(1492.79)*
Consolidated Total assets/liabilities	245053.35	*212181.60*	183771.36	*158401.48*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46]

(a) Information about Reportable segments *(contd.)*

₹ crore

Particulars	Depreciation, amortization, impairment & obsolescence included in segment expenses		Non-cash expenses other than depreciation included in segment expenses	
	2017-18	*2016-17*	2017-18	*2016-17*
Infrastructure	608.05	*650.53*	20.03	*19.81*
Power	43.56	*44.40*	1.40	*1.99*
Heavy Engineering	138.66	*116.69*	1.97	*2.49*
Electrical & Automation [Note 42(c)]	152.74	*151.10*	3.85	*3.83*
Hydrocarbon	132.41	*148.87*	3.66	*7.97*
IT & Technology Services	244.43	*236.81*	8.47	*13.46*
Financial Services	51.23	*78.00*	29.43	*4.79*
Developmental Projects	73.68	*58.07*	–	–
Others	281.24	*665.21*	4.13	*4.62*
Segment Total	1726.00	*2149.68*	72.94	*58.96*
Unallocable	202.73	*220.25*	38.45	*29.21*
Consolidated Total	1928.73	*2369.93*	111.39	*88.17*

Note : Impairment loss included in Heavy Engineering Segment is ₹ 31.88 crore *(previous year: ₹ Nil)*, Other segment is ₹ 27.69 crore *(previous year: ₹ 412.57 crore)* and in Corporate unallocated is ₹ 84.32 crore *(previous year: ₹ 103.00 crore).*

₹ crore

Particulars	Interest Income included in segment income		Interest expense included in segment expense		Profit or (loss) of associates and joint ventures accounted applying equity method not included in segment result	
	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
Infrastructure	2.95	*0.58*	–	–	2.44	*3.01*
Power	–	–	–	–	164.45	*120.55*
Heavy Engineering	–	*0.19*	–	–	(227.90)	*(186.81)*
Electrical & Automation [Note 42(c)]	5.29	*3.50*	–	–	–	–
Hydrocarbon	119.43	*45.01*	–	–	29.72	*6.19*
IT & Technology Services	4.04	*4.62*	–	–	–	–
Financial Services	215.74	*89.11*	5449.68	*4777.91*	0.70	*6.14*
Developmental Projects	0.54	*0.03*	627.53	*647.60*	(392.85)	*(357.07)*
Others	54.10	*30.60*	–	–	2.98	*0.30*
Segment Total	402.09	*173.64*	6077.21	*5425.51*	(420.46)	*(407.69)*
Unallocable	518.66	*557.37*	–	–	(15.40)	*12.42*
Inter Segment	(255.08)	*(308.39)*	(57.47)	*(63.42)*	–	–
Consolidated Total	665.67	*422.62*	6019.74	*5362.09*	(435.86)	*(395.27)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46]

(a) Information about Reportable segments *(contd.)*

₹ crore

Particulars	Additions to non-current assets		Investment in associates and joint ventures accounted applying equity method included in segment assets	
	2017-18	*2016-17*	As at 31-3-2018	*As at 31-3-2017*
Infrastructure	1273.70	*616.34*	8.95	*2.25*
Power	151.36	*100.17*	774.53	*605.57*
Heavy Engineering	245.27	*96.87*	6.09	*1.58*
Electrical & Automation [Note 42(c)]	202.16	*176.94*	–	–
Hydrocarbon	363.10	*188.24*	359.92	*329.53*
IT & Technology Services	514.12	*166.67*	–	–
Financial Services	351.59	*441.11*	6.00	*50.55*
Developmental Projects	2506.65	*2549.73*	1310.94	*1764.72*
Others	344.09	*668.28*	20.73	*18.72*
Segment Total	5952.04	*5004.35*	2487.16	*2772.92*
Unallocable	626.88	*471.16*	0.43	*(0.02)*
Inter Segment	(74.58)	*(217.37)*	–	–
Consolidated Total	6504.34	*5252.14*	2487.59	*2772.90*

(b) Geographical Information

₹ crore

Particulars	Revenue by location of customers	
	2017-18	*2016-17*
India (a)	80162.78	*72357.51*
Foreign countries (b):		
United States of America	7355.33	*6580.12*
Kingdom of Saudi Arabia	8053.68	*7059.39*
Sultanate of Oman	4485.12	*5583.41*
United Arab Emirates	3866.38	*3354.10*
Kuwait	2174.35	*2968.44*
Qatar	5335.10	*4950.40*
Other countries	8429.36	*7157.63*
Total Foreign countries (b)	39699.32	*37653.49*
Total (a+b)	119862.10	*110011.00*

₹ crore

Particulars	Non-current Assets	
	As at 31-3-2018	*As at 31-3-2017*
India	34930.93	*32019.01*
Foreign countries	1680.43	*1653.55*
Total	36611.36	*33672.56*

(c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the group's total revenue.

(d) The group's reportable segments are organized based on the nature of products and services offered by these segments.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46] ***(contd.)***

(e) Segment reporting: basis of identifying operating segments, reportable segments and definition of each reportable segment:

(i) Basis of identifying Operating segments:

Operating segments are identified as those components of the groups (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the group's other components); (b) whose operating results are regularly reviewed by the Group's Corporate Executive Management to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.

The group has eight reportable segments as described under "segment composition" below which are the group's independent businesses. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements. In arriving at the reportable segment, the six operating segments have been aggregated and reported as "infrastructure segment" as these operating segments have similar economic characteristics in terms of long term average gross margins, nature of the products and services, type of customers, methods used to distribute the products and services and the nature of regulatory environment applicable to them.

(ii) Reportable segments

An operating segment is classified as Reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

(iii) Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Group's Corporate Executive Management. The performance of financial services segment and finance lease activities of power development segment are measured based on segment profit (before tax) after deducting the interest expense.

(iv) Segment composition

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water and effluent treatment and smart world & communication projects.
- **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and / or balance-of-plant packages.
- **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power, Aerospace and Defence.
- **Electrical & Automation segment** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters/protection (relays) systems and control & automation products.
- **Hydrocarbon segment** comprises complete EPC solutions for the global Oil & Gas Industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning.
- **IT & Technology Services segment** comprises information technology and integrated engineering services.
- **Financial Services segment** comprises rural finance, housing finance, wholesale finance, mutual fund, wealth management and general insurance (upto the date of sale).
- **Developmental projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll and fare collection, power development, development and operation of port facilities and providing related advisory services.
- **Others segment** includes metallurgical & material handling systems, realty, shipbuilding, manufacture and sale of industrial valves, welding equipment and cutting tools (till the date of sale), manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof, manufacture and sale of rubber processing machinery, mining and aviation. None of the businesses reported as part of others segment meet any of the quantitative thresholds for determining reportable segments for the year ended March 31, 2018.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47]

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

(a) Name of the related parties with whom transactions were carried out during the current year/previous year and description of relationship:

Associate Companies:	
1. L&T-Chiyoda Limited	2. Feedback Infra Private Limited @
3. Magtorq Private Limited	4. L&T Camp Facilities LLC

@ The Group has sold its stake on March 19, 2018

Joint Ventures:	
1. Larsen & Toubro Electromech LLC*	2. L&T Interstate Road Corridor Limited
3. L&T-Sargent & Lundy Limited	4. Ahmedabad - Maliya Tollway Limited
5. L&T Halol-Shamlaji Tollway Limited	6. L&T Chennai–Tada Tollway Limited
7. Krishnagiri Walajahpet Tollway Limited	8. L&T BPP Tollway Limited
9. Devihalli Hassan Tollway Limited	10. L&T Rajkot-Vadinar Tollway Limited
11. L&T Howden Private Limited	12. L&T Deccan Tollways Limited
13. L&T Sapura Shipping Private Limited	14. L&T Samakhiali Gandhidham Tollway Limited
15. L&T Sapura Offshore Private Limited	16. Kudgi Transmission Limited
17. L&T-Gulf Private Limited	18. L&T Sambalpur-Rourkela Tollway limited
19. L&T-MHPS Boilers Private Limited	20. L&T Infrastructure Development Projects Limited
21. L&T-MHPS Turbine Generators Private Limited	22. Panipat Elevated Corridor Limited
23. Raykal Aluminium Company Private Limited	24. Krishnagiri Thopur Toll Road Limited
25. L&T Special Steels and Heavy Forgings Private Limited	26. Western Andhra Tollways Limited
27. PNG Tollway Limited	28. Vadodara Bharuch Tollway Limited
29. L&T Kobelco Machinery Private Limited	30. L&T Transportation Infrastructure Limited

*The venture is classified as subsidiary w.e.f. August 16, 2017.

Provident Fund Trusts:
1. Larsen & Toubro Officers & Supervisory Staff Provident Fund
2. Larsen & Toubro Limited Provident Fund of 1952
3. Larsen & Toubro Limited Provident Fund
4. L&T Kansbahal Officers & Supervisory Provident Fund
5. L&T Kansbahal Staff & Workmen Provident Fund
6. L&T Construction Equipment Provident Fund Trust
7. L&T Valves Employees Provident Fund

Gratuity Trusts:
1. Larsen & Toubro Officers & Supervisors Gratuity Fund
2. Larsen & Toubro Gratuity Fund
3. Larsen and Toubro Technology Services Ltd. Eggas
4. L&T Shipbuilding Limited Employees Group Assurance Scheme
5. Nabha Power Limited Employees Group Gratuity Assurance Scheme
6. L&T Hydrocarbon Engineering Ltd Group Gratuity Scheme

Superannuation Trusts:
1. Larsen & Toubro Limited Senior Officers' Superannuation Scheme

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] ***(contd.)***

Name of Key Management Personnel and their relatives with whom transactions were carried out during the current year/previous year:

(a) Executive Directors:	
1. Mr. A.M. Naik (Group Executive Chairman)*	2. Mr. S. N. Subrahmanyan (Chief Executive Officer and Managing Director)#
3. Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)	4. Mr. Shailendra Roy (Whole-time Director)
5. Mr. D. K. Sen (Whole-time Director)	6. Mr. M. V. Satish (Whole-time Director)
7. Mr. J. D. Patil (Whole-time Director)**	

(b) Non-executive Directors:	
1. Mr. M. M. Chitale	2. Mr. Subodh Bhargava
3. Mr. M. Damodaran	4. Mr. Vikram Singh Mehta
5. Mr. Adil Zainulbhai	6. Mr. Akhilesh Krishna Gupta
7. Mrs. Sunita Sharma	8. Mr. Thomas Mathew T
9. Mr. Ajay Shankar	10. Mr. Subramanian Sarma
11. Mrs. Naina Lal Kidwai	12. Mr. Sanjeev Aga @@@
13. Mr. Narayanan Kumar@@	14. Mr. Arvind Gupta ##
15. Mr. Sushobhan Sarker ###	16. Mr. Swapan Dasgupta @
17. Mr. Bahram Vakil ***	

* Group Chairman w.e.f. October 1, 2017
\# w.e.f. July 1,2017 (till June 30, 2017 Whole-time Director)
** Appointed w.e.f. July 1, 2017
@ ceased w.e.f. May 15, 2016
@@ Appointed w.e.f. May 27, 2016 ## Appointed w.e.f. July 1, 2017
@@@ Appointed w.e.f. May 25, 2016
ceased w.e.f. May 2, 2018
*** ceased w.e.f. August 1, 2016

(b) Disclosure of related party transactions:

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18		*2016-17*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(i)	Purchase of goods & services (including commission paid)				
	Joint ventures, including:	1941.69		*2399.97*	
	L&T-MHPS Boilers Private Limited		1385.93		*1677.03*
	L&T-MHPS Turbine Generators Private Limited		362.45		*545.47*
	Associates, including:	156.61		*60.78*	
	L&T-Chiyoda Limited		149.50		*52.29*
	Total	2098.30		*2460.75*	
(ii)	Sale of goods/contract revenue & services				
	Joint ventures, including:	423.05		*1109.10*	
	L&T Infrastructure Development Projects Limited		134.85		*545.12*
	L&T Deccan Tollways Limited		87.37		*394.35*
	L&T-MHPS Boilers Private Limited		178.75		*157.18*
	Associate:	0.17		*0.42*	
	L&T-Chiyoda Limited		0.17		*0.42*
	Total	423.22		*1108.61*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
(iii)	Purchase/lease of property, plant and equipment				
	Joint ventures:	0.01		*0.16*	
	Larsen & Toubro Electromech LLC		–		*0.14*
	L&T Infrastructure Development Projects Limited		–		*0.02*
	L&T-MHPS Turbine Generators Private Limited		0.01		–
	Total	0.01		*0.16*	
(iv)	Investments including subscription to equity and preference shares considered as equity (including application money paid)				
	Joint ventures, including:	261.01		*(0.25)*	
	L&T-MHPS Boilers Private Limited		–		*(0.03)*
	L&T-MHPS Turbine Generators Private Limited		–		*(0.22)*
	L&T Special Steels and Heavy Forgings Private Limited		260.65		–
	Total	261.01		*(0.25)*	
(v)	Subscription of preference share considered as debt in the financials				
	Joint venture:	214.43		–	
	L&T Special Steels and Heavy Forgings Private Limited		214.43		–
	Total	214.43		–	
(vi)	Purchase of investments from				
	Joint venture:	–		*2041.57*	
	L&T Infrastructure Development Projects Limited		–		*2041.57*
	Total	–		*2041.57*	
(vii)	Inter corporate deposits given/(returned) (net)				
	Joint ventures:	398.19		*387.50*	
	L&T Special Steels and Heavy Forgings Private Limited		211.89		*387.50*
	L&T Sapura Shipping Private Limited		186.30		–
	Total	398.19		*387.50*	
(viii)	Charges paid for miscellaneous services				
	Joint ventures, including:	7.08		*6.66*	
	L&T Sapura Shipping Private Limited		2.25		*2.47*
	L&T-Sargent & Lundy Limited		4.27		*3.63*
	Associates, including:	2.37		*6.42*	
	L&T- Chiyoda Limited		2.37		*6.06*
	Total	9.45		*13.08*	
(ix)(a)	Charges incurred for deputation of employees from related parties				
	Joint venture:	0.04		*4.63*	
	L&T Infrastructure Development Projects Limited		0.04		*4.63*
	Total	0.04		*4.63*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
(ix)(b)	Charges recovered for deputation of employees to related parties				
	Joint ventures, including:	9.94		*9.59*	
	L&T Sapura Shipping Private Limited		5.28		*5.60*
	L&T Infrastructure Development Projects Limited		2.17		*2.14*
	L&T Special Steels and Heavy Forgings Private Limited		1.97		*1.21*
	Associate:	15.81		*18.01*	
	L&T- Chiyoda Limited		15.81		*18.01*
	Total	25.75		*27.60*	
(x)	Dividend received				
	Associate:	0.66		*0.57*	
	Feedback Infra Private Limited		0.66		*0.57*
	Total	0.66		*0.57*	
(xi)	Commission received, including those under agency arrangements				
	Joint venture:	2.00		*0.65*	
	L&T Kobelco Machinery Private Limited		2.00		*0.65*
	Total	2.00		*0.65*	
(xii)	Rent received, overheads recovered and miscellaneous income				
	Joint ventures, including:	92.30		*94.89*	
	L&T-MHPS Boilers Private Limited		40.99		*35.50*
	L&T-Sargent & Lundy Limited		13.60		*17.70*
	L&T-MHPS Turbine Generators Private Limited				*9.64*
	Associates, including:	23.55		*5.23*	
	L&T- Chiyoda Limited		23.52		*5.23*
	Key management personnel:	0.08		*0.07*	
	Mr. D.K. Sen		0.08		*0.07*
	Total	115.93		*100.19*	
(xiii)	Interest received from				
	Joint ventures, including:	106.90		*82.48*	
	L&T Special Steels and Heavy Forgings Private Limited		102.05		*78.98*
	Associate:	0.20		*0.20*	
	L&T Camp Facilities LLC		0.20		*0.20*
	Total	107.10		*82.68*	
(xiv)	Interest paid to				
	Joint venture:	33.06		–	
	L&T Infrastructure Development Projects Limited		33.06		–
	Total	33.06		–	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2017-18 Amount	2017-18 Amounts for major parties	*2016-17 Amount*	*2016-17 Amounts for major parties*
(xv)	Bad debts written off in respect of	–			
	Joint ventures, including:		–	*0.55*	
	Krishnagiri Thopur Toll Road Limited		–		*0.31*
	Western Andhra Tollways Limited		–		*0.07*
	L&T Interstate Road Corridor Limited		–		*0.13*
	Total	–		*0.55*	
(xvi)	Provision towards bad and doubtful debts (including expected credit loss on account of delay) in respect of				
	Joint ventures, including:	22.69		*24.11*	
	PNG Tollway Limited		–		*22.11*
	L&T-MHPS Boilers Private Limited		21.66		–
	Total	22.69		*24.11*	
(xvii)	Impairment loss/provision on investment in respect of				
	Joint venture :	–		*281.00*	
	L&T Infrastructure Development Projects Limited		–		*281.00*
	Total	–		*281.00*	
(xviii)	Contribution to post employment benefit plan				
(a)	Transaction with trust managed provident fund				
(i)	Towards Employer's contribution:	115.40		*113.35*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		103.95		*100.99*
	Total	115.40		*113.35*	
(b)	Transaction with approved gratuity fund				
(i)	Towards Employer's contribution:	30.61		*35.61*	
	Larsen & Toubro Technology Services Limited Eggas		14.19		*5.15*
	L&T Hydrocarbon Engineering Ltd Group Gratuity Scheme		9.86		–
	Larsen & Toubro Officers & Supervisors Gratuity Fund		5.01		*23.59*
	Larsen & Toubro Gratuity Fund		1.17		*6.26*
	Total	30.61		*35.61*	
(ii)	Towards advance contribution/(refund):	(175.00)		–	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		(142.30)		–
	Larsen & Toubro Gratuity Fund		(32.70)		–
	Total	(175.00)		*35.61*	
(c)	Transaction with superannuation trust				
(i)	Towards Employer's contribution:	3.25		*3.32*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		3.25		*3.32*
	Total	3.25		*3.32*	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

xix. Compensation paid to Key Management Personnel (KMP):

₹ crore

Key Management Personnel	2017-18				*2016-17*				
	Short-term employee benefits	Post-employment benefits	Other Long term benefits	Total	*Short-term employee benefits*	*Post-employment benefits*	*Other Long term benefits*	*Share-based payment***	*Total*
Executive Directors:									
(a) Mr. A. M. Naik (Group Executive Chairman up to September 30, 2017)	11.58	56.80 ^	19.38 ^^	87.76	*21.86*	*5.83*	*32.21 ^^*	*42.70*	*102.60*
(b) Mr. S. N. Subrahmanyan	13.99	3.70	–	17.69	*13.26*	*3.51*	–	*12.53*	*29.30*
(c) Mr. R. Shankar Raman	9.16	2.42	–	11.58	*9.00*	*2.38*	–	*3.87*	*15.25*
(d) Mr. Shailendra Roy	7.96	1.83	–	9.79	*8.13*	*1.93*	–	–	*10.06*
(e) Mr. D. K. Sen	6.37	1.69	–	8.06	*6.20*	*1.57*	–	–	*7.77*
(f) Mr. M. V. Satish	5.86	1.52	–	7.38	*5.96*	*1.44*	–	–	*7.40*
(g) Mr. J. D. Patil *	3.14	0.81	–	3.95	–	–	–	–	–
Non-Executive Directors:									
(a) Mr. A. M. Naik (Group Chairman w.e.f. October 1, 2017)	3.29	1.50 #	–	4.79	–	–	–	–	–
(b) Mr. Subramanian Sarma	16.33	0.26	0.40	16.99	*15.39*	–	–	–	*15.39*
(c) Other Non-Executive Directors	4.22	–	–	4.22	*4.71*	–	–	–	*4.71*
Total	81.90	70.53	19.78	172.21	*84.51*	*16.66*	*32.21*	*59.10*	*192.48*

^ Post-employment benefits include gratuity ₹ 55.04 crore

^^ Represents encashment of past service accumulated leave

*Appointed w.e.f. July 1, 2017.

Represents pension

**Represents fair value of employee stock options granted during 2016-17 to be vested over a period of time

(d) Amount due to/from related parties (including commitments):

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2018		*As at 31-3-2017*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(i)	Accounts receivable				
	Joint ventures, including:	289.80		*417.95*	
	L&T Deccan Tollways Limited		33.22		*125.63*
	L&T-MHPS Boilers Private Limited		78.87		*65.64*
	Krishnagiri Walajahpet Tollway Limited		42.68		*44.68*
	L&T Infrastructure Development Projects Limited		40.70		*78.42*
	L&T Samakhiali Gandhidham Tollway Limited		38.19		*43.30*
	Associate	0.15		–	
	L&T-Chiyoda Limited		0.15		–
	Total	289.95		*417.95*	
(ii)	Accounts payable including other payable				
	Joint ventures, including:	1148.30		*1931.46*	
	L&T-MHPS Boilers Private Limited		276.49		*1171.96*
	L&T-MHPS Turbine Generators Private Limited		700.47		*611.61*
	Associates, including	19.07		*14.91*	
	Magtorq Private Limited		3.79		*2.65*
	L&T- Chiyoda Limited		15.45		*11.40*
	Total	1167.37		*1946.37*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2018		*As at 31-3-2017*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(iii)	Investment in Debt Securities				
	Joint ventures:	987.58		*264.42*	
	L&T Special Steels and Heavy Forgings Private Limited		217.73		–
	Kudgi Transmission Limited		509.49		–
	L&T Infrastructure Development Projects Limited		260.36		*264.42*
	Total	987.58		*264.42*	
(iv)	Loans & advances recoverable				
	Joint ventures, including:	1819.92		*1862.64*	
	L&T Special Steels and Heavy Forgings Private Limited		1400.00		*1185.56*
	L&T Sapura Shipping Private Limited		191.60		*215.18*
	L&T-MHPS Turbine Generators Private Limited		113.75		*210.22*
	Associates, including:	24.40		*27.24*	
	L&T Camp Facilities LLC		18.54		*18.97*
	L&T- Chiyoda Limited		6.26		*7.87*
	Total	1844.32		*1889.88*	
(v)	Advances received in the capacity of supplier of goods/services classified as "advances from customers" in the Balance Sheet				
	Joint ventures, including:	17.00		*23.21*	
	L&T-MHPS Boilers Private Limited		17.00		*21.54*
	Total	17.00		*23.21*	
(vi)	Due to directors #:				
	(Key management personnel)	50.14		*55.82*	
	Mr. A. M. Naik		9.77		*18.24*
	Mr. S. N. Subrahmanyan		11.58		*11.29*
	Mr. R. Shankar Raman		7.39		*7.41*
	Mr. Shailendra Roy		5.32		*5.84*
	Mr. D. K. Sen		5.19		*4.93*
	Mr. M. V. Satish		4.50		*4.32*
	Mr. J. D. Patil		2.28		–
	Total	50.14		*55.82*	
(vii)	Post-employment benefit plan				
(a)	Trust managed provident fund				
(i)	Amount due to:	10.11		*10.63*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		9.47		*10.07*
	Total	10.11		*10.63*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] ***(contd.)***

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2018		*As at 31-3-2017*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(b)	Approved gratuity fund	45.05		*61.75*	
(i)	Amount due to:				
	Larsen & Toubro Officers & Supervisors Gratuity Fund		36.31		*50.05*
	Larsen & Toubro Gratuity Fund		8.75		*11.70*
	Total	45.05		*61.75*	
(c)	Superannuation fund				
(i)	Amount due to	6.74		*7.79*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		6.74		*7.79*
	Total	6.74		*7.79*	
(viii)	Capital commitment given				
	Joint ventures:	0.13		–	
	L&T Special Steels and Heavy Forgings Private Limited		0.13		–
	Total	0.13		–	
(ix)	Revenue commitment given				
	Joint ventures, including:	1237.64		*3403.94*	
	L&T-MHPS Boilers Private Limited		667.58		*2232.20*
	L&T-MHPS Turbine Generators Private Limited		394.67		*1086.15*
	Associates, including:	115.07		*24.73*	
	L&T- Chiyoda Limited		111.24		*21.80*
	Total	1352.71		*3428.67*	
(x)	Revenue commitment received				
	Joint ventures, including:	76.10		*138.67*	
	L&T Deccan Tollways Limited		15.24		*25.95*
	L&T Infrastructure Development Projects Limited		13.70		*60.00*
	Krishnagiri Walajahpet Tollway Limited		13.63		–
	L&T Samakhiali Gandhidham Tollway Limited		13.08		*12.80*
	L&T BPP Tollway Limited		20.43		*26.27*
	Total	76.10		*138.67*	
(xi)	Provision for doubtful debts on outstanding balances in respect of				
	Joint ventures, including:	52.73		*32.03*	
	L&T-MHPS Boilers Private Limited		21.84		*1.24*
	PNG Tollway Limited		25.08		*25.10*
	Total	52.73		*32.03*	

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

includes commission due to non-executive directors ₹ 4.11 crore *(as at 31-3-2017: ₹ 3.79 crore)*

Note: 1. All related party contracts / arrangements have been entered on arms' length basis.

2. The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [48]

Disclosure in respect of Leases pursuant to Ind AS 17 "Leases":

(a) Where the Group is a Lessor:

(i) Finance leases:

Assets given under leases mainly include power plant where the Group has agreed to manufacture/construct an asset and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration.

The gross investment in these leases and the present value of minimum lease payments receivable are as under:

₹ crore

Sr. No.	Particulars	Minimum Lease Payments		Present value of minimum lease payments	
		As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
1	Receivable not later than 1 year	1333.70	*1493.73*	307.42	*329.66*
2	Receivable later than 1 year and not later than 5 years	4814.95	*5201.07*	937.55	*841.79*
3	Receivable later than 5 years	17251.74	*19641.82*	8128.44	*8431.59*
	Gross investment in lease (1+2+3)	23400.39	*26336.62*	9373.41	*9603.04*
	Less: Unearned finance income	14026.98	*16733.58*		
	Present value of minimum lease payments receivable	9373.41	*9603.04*		

(ii) Operating leases:

The Group has given certain assets under non-cancellable operating lease, the future minimum lease payments receivable in respect of which are as follows:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
1	Receivable not later than 1 year	89.75	*79.35*
2	Receivable later than 1 year and not later than 5 years	97.44	*71.09*
3	Receivable later than 5 years	10.42	*1.45*
	Total	197.61	*151.89*

(b) Where the Group is a Lessee:

(i) Finance leases:

A. Assets acquired on finance lease comprises of motor vehicles and land. There are no exceptional/restrictive covenants in the lease agreements.

B. The minimum lease rentals and the present value thereof in respect of assets acquired under finance leases are as follows:

₹ crore

Sr. No.	Particulars	Minimum Lease Payments		Present value of minimum lease payments	
		As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
1	Payable not later than 1 year	0.20	*0.67*	0.20	*0.60*
2	Payable later than 1 year and not later than 5 years	0.02	*0.22*	–	*0.19*
3	Payable later than 5 years	0.14	*0.13*	0.06	*0.06*
	Total	0.36	*1.02*	0.26	*0.85*
	Less: Future Finance Charges	0.10	*0.17*		
	Present value of minimum lease payments	0.26	*0.85*		

C. Contingent Rent recognised in the Statement of Profit and Loss: ₹ Nil *(previous year: ₹ Nil)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [48] ***(contd.)***

ii) Operating leases:

a. The Group has taken various commercial premises and plant and equipment under cancellable operating leases.

b. [A] The Group has taken certain assets on non-cancellable operating leases, the future minimum lease payments in respect of which are as follows:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
1	Payable not later than 1 year	202.78	*193.65*
2	Payable later than 1 year and not later than 5 years	585.07	*629.95*
3	Payable later than 5 years	131.06	*220.86*
	Total	918.91	*1044.46*

[B] The lease agreements provide for an option to the Group to renew the lease period at the end of the non-cancellable period.

There are no exceptional / restrictive covenants in the lease agreements.

c. Lease rental expense in respect of operating leases: ₹ 425.48 crore *(previous year: ₹ 453.43 crore)*

d. Contingent rent recognised in the Statement of Profit and Loss: ₹ Nil *(previous year: ₹ Nil)*

NOTE [49]

Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earning per Share":

Particulars		2017-18	*2016-17*
Basic EPS			
Profit after tax as per accounts (₹ crore)	A	7369.86	*6041.23*
Weighted average number of equity shares outstanding	B	1,40,06,13,951	*1,39,85,23,545*
Basic EPS (₹)	A/B	52.62	*43.20*
Diluted EPS			
Profit after tax as per accounts (₹ crore)	A	7369.86	*6041.23*
Weighted average number of equity shares outstanding	B	1,40,06,13,951	*1,39,85,23,545*
Add: Weighted average number of potential equity shares on account of employee stock options	C	35,69,417	*47,40,600*
Weighted average number of equity shares outstanding for diluted EPS	D=B+C	1,40,41,83,368	*1,40,32,64,145*
Diluted EPS (₹)	A/D	52.49	*43.05*
Face value per share (₹)		2.00	*2.00*

The following potential equity shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share.

Particulars	2017-18	*2016-17*
Weighted average number of potential equity shares on account of conversion of foreign currency convertible bonds	95,20,455	*95,20,455*

Note: The basic and diluted EPS and number of potential equity shares on account of conversion of foreign currency convertible bonds for the year 2016-17 have been restated pursuant to the issue of bonus equity shares in the ratio of 1:2 (one bonus equity share of ₹ 2 each for every two equity share of ₹ 2 each held).

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
	Consolidated statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	3609.98	*2899.88*
	Effect of previously unrecognised tax losses and tax offsets used during the current year	(42.62)	*(66.21)*
	Tax expense in respect of earlier years	164.91	*0.68*
		3732.27	*2834.35*
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(509.37)	*(766.30)*
	Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised	(13.39)	*(61.46)*
	Effect on deferred tax balances due to the change in income tax rate	(10.64)	–
		(533.40)	*(827.76)*
	Income tax expense reported in the consolidated statement of profit or loss [(i)+(ii)]	3198.87	*2006.59*
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On re-measurement of defined benefit plans	5.60	*(5.82)*
		5.60	*(5.82)*
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	(0.13)	*(0.13)*
		(0.13)	*(0.13)*
	(ii) Items to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On gain/(loss) on cash flow hedges other than mark to market	(30.00)	*(22.79)*
	On foreign currency translation	(0.49)	–
		(30.49)	*(22.79)*
	(B) Deferred tax expense/(income):		
	Net gain/(loss) on cost of hedging Reserve	0.52	*1.04*
	On Mark-to-Market (MTM) of cash flow hedges	38.38	*241.38*
	On gain/(loss) on fair value of debt securities	2.05	*1.08*
	On foreign currency translation	–	*(2.29)*
		40.95	*241.21*
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	15.93	*212.47*
(c)	Retained earnings:		
	Current income tax	–	*(135.15)*
	Deferred tax	–	*134.85*
	Income tax expense reported in retained earnings	–	*(0.30)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [50] *(contd.)*

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

₹ crore

Sr. No.	Particulars		2017-18	*2016-17*
(a)	**Profit before tax**		11639.16	*8887.36*
(b)	Corporate tax rate as per Income tax Act, 1961		34.608%	*34.608%*
(c)	Tax on accounting profit	(c)=(a)*(b)	4028.08	*3075.74*
(d)	(i) Tax on Income exempt from tax:			
	(A) Dividend income and interest on tax free bonds		(937.39)	*(244.63)*
	(B) Other items		–	*(1.46)*
	(ii) Tax on expense not tax deductible:			
	(A) Corporate Social Responsibility (CSR) expenses		45.76	*41.48*
	(B) Expenses in relation to exempt income		85.15	*20.80*
	(C) Tax on employee perquisites borne by the Group		2.37	*3.38*
	(iii) Weighted deduction on R&D expenditure and deduction u/s 80 IA		(402.85)	*(377.63)*
	(iv) Tax effect on impairment and fair valuation losses recognised on which deferred tax asset (DTA) is not recognised		257.28	*140.06*
	(v) Effect of previously unrecognised tax losses used to reduce tax expense		(56.01)	*(127.67)*
	(vi) Tax effect of losses of current year on which no deferred tax benefit is recognised		749.94	*289.18*
	(vii) Effect of tax paid on foreign source income which is exempt from tax in India u/s 10AA		(258.75)	*(220.74)*
	(viii) Effect on deferred tax due to change in Income tax rate		(10.64)	–
	(ix) Effect of tax benefit on business combination under common control		(226.15)	*(226.15)*
	(x) Additional dividend tax on dividend distributed		34.81	*(141.96)*
	(xi) Tax effect on various other Items		(112.73)	*(223.81)*
	Total effect of tax adjustments [(i) to (xi)]		(829.21)	*(1069.15)*
(e)	**Tax expense recognised during the year**	(e)=(c)-(d)	3198.87	*2006.59*
(f)	**Effective tax Rate**	(f)=(e)/(a)	27.48%	*22.58%*

(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	₹ crore	Expiry year	*₹ crore*	*Expiry year*
Tax losses (Business loss and unabsorbed depreciation)				
- Amount of losses having expiry	2800.85	FY 2019-37	*2527.68*	*FY 2018-37*
- Amount of losses having no expiry	7176.81		*7088.54*	
Tax losses (Capital loss)	4297.09	FY 2019-26	*2645.30*	*FY 2019-25*
Unused tax credits [Minimum Alternate Tax (MAT) credit not recognised]	230.83	FY 2028-33	*151.16*	*FY 2028-32*
Total	14505.58		*12412.68*	

(ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
(a)	Towards provision for diminution in value of investments	1023.29	*350.47*
(b)	Arising out of upward revaluation of tax base of assets (on account of indexation benefit)	2335.48	*2164.85*
	Total	3358.77	*2515.32*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [50] ***(contd.)***

(d) Major components of Deferred Tax Liabilities and Deferred Tax Assets:

₹ crore

Particulars	*Deferred tax liabilities/ (assets) as at 31-3-2017*	Charge/ (credit) to Statement of Profit and Loss	MAT credit utilised	Effect due to acquisition/ disposal/ Held for sale	Charge/(credit) to other comprehensive income	(Credit) to Hedge Reserve (other than through OCI)	Exchange Difference	Deferred tax liabilities/ (assets) as at 31-3-2018
Deferred tax liabilities:								
- Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	*1737.07*	(51.98)	–	(4.77)	–	–	–	1680.32
- Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	*152.17*	(14.06)	–	–	–	–	–	138.11
- Gain on Derivative Transactions to be offered for tax purposes in the year of transfer/ settlement	*125.76*	(11.15)	–	–	9.89	–	–	124.50
- Other items giving rise to temporary differences	*200.88*	43.88	–	22.63	0.01	–	(1.52)	265.88
Deferred tax liabilities:	*2215.88*	(33.31)	–	17.86	9.90	–	(1.52)	2208.81
Offsetting of deferred tax liabilities with deferred tax (assets)	*(1604.93)*							(1570.89)
Net Deferred tax liabilities	*610.95*							637.92
Deferred tax (assets):								
- Provision for doubtful debts, advances and non-performing assets debited to Statement of Profit and Loss	*(1709.58)*	(508.91)	–	0.97	–	–	–	(2217.52)
- Unpaid statutory liabilities	*(238.11)*	1.33	–	–	–	–	–	(236.78)
- Unabsorbed depreciation	*(369.98)*	36.17	–	–	–	–	–	(333.81)
- Carried forward tax losses	*(114.93)*	22.72	–	(0.01)	–	–	–	(92.22)
- Unutilised MAT credit	*(660.10)*	2.29	90.88	1.25	–	–	–	(565.68)
- Loss on derivative transactions to be claimed for tax purposes in the year of transfer/ settlement	*(44.00)*	(2.54)	–	–	25.92	–	–	(20.62)
- Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	*(44.46)*	31.09	–	0.22	–	–	–	(13.15)
- Other items giving rise to temporary differences	*(159.92)*	(82.24)	–	9.90	5.00	(0.15)	4.32	(223.09)
Deferred tax (assets):	*(3341.08)*	(500.09)	90.88	12.33	30.92	(0.15)	4.32	(3702.87)
Offsetting of deferred tax (assets) with deferred tax liabilities	*1604.93*							1570.89
Net Deferred tax (assets)	*(1736.15)*							(2131.98)
Net deferred tax liability/(assets)	*(1125.20)*	(533.40)	90.88	30.19	40.82	(0.15)	2.80	(1494.06)

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [51]

Disclosures pursuant to Ind AS 103 "Business Combinations":

(a) Acquisition of Syncordis Group

(i) On December 15, 2017, the Group has acquired 100% stake in Syncordis S.A, Luxembourg, along-with its fully owned subsidiaries viz. Syncordis France SARL, Syncordis Ltd and Syncordis PSF S.A. operating in the IT & Technology Services segment. Additionally, on December 11, 2017, the Group has acquired 100% stake in Syncordis Software Services India Private Limited, a wholly owned subsidiary of Syncordis S.A., Luxembourg.

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

₹ crore

	Syncordis Software Services India Private Limited		Syncordis S.A. Luxembourg (Consolidated)	
Assets				
Non-current assets				
Customer Relationships				18.09
Other non-current assets		0.26		1.14
Current assets				
Trade receivables	0.37		31.76	
Cash and bank balances	0.57		27.65	
Short term loans	0.11		–	
Other current assets	0.04	1.09	12.68	72.09
Total Assets		1.35		91.32
Liabilities				
Non-current Liabilities				
Deferred Tax Liabilities				6.26
Current Liabilities				
Trade payables	0.18		13.18	
Other current liabilities	–		45.66	
Provisions	–	0.18	0.36	59.20
Total Liabilities		0.18		65.46
Net Assets acquired		1.17		25.86

(iii) Calculation of Goodwill:

₹ crore

	Syncordis Software Services India Private Limited	Syncordis S.A. Luxembourg (Consolidated)
Purchase consideration:		
Cash (A)	2.66	111.94
Present Value of contingent consideration payable over future years (B)*	–	87.96
Total purchase consideration (C=A+B)	2.66	199.90
Less: Fair value of net assets acquired	1.17	25.86
Goodwill	1.49	174.04

* Gross amount of contingent consideration payable is ₹ 103.38 crore

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [51] *(contd.)*

(iv) Goodwill is attributable to future growth of business out of synergies from this acquisition and assembled workforce and is not deductible for tax purpose.

(v) These entities have reported revenue of ₹ 50.21 crore and profit after tax of ₹ 5.15 crore from the date of acquisition till March 31, 2018.

(vi) Trade receivables acquired have been collected during the year.

(b) Acquisition of Esencia Group

(i) On June 1, 2017, the Group has acquired 100% stake in Esencia Technologies Inc., USA based company, along-with its fully owned subsidiary viz. Esencia Technologies India Private Limited, operating in the IT & Technology Services segment.

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

₹ crore

	Esencia Technologies Inc.	
Assets		
Non-current assets		
Trademarks	6.24	
Customer Relationships	53.62	
Other non-current assets	0.32	60.18
Current assets		
Inventories	1.13	
Trade receivables	12.95	
Cash and bank balances	4.34	
Other current assets	6.52	24.94
Total Assets		85.12
Liabilities		
Non-current Liabilities		
Deferred Tax Liabilities		22.80
Current Liabilities		
Trade payables	2.75	
Other current liabilities	14.71	17.46
Total Liabilities		40.26
Net Assets acquired		44.86

(iii) Calculation of Goodwill:

₹ crore

	Esencia Technologies Inc.
Purchase consideration:	
Cash (A)	94.23
Present Value of contingent consideration payable over future years (B)*	20.34
Purchase consideration paid (C=A+B)	114.57
Less: Fair value of net assets acquired	44.86
Goodwill	69.71

* Gross amount of contingent consideration payable is ₹ 39.10 crore

NOTE [51] ***(contd.)***

(iv) Goodwill is attributable to future growth of business out of synergies from this acquisition and assembled workforce and is not deductible for tax purpose.

(v) These entities have reported revenue of ₹ 121.73 crore and profit after tax of ₹ 19.58 crore from the date of acquisition till March 31, 2018 . Had the entities been acquired from April 1, 2017, they would have reported revenue of ₹ 142.80 crore and profit after tax of ₹ 24.30 crore during 2017-18.

(vi) Trade receivables acquired have been collected during the year.

(c) Acquisition of L&T Electromech LLC

(i) On August 16, 2017, the Group has acquired 35% stake in Larsen & Toubro Electromech LLC, operating in the Hydrocarbon Segment in Oman. Pursuant to this, the entity has been classified as subsidiary (earlier classified as Joint Venture)

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

₹ crore

Assets		
Non-current assets		29.31
Current assets		
Inventories	2.93	
Trade receivables	80.86	
Cash and bank balances	24.40	
Other current assets	62.83	171.02
Total Assets		200.33
Liabilities		
Current Liabilities		
Short-term borrowings	129.84	
Trade payables	76.24	
Other current liabilities	106.85	
Provisions	19.53	332.46
Total Liabilities		332.46
Net Assets acquired		(132.13)

(iii) Calculation of Capital Reserve:

₹ crore

Fair value of net assets acquired	(132.13)
Less: Acquisition date fair value of net assets (accounted as per equity accounting)	(132.78)
Capital Reserve	0.65

(iv) The entity has reported revenue of ₹ 285.57 crore and profit after tax of ₹ 18.66 crore from the date of acquisition till March 31, 2018 . Had the entity been acquired from April 1, 2017, it would have reported revenue of ₹ 364.39 crore and profit after tax of ₹ 24.20 crore during 2017-18.

(v) Trade receivables acquired have been collected during the year.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [52]

Disclosures pursuant to Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations":

(a) The Group has following non-current assets/disposal group recognised as held for sale as on March 31, 2018:

Assets/Disposal Group	**Reportable Segment**
Port operation (Marine Infrastructure Developer Private Limited)	Developmental Projects
Non-current Assets (L&T Financial Consultants Limited)	Financial Services
Current Assets (L&T Vision Ventures Limited)	Others

(b) The Group has following non-current assets/disposal group recognised as held for sale as on March 31, 2017:

Assets/Disposal Group	**Reportable Segment**
Port operation (Marine Infrastructure Developer Private Limited)	Developmental Projects
Ready Mix Concrete unit (Larsen & Toubro Readymix & Asphalt Concrete Industries LLC)	Infrastructure
Non-current assets at Talegaon (L&T Cutting Tools Limited)	Others
Non-current Assets (L&T Aviation Services Private Limited)	Others
Non-current Assets (L&T Financial Consultants Limited)	Financial Services

(c) The proposed sale are expected to be completed within 1 year from the respective reporting dates.

(d) The details of assets/ disposal group classified as held for sale and liabilities associated thereto are as under:

₹ crore

Particulars	As at 31-3-2018	*As at 31-3-2017*
Group(s) of assets classified as held for sale		
Property, Plant and Equipment	1464.24	*1589.23*
Other Intangible assets	0.58	*1.35*
Inventories	0.48	*2.29*
Trade receivable	2.50	*12.85*
Cash and cash equivalents	0.18	*0.74*
Other assets	44.45	*42.91*
Total	1512.43	*1649.37*
Liabilities associated with group(s) of assets classified as held for sale		
Borrowings	–	*21.00*
Trade payables	–	*19.87*
Provisions	0.90	*4.32*
Tax liabilities (Net)	1.38	*0.33*
Other liabilities	1459.69	*1450.08*
Total	1461.97	*1495.60*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE[53]

Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

(a) Movement in provisions:

₹ crore

Sr. No.	Particulars	Class of provisions						
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation related obligations	Contractual rectification cost-construction contracts	Provision towards constructive obligation	Others**	Total
1	*Balance as at 1-4-2017*	*45.57*	*209.86*	*9.98*	*319.42*	*763.23*	*62.26*	*1410.32*
2	Additional provision during the year	26.89	44.09	–	226.70	–	59.93	357.61
3	Provision used during the year	(12.49)	(34.12)	(0.67)	(1.00)	–	(38.09)	(86.37)
4	Unused provision reversed during the period	(13.26)	(9.44)	(0.64)	(212.21)	(304.99)	(7.72)	(548.26)
5	Translation adjustments	0.05	–	–	0.06		–	0.11
6	Effect due to sale of subsidiary during the period	(1.80)	–	–	–	–	–	(1.80)
7	Additional provision for unwinding of interest and change in discount rate	0.13	–	0.48	0.35	–	0.01	0.97
8	Balance as at 31-3-2018 (1+2+3+4+5+6+7)	45.09	210.39	9.15	333.32	458.24*	76.39	1132.58

* on account of share in loss of a joint venture

** includes liquidated damages/backwork charges adjusted against revenue/manufacturing, construction and operating expenses during the year.

(b) Nature of provisions:

(i) Product warranties: The Group gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2018 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of five years from the date of Balance Sheet.

(ii) Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms for the period prior to five years.

(iii) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

(iv) Contractual rectification cost represents the estimated cost the Group is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under Ind AS 11 "Construction Contracts".

(v) Constructive obligation represents losses absorbed by the group for share of joint venturer/ non-controlling interests in joint ventures/ subsidiaries and own share of losses over and above the investments.

(vi) Liquidated damages represent the estimated cost the Group is likely to incur due to delay in delivery of products as per its contract obligations and accrued on the basis of advice from distributors/customers.

(c) Disclosure in respect of contingent liabilities is given in Note 32.

Notes forming part of the Consolidated Financial Statements (contd.)

[NOTE 54]

Disclosure pursuant to Ind AS 112 "Disclosure of interest in other entities"

(a) Change in the Group's ownership interest in a subsidiary (without ceding control)

(i) On account of divestment of part stake

During the year 2017-18, the Group has sold 0.48% stake in Larsen & Toubro Infotech Limited and 0.46% stake in L&T Technology Services Limited. The proceeds on disposal of ₹ 204.53 crore were received in cash. An amount of ₹ 9.48 crore (being the proportionate share of the carrying amount of the net assets of Larsen & Toubro Infotech Limited and L&T Technology Services Limited) has been transferred to non-controlling interests. The difference of ₹ 195.05 crore between the consideration received and the increase in the non-controlling interests has been credited to retained earnings.

During the year 2016-17, the Group has sold 10.30% stake in Larsen & Toubro Infotech Limited and 10.23% stake in L&T Technology Services Limited. The proceeds on disposal of ₹ 2069.84 crore were received in cash. An amount of ₹ 360.50 crore (being the proportionate share of the carrying amount of the net assets of Larsen & Toubro Infotech Limited and L&T Technology Services Limited) has been transferred to non-controlling interests. The difference of ₹ 1709.34 crore between the consideration received and the increase in the non-controlling interests has been credited to retained earnings.

(ii) On account of dilution

During the year 2017-18, the Group's continuing interest has reduced on account of dilution due to exercise of ESOP by 0.19%, 0.84% and 0.67% in L&T Finance Holdings Limited, in Larsen & Toubro Infotech Limited and in L&T Technology Services Limited respectively. The proceeds on dilution of ₹ 32.26 crore were received in cash. An amount of ₹ 147.18 crore (being the proportionate share of the carrying amount of the net assets of L&T Finance Holdings Limited, in Larsen & Toubro Infotech Limited and in L&T Technology Services Limited) has been transferred to non-controlling interests. The difference of ₹ 114.92 crore between the increase in the non-controlling interests and the consideration received has been debited to retained earnings.

Additionally, during the year 2017-18, the Group's continuing interest has also reduced on account of dilution due to further issue of shares to Qualified Institution Buyer by 2.42% in L&T Finance Holdings Limited after considering the infusion by the Parent Company. The proceeds on dilution of ₹ 1455.79 crore were received in cash (including share warrant money). An amount of ₹ 1377.82 crore (being the proportionate share of the carrying amount of the net assets of L&T Finance Holdings Limited) has been transferred to non-controlling interests. The difference of ₹ 77.97 crore between the consideration received and increase in the non-controlling interests has been credited to retained earnings.

During the year 2016-17, the Group's continuing interest has reduced on account of dilution due to exercise of ESOP by 0.09% and 0.38% in L&T Finance Holdings Limited and in Larsen & Toubro Infotech Limited respectively. The proceeds on dilution of ₹ 11.93 crore were received in cash. An amount of ₹ 21.77 crore (being the proportionate share of the carrying amount of the net assets of L&T Finance Holdings Limited and in Larsen & Toubro Infotech Limited) has been transferred to non-controlling interests. The difference of ₹ 9.84 crore between the increase in the non-controlling interests and the consideration received has been debited to retained earnings.

(iii) The effect of divestment with ceding of control in subsidiary during the period is as under:

₹ crore

Sr. No.	Name of company	Effect on consolidated profit/(loss) after non-controlling interest		Line item in Statement of Profit & Loss in which the gain/(loss) is recognised
		2017-18	*2016-17*	
1	L&T Cutting Tools Limited	136.74	–	Exceptional Items
2	EWAC Alloys Limited	273.40	–	Exceptional Items: ₹ 281.01 crore Current tax: ₹ 7.61 crore
3	Larsen & Toubro Readymix and Asphalt Concrete Industries LLC	3.16	–	Other income
4	L&T General Insurance Company Limited	–	*402.43*	Exceptional Items
5	L&T South City Projects Limited	–	*95.81*	Revenue from operations
	Total	413.30	*498.24*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] *(contd.)*

(b) Disclosure of subsidiaries having material non-controlling interest:

(i) Summarised Statement of Profit and Loss

₹ crore

Particulars	L&T Finance Limited		L&T Infrastructure Finance Company Limited	
	2017-18	*2016-17*	2017-18	*2016-17*
Revenue	4930.71	*4042.46*	2618.19	*2695.39*
Profit/(loss) for the year	116.26	*(37.13)*	138.29	*53.64*
Other comprehensive income	(1.43)	*4.50*	(0.09)	*(1.17)*
Total comprehensive income	114.83	*(32.63)*	138.20	*52.47*
Profit/(loss) allocated to non-controlling Interest	281.64	*196.60*	32.45	*12.10*
Dividend to non-controlling Interest	–	–	–	–

₹ crore

Particulars	L&T Finance Holdings Limited		Larsen & Toubro Infotech Limited	
	2017-18	*2016-17*	2017-18	*2016-17*
Revenue	89.52	*60.82*	7203.05	*6329.75*
Profit/(loss) for the year	266.05	*120.37*	1160.12	*937.56*
Other comprehensive income	0.62	*(0.14)*	(99.41)	*215.95*
Total comprehensive income	266.67	*120.23*	1060.71	*1153.51*
Profit/(loss) allocated to non-controlling Interest	41.31	*(13.94)*	166.99	*119.71*
Dividend to non-controlling Interest	52.16	*46.75*	50.60	*21.60*

(ii) Summarised Balance Sheet

₹ crore

Particulars	L&T Finance Limited		L&T Infrastructure Finance Company Limited	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Current assets (a)	17155.58	*16756.64*	11043.29	*9862.51*
Current liabilities (b)	14635.78	*13500.70*	6498.93	*3640.53*
Net current assets (c)=(a) - (b)	2519.80	*3255.94*	4544.35	*6221.98*
Non-current assets (d)	27048.22	*19066.50*	15291.14	*15151.81*
Non-current liabilities (e)	21256.22	*15535.18*	16250.27	*18199.52*
Net non-current assets (f)=(d) - (e)	5792.00	*3531.32*	(959.13)	*(3047.71)*
Net assets (g)=(c) + (f)	8311.81	*6787.26*	3585.22	*3174.27*
Accumulated Non-Controlling Interest	1031.65	*687.71*	487.14	*470.24*

₹ crore

Particulars	L&T Finance Holdings Limited		Larsen & Toubro Infotech Limited	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Current assets (a)	1251.80	*945.90*	3997.88	*3084.98*
Current liabilities (b)	727.61	*1230.79*	1285.00	*1206.89*
Net current assets (c)=(a) - (b)	524.19	*(284.88)*	2712.88	*1878.09*
Non-current assets (d)	7942.77	*5469.31*	1044.07	*1116.24*
Non-current liabilities (e)	781.30	*1028.15*	38.37	*17.44*
Net non-current assets (f)=(d) - (e)	7161.47	*4441.16*	1005.70	*1098.80*
Net assets (g)=(c) + (f)	7685.66	*4156.28*	3718.58	*2976.89*
Accumulated Non-Controlling Interest	2723.96	*1453.64*	623.93	*467.97*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] *(contd.)*

(iii) Summarised Statement of cash flows

₹ crore

Particulars	L&T Finance Limited		L&T Infrastructure Finance Company Limited	
	2017-18	*2016-17*	2017-18	*2016-17*
Cash flows from operating activities	(9001.93)	*(2479.31)*	(1239.24)	*(315.99)*
Cash flows from investing activities	727.32	*(2508.89)*	495.43	*(209.83)*
Cash flows from financing activities	8328.44	*5085.55*	998.05	*587.03*
Net increase/(decrease) in cash and cash equivalents	53.84	*97.35*	254.24	*61.21*

₹ crore

Particulars	L&T Finance Holdings Limited		Larsen & Toubro Infotech Limited	
	2017-18	*2016-17*	2017-18	*2016-17*
Cash flows from operating activities	(157.92)	*(127.82)*	710.95	*1047.16*
Cash flows from investing activities	(2191.00)	*(56.01)*	(249.52)	*(927.63)*
Cash flows from financing activities	2359.66	*144.09*	(407.49)	*(43.70)*
Net increase/(decrease) in cash and cash equivalents	10.74	*(39.75)*	53.94	*75.84*

NOTE [55]

Disclosures pursuant to Ind AS 112 "Disclosure of interest in other entities" :- Joint Ventures and Associates

(a) Summarised Balance Sheet for material joint ventures:

₹ crore

Particulars		L&T-MHPS Boilers Private Limited		L&T Special Steels and Heavy Forgings Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
		As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Current assets							
Cash and cash equivalents		334.77	*209.49*	0.28	*0.52*	681.31	*2931.87*
Other assets		3371.25	*2991.04*	187.79	*165.32*	3908.19	*2807.33*
Total current assets	(A)	3706.02	*3200.53*	188.07	*165.84*	4589.50	*5739.20*
Total non-current assets	(B)	574.84	*622.09*	1307.31	*1386.16*	18335.37	*17581.97*
Current liabilities							
Financial liabilities (excluding trade payables)		549.38	*419.87*	1434.18	*1414.31*	2249.49	*3090.61*
Other liabilities (including trade payables)		2533.92	*2352.01*	92.49	*57.34*	1196.65	*1206.04*
Total current liabilities	(C)	3083.30	*2771.88*	1526.67	*1471.65*	3446.14	*4296.65*
Non-current liabilities							
Financial liabilities (excluding trade payables)		11.90	*120.86*	550.36	*703.80*	17827.71	*16892.13*
Other liabilities (including trade payables)		–	–	16.92	*17.64*	563.05	*624.55*
Total non-current liabilities	(D)	11.90	*120.86*	567.28	*721.44*	18390.76	*17516.68*
Non-controlling interest	(E)	–	–	–	–	132.04	*151.94*
Net assets	(A+B-C-D-E)	1185.66	*929.88*	(598.57)	*(641.09)*	955.93	*1355.90*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [55] ***(contd.)***

(b) Reconciliation of carrying amounts of material joint ventures:

₹ crore

Particulars	L&T-MHPS Boilers Private Limited		L&T Special Steels and Heavy Forgings Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*	As at 31-3-2018	*As at 31-3-2017*
Opening net assets	929.88	*731.16*	(641.09)	*(384.69)*	1355.90	*1626.46*
Profit/(loss) for the year	241.47	*221.28*	(270.30)	*(254.65)*	(404.05)	*(506.40)*
Adjustment in opening retained earnings due to stake dilution	–	–	–	–	–	*223.03*
Other comprehensive income	14.31	*(22.51)*	1.21	*(1.75)*	(0.79)	*(0.08)*
Infusion during the year	–	–	311.61	–	–	–
Equity component of other financial instruments	–	*(0.05)*	–	–	–	–
Other adjustments	–	–	–	–	4.87	*12.89*
Closing net assets	1185.66	*929.88*	(598.57)	*(641.09)*	955.93	*1355.90*
Group's share in %	51.00%	*51.00%*	74.00%	*74.00%*	97.45%	*97.45%*
Group's share	604.69	*474.24*	(442.94)	*(474.41)*	931.55	*1321.32*
Goodwill	–	–	–	–	393.87	*393.87*
Parent's investment in group companies	–	–	–	–	33.30	*33.30*
Regrouped to provisions	–	–	458.24	*494.77*	–	–
Other adjustments	–	–	(15.30)	*(20.36)*	(47.79)	*16.24*
Carrying amount	604.69	*474.24*	–	–	1310.93	*1764.73*

(c) Summarised Statement of Profit and Loss of material joint ventures:

₹ crore

Particulars	L&T-MHPS Boilers Private Limited		L&T Special Steels and Heavy Forgings Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
	2017-18	*2016-17*	2017-18	*2016-17*	2017-18	*2016-17*
Revenue	2966.52	*2490.66*	127.87	*129.96*	2457.88	*2600.07*
Interest Income	19.22	*27.57*	0.16	*0.12*	9.79	*0.55*
Depreciation and amortisation	(58.63)	*(55.82)*	(49.28)	*(51.10)*	(440.78)	*(356.59)*
Interest expense	(21.25)	*(28.71)*	(179.22)	*(171.58)*	(1608.02)	*(1330.80)*
Income tax expense	(126.70)	*(110.85)*	–	–	(83.97)	*55.44*
Profit/(loss) from continuing operations	241.47	*221.28*	(270.30)	*(254.65)*	(404.05)	*(506.40)*
Profit/(loss) for the year	241.47	*221.28*	(270.30)	*(254.65)*	(404.05)	*(506.40)*
Other comprehensive income	14.31	*(22.51)*	1.21	*(1.75)*	(0.79)	*(0.08)*
Total comprehensive income	255.78	*198.77*	(269.09)	*(256.40)*	(404.84)	*(506.48)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [55] *(contd.)*

(d) Financial Information in respect of individually not material joint ventures/associates

₹ crore

Particulars	As at 31-3-2018	*As at 31-3-2017*
Aggregate carrying amount of investment in individually immaterial joint venture/associates	571.98	*533.93*
Aggregate amounts of the Group's share of:		
Profit/(loss) for the year	77.20	*23.40*
Other comprehensive income for the year	11.65	*(6.63)*
Total comprehensive income for the year	88.85	*16.77*

(e) Carrying amount of investments in joint ventures/associates

₹ crore

Particulars	As at 31-3-2018	*As at 31-3-2017*
Non-material associates	77.10	*104.00*
Non-material joint ventures	494.87	*429.93*
Sub-total	571.97	*533.93*
Material joint ventures	1915.62	*2238.97*
Total	2487.59	*2772.90*

(f) Share in profit/(loss) of joint ventures/associates (net)

₹ crore

Particulars	2017-18	*2016-17*
Non-material associates	18.67	*11.34*
Non-material joint ventures	58.53	*12.06*
Sub-total	77.20	*23.40*
Material joint ventures	(513.06)	*(418.67)*
Total	(435.86)	*(395.27)*

(g) Commitments and contingent liabilities in respect of associates and joint ventures/associates

₹ crore

Particulars	As at 31-3-2018	*As at 31-3-2017*
Commitments-joint ventures		
Commitments to provide funding for joint venture's capital commitments, if called	116.85	*3470.55*
Contingent Liabilities-associates		
Share of contingent liabilities incurred jointly with other investors of the associate	24.49	*24.49*
Contingent Liabilities-joint ventures:		
Share of joint ventures' contingent liabilities in respect of a legal claim lodged against the entity	694.16	*175.35*

NOTE [56]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management

(a) Foreign exchange rate and interest rate risk:

The Group regularly reviews its foreign exchange forward and option positions and interest rate swaps, both on a standalone basis and in conjunction with its underlying foreign currency and interest rate related exposures. The Group follows cash flow hedge accounting for Highly Probable Forecasted Exposures (HPFE) hence the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time the HPFE becomes an on balance sheet exposure, the changes in MTM of the hedge contracts will impact the Balance Sheet of the Group. Further, given the effective horizons of the Group's risk management activities which coincide with the durations of the projects under execution and could extend across 3-4 years and the business uncertainties associated with the timing and estimation of the project exposures, the recognition of the gains and losses related to these instruments may not

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [56] ***(contd.)***

always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may affect the Group's financial condition and operating results. Hence, the Group monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc. on a regular basis. For on balance sheet exposures, the Group monitors the risks on net unhedged exposures.

(i) Foreign exchange rate risk:

In general, the Group is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, will negatively affect the Group's net sales and gross margins as expressed in Indian Rupee. There is a risk that the Group may have to adjust local currency product pricing due to competitive pressures when there have been significant volatility in foreign currency exchange rates.

The Group may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. In addition, the Group has entered, and may enter in the future, into non-designated foreign currency contracts to partially offset the foreign currency exchange gains and losses on its foreign denominated debt issuances. The Group's practice is to hedge a portion of its material net foreign exchange exposures with tenors in line with the project/business life cycle. However, the Group may choose not to hedge certain foreign exchange exposures for a variety of reasons.

The net exposure to foreign currency risk (based on notional amount) in respect of recognised financial assets and recognised financial liabilities and derivatives is as follows:

₹ crore

Particulars	As at 31-3-2018						*As at 31-3-2017*					
	US Dollar including pegged currencies	EURO	Malaysian Ringgit	Canadian Dollar	Japanese Yen	Kuwaiti Dinar	*US Dollar including pegged currencies*	*EURO*	*Malaysian Ringgit*	*Canadian Dollar*	*Japanese Yen*	*Kuwaiti Dinar*
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	(3580.37)	(243.74)	66.84	50.96	(179.21)	78.01	*(4789.18)*	*(614.86)*	*206.76*	*229.37*	*(383.61)*	*394.69*
Derivatives including embedded derivatives for hedging receivable/(payable) exposures with respect to firm commitments and forecast transactions	7260.23	(2192.00)	49.17	–	659.25	1273.26	*8189.99*	*(2720.75)*	*262.73*	*9.09*	*592.60*	*583.17*
Receivable/(payable) exposures with respect to forward contract and embedded derivative not designated as cash flow hedge	(1705.20)	(239.02)	–	–	–	–	*98.55*	*(255.27)*	–	–	–	–

To provide a meaningful assessment of the foreign currency risk associated with the Group's foreign currency derivative positions against off-balance sheet exposures and unhedged portion of on-Balance Sheet financial assets and liabilities, the Group uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian Rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Group uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increase in the fair value of the underlying exposures for on-Balance Sheet exposures. The overnight VAR for the Group at 95% confidence level is ₹ 64.58 crore as at March 31, 2018 and ₹ 75.07 crore as at March 31, 2017.

Actual future gains and losses associated with the Group's investment portfolio and derivative positions may differ materially from the sensitivity analysis performed as at March 31, 2018 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchange rates and the Group's actual exposures and position.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [56] *(contd.)*

(ii) Interest rate risk:

The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt and lending. The Group's outstanding debt in local currency is a combination of fixed rate and floating rate. For the portion of local currency debt on fixed rate basis, there is no interest rate risk. For the portion of local currency debt on floating rate basis, there is a natural hedge with receivables in respect of financial services business. There is a portion of debt that is linked to international interest rate benchmarks like LIBOR. The Group also hedges a portion of these risks by way of derivatives instruments like interest rate swaps and currency swaps.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ crore

Particulars	As at 31-3-2018	*As at 31-3-2017*
Floating rate borrowings	45476.71	*37973.83*

A hypothetical 50 basis point shift in respective currency LIBOR on the unhedged loans would result in a corresponding increase/decrease in interest cost for the Group on a yearly basis, as follows:

₹ crore

Particulars	Impact on profit and loss after tax - Increase/(decrease)		Impact on equity - Increase/(decrease)	
	2017-18	*2016-17*	As at 31-3-2018	*As at 31-3-2017*
Indian Rupee				
Interest rates -increase by 0.50% in INR interest rate*	(25.77)	*(5.30)*	(25.77)	*(5.30)*
Interest rates -decrease by 0.50% in INR interest rate*	25.77	*5.30*	25.77	*5.30*
US Dollar				
Interest rates -increase by 0.50% in USD interest rate*	(20.91)	*(20.44)*	(20.91)	*(20.44)*
Interest rates -decrease by 0.50% in USD interest rate*	20.91	*20.44*	20.91	*20.44*

* Holding all other variables constant

(b) Liquidity risk management:

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The Group uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Group typically invests in money market funds, large debt funds, Government of India securities, equity and equity marketable securities and other highly rated securities under a limits framework which governs the credit exposure to any one issuer as defined in its investment policy. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss. To provide a meaningful assessment of the price risk associated with the Group's investment portfolio, the Group performed a sensitivity analysis to determine the impact of change in prices of the securities that would have on the value of the investment portfolio assuming a 0.50% movement in debt funds and debt securities and a 5% movement in the NAV of the equity and equity marketable securities. Based on the investment position a hypothetical 0.50% change in the fair market value of debt securities would result in a value change of +/- ₹ 24.17 crore as at March 31, 2018 and *+/- ₹ 33.07 crore as at March 31, 2017.* A 5% change in the equity funds NAV would result in a value change of +/- ₹ 17.19 crore as at March 31, 2018 and *+/- ₹ 19.39 crore as at March 31, 2017* respectively. The investments in money market funds are for the purpose of liquidity management only and are held only overnight and hence not subject to any material price risk.

(c) Credit risk management:

(i) Financial service business:

Financial services business has a risk management framework that monitors and ensures that the business lines operate within the defined risk appetite and risk tolerance levels as defined by the senior management. Risk Management function is closely

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [56] ***(contd.)***

involved in management and control of credit risk, portfolio monitoring, market risks including liquidity risk and operational risks. The credit risk function independently evaluates proposals based on well-established sector specific internal frameworks, in order to identify, mitigate and allocate risks as well as to enable risk-based pricing of assets. Regulatory and process risks are identified, mitigated and managed by a separate Group. Risk management policies are made under the guidance of Risk Management Committee and are approved by Board of Directors."

(ii) Other than financial service business:

The Group's customer profile include public sector enterprises, state owned companies and large private corporates. Accordingly, the Group's customer credit risk is low. The Group's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/ corporate guarantees. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realization.

(iii) Reconciliation of loss allowance provision for financial services business -Loans:

₹ crore

Particulars	Loss allowance measured at 12-month ECL	Loss allowance measured at life time ECL	
		Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired
Loss allowance as on 1-4-2016	260.00	456.38	651.18
Provision on new financial assets	151.89	5.14	27.08
Transferred to and from 12-month ECL to life time ECL	76.18	(112.09)	35.91
Higher/(lower) provision on existing financial assets	(145.03)	161.78	920.45
Loss allowance as on 31-3-2017	343.04	511.21	1634.62
Provision on new financial assets	53.47	124.60	648.32
Transferred to and from 12-month ECL to life time ECL	(11.53)	11.53	–
Higher/(lower) provision on existing financial assets	44.28	(97.35)	177.24
Loss allowance as on 31-3-2018	429.26	549.98	2460.18

(iv) Reconciliation of allowance for doubtful debts on trade receivables (other than financial services business):

₹ crore

Particulars	2017-18	*2016-17*
Opening balance	2465.16	*1961.09*
Changes in loss allowance (Provision for doubtful debts):		
Loss allowance based on ECL	41.80	*262.90*
Additional provision	766.51	*378.78*
Write off as bad debts	(373.69)	*(137.61)*
Closing balance [reported under Note 13]	2899.78	*2465.16*

(v) Amounts written off:

₹ crore

Particulars	2017-18	*2016-17*
Amount of financial assets written off during the period but still enforceable	502.61	*4.59*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
I.	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Investment in equity instruments	842.10	*799.20*
	(ii) Investment in preference shares	283.28	*70.88*
	(iii) Investment in mutual funds and units of fund	4514.30	*10356.77*
	(iv) Investment in debentures and bonds	1253.04	*1133.33*
	(v) Derivative instruments not designated as cash flow hedges	17.12	*65.88*
	(vi) Embedded derivatives not designated as cash flow hedges	47.60	*204.77*
	(vii) Investment in security receipts	1016.88	*505.27*
	Sub-total (I)	7974.32	*13136.10*
II.	Measured at amortised cost:		
	(i) Loans	81409.71	*62831.98*
	(ii) Investment in debentures and bonds	429.83	*431.14*
	(iii) Trade receivables	34654.08	*28688.97*
	(iv) Advances recoverable in cash	3428.45	*2109.23*
	(v) Cash and bank balances	8352.84	*5531.21*
	(vi) Other receivables	121.53	*180.87*
	Sub-total (II)	128396.44	*99773.40*
III.	Measured at fair value through Other Comprehensive Income (FVTOCI):		
	(i) Investment in government securities, debentures and bonds	4484.29	*3683.53*
	(ii) Loans	9208.41	*11203.09*
	(iii) Derivative instruments designated as cash flow hedges	865.18	*1359.82*
	(iv) Embedded derivative designated as cash flow hedges	8.72	*3.21*
	Sub-total (III)	14566.60	*16249.65*
	Total (I+II+III)	150937.36	*129159.15*

(b) Category-wise classification for applicable financial liabilities:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	*As at 31-3-2017*
I.	Measured at Fair value through Profit or Loss (FVTPL):		
	(i) Derivative instruments not designated as cash flow hedges	21.44	*22.73*
	(ii) Embedded derivatives not designated as cash flow hedges	47.11	*133.20*
	Sub-total (I)	68.55	*155.93*
II.	Measured at amortised cost:		
	(i) Borrowings	107524.08	*93953.95*
	(ii) Trade payables	37794.96	*30294.86*
	(iii) Others	4798.61	*4252.63*
	Sub-total (II)	150117.65	*128501.44*
III.	Derivative instruments (including embedded derivatives) through Other Comprehensive Income:		
	(i) Derivative instruments designated as cash flow hedges	170.18	*559.99*
	(ii) Embedded derivatives designated as cash flow hedges	164.12	*83.98*
	Sub-total (III)	334.30	*643.97*
IV.	Financial guarantee contracts	1.48	*2.20*
	Total (I+II+III+IV)	150521.98	*129303.54*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] ***(contd.)***

(c) Items of income, expenses, gains or losses related to financial instruments:

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
I.	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Profit or Loss and amortised cost:		
A.	(i) Financial asset or financial liabilities mandatorily measured at fair value through profit and loss:		
	1. Gains/(losses) on fair valuation or sale of Investments	(2160.12)	*(71.70)*
	2. Gains/(losses) on fair valuation/settlement of derivatives:		
	(a) Gains/(losses) on fair valuation or settlement of forward contracts not designated as cash flow hedges	59.41	*77.33*
	(b) Gains/(losses) on fair valuation or settlement of embedded derivative contracts not designated as cash flow hedges	28.22	*(36.27)*
	(c) Gains/(losses) on fair valuation or settlement of futures not designated as cash flow hedges	(125.74)	*(56.89)*
	Sub-total (A)	(2198.23)	*(87.53)*
B.	Financial assets measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	220.53	*(299.68)*
	(ii) (Allowance)/reversal for expected credit loss during the year	(946.71)	*(1333.76)*
	(iii) Provision for doubtful debts (other than ECL)[net]	(776.89)	*(356.46)*
	(iv) Gains/(losses) on derecognition:		
	(a) Bad debts written off [net]	(557.29)	*(88.11)*
	(b) Gains/(losses) on transfer of financial assets (non-recourse)	(477.26)	*(339.01)*
	Sub-total (B)	(2537.62)	*(2417.02)*
C.	Financial liabilities measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade payables, borrowings availed etc.)	(172.42)	*276.69*
	(ii) Unclaimed credit balances written back	128.76	*132.89*
	Sub-total (C)	(43.66)	*409.58*
	Total [I] = (A+B+C)	(4779.51)	*(2094.97)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] ***(contd.)***

₹ crore

Sr. No.	Particulars	2017-18	*2016-17*
II.	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Other Comprehensive Income:		
A.	Gains recognised in Other Comprehensive Income:		
	(i) Financial assets measured at fair value through Other Comprehensive Income:		
	(a) Gains/(losses) on fair valuation or sale of government securities, bonds, debentures etc.	(51.18)	*105.14*
	(ii) Derivative measured at fair value through Other Comprehensive Income:		
	(b) Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	640.56	*349.57*
	(c) Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	(82.38)	*(90.05)*
	Sub-total (A)	507.00	*364.66*
	Less:		
B.	Gains reclassified to Profit and Loss from Other Comprehensive Income		
	(i) Financial assets measured at fair value through Other Comprehensive Income:		
	1. On government securities, bonds, debentures etc. upon sale	(5.70)	*110.46*
	(ii) Derivative measured at fair value through Other Comprehensive Income:		
	2. On forward contracts upon hedged future cash flows affecting the Profit and Loss or related assets or liabilities	434.30	*(40.70)*
	3. On embedded derivative contracts upon hedged future cash flows affecting the Profit and Loss or related assets or liabilities	(150.25)	*(37.64)*
	Sub-total (B)	278.35	*32.12*
	Net gains recognised in Other Comprehensive Income [II]=[(A)-(B)]	228.65	*332.54*
C.	(i) Allowance/(reversal) for ECL recognised during the year in the Statement of Profit and Loss	(35.23)	*(50.45)*
	Total [II] = (A-B+C)	193.42	*282.09*
III.	Interest and Other income/(expense):		
A.	Dividend Income:		
	Dividend income from investments measured at FVTPL	2748.08	*748.63*
	Sub-total (A)	2748.08	*748.63*
B.	Interest Income:		
	(i) Financial assets measured at amortised cost	10049.39	*8651.44*
	(ii) Financial assets measured at fair value through Other Comprehensive Income	981.94	*834.75*
	(iii) Financial assets measured at fair value through Profit or Loss	8.20	*118.15*
	Sub-total (B)	11039.53	*9604.34*
C.	Interest expense:		
	(i) Financial liabilities measured at amortised cost	(6969.13)	*(6112.21)*
	(ii) Derivative instruments (including embedded derivatives) that are measured at fair value through Other Comprehensive Income (reclassified to Profit and Loss during the year)	(266.60)	*(401.21)*
	(iii) Financial liabilities measured at fair value through Profit or Loss	(15.48)	*8.04*
	Sub-total (C)	(7251.21)	*(6505.38)*
	Total [III] = (A+B+C)	6536.40	*3847.59*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] *(contd.)*

(d) Fair value of financial assets and financial liabilities measured at amortised cost:

₹ crore

Particulars	Note	As at 31-3-2018		*As at 31-3-2017*	
		Carrying amount	Fair value	*Carrying amount*	*Fair value*
Financial assets (financial services business):					
Loans	7,8,16,17	63382.87	63124.23	*45576.25*	*45692.68*
Debentures and Bonds	6,12	429.83	433.95	*431.14*	*431.14*
Total		63812.70	63558.18	*46007.39*	*46123.82*
Financial liabilities:					
Borrowings	22,26,27	44982.93	46046.29	*37192.96*	*38131.76*
Total		44982.93	46046.29	*37192.96*	*38131.76*

Note: The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of loans given and borrowings taken for short term or at floating rate of interest are considered to be close to the fair value. Accordingly these items have not been included in the above table.

(e) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

₹ crore

As at 31-3-2018	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets (financial services business):					
Loans	8995.06	35298.14	18831.03	63124.23	Discounted cash flow
Debentures and Bonds	–	84.94	349.01	433.95	Discounted cash flow
Total	8995.06	35383.08	19180.04	63558.18	
Financial Liabilities:					
Borrowings	811.49	11945.77	33289.03	46046.29	Discounted cash flow
Total	811.49	11945.77	33289.03	46046.29	

₹ crore

As at 31-3-2017	*Level 1*	*Level 2*	*Level 3*	*Total*	*Valuation technique for level 3 items*
Financial assets (financial services business):					
Loans	*8872.64*	*21467.35*	*15352.69*	*45692.68*	*Discounted cash flow*
Debentures and Bonds	–	*86.26*	*344.88*	*431.14*	*Discounted cash flow*
Total	*8872.64*	*21553.61*	*15697.57*	*46123.82*	
Financial Liabilities:					
Borrowings	*817.04*	*13927.57*	*23387.15*	*38131.76*	*Discounted cash flow*
Total	*817.04*	*13927.57*	*23387.15*	*38131.76*	

Valuation technique Level 2: Future cash flows discounted using G-sec/LIBOR rates plus corporate spread.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] *(contd.)*

(f) Fair value hierarchy of financial assets and financial liabilities at fair value:

₹ crore

Particulars	Note	As at 31-3-2018				*As at 31-3-2017*			
		Level 1	Level 2	Level 3	Total	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets:									
Financial assets at FVTPL:									
(i) Equity shares	6, 12	101.31	–	740.79	842.10	*48.00*	–	*751.20*	*799.20*
(ii) Preference shares	6, 12	–	217.73	65.55	283.28	–	–	*70.88*	*70.88*
(iii) Mutual fund	6, 12	4385.66	–	–	4385.66	*10244.89*	–	–	*10244.89*
(iv) Debt instruments viz. government securities, bonds and debentures	6, 7, 12	424.46	–	828.60	1253.06	*202.33*	*35.65*	*895.35*	*1133.33*
(v) Derivative instruments not designated as cash flow hedges	9,18	–	17.12	–	17.12	–	*65.88*	–	*65.88*
(vi) Embedded derivative instruments not designated as cash flow hedges	9,18	–	47.60	–	47.60	–	*204.77*	–	*204.77*
(vii) Other investments		–	116.47	1029.03	1145.50	–	–	*617.13*	*617.13*
Financial assets at FVTOCI									
(i) Debt instruments viz. government securities, bonds and debentures	6, 7, 12	2849.72	2.10	1632.47	4484.29	*1772.82*	*562.22*	*1348.50*	*3683.55*
(ii) Loans (financial services business)	8,17	–	–	9208.41	9208.41	–	–	*11203.09*	*11203.09*
(iii) Derivative financial instruments designated as cash flow hedges	9,18	–	865.18	–	865.18	–	*1359.82*	–	*1359.82*
(iv) Embedded derivative financial instruments designated as cash flow hedges	9,18	–	8.72	–	8.72	–	*3.21*	–	*3.21*
Total		7761.15	1274.92	13504.85	22540.92	*12268.04*	*2231.55*	*14886.15*	*29385.75*
Financial Liabilities:									
Financial liabilities at FVTPL:									
(i) Designated at FVTPL:									
(a) Derivative instruments not designated as cash flow hedges	23,29	–	21.44	–	21.44	–	*22.73*	–	*22.73*
(b) Embedded derivative instruments not designated as cash flow hedges	23,29	–	47.11	–	47.11	–	*133.20*	–	*133.20*
(ii) Designated at FVTOCI:									
(a) Derivative financial instruments designated as cash flow hedges	23,29	–	170.19	–	170.19	–	*559.99*	–	*559.99*
(b) Embedded derivative financial instruments designated as cash flow hedges	23,29	–	164.12	–	164.12	–	*83.98*	–	*83.98*
Total		–	402.86	–	402.86	–	*799.90*	–	*799.90*

Valuation technique and key inputs used to determine fair value:

A. Level 1: Mutual funds, bonds, debentures and government securities - quoted price in the active market

B. Level 2: (a) Derivative Instruments – Present value technique using forward exchange rates at the end of reporting period.
(b) Preference share – Future cash flows are discounted using G-sec rates as at reporting date.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] *(contd.)*

(g) Movement of items measured using unobservable inputs (Level 3):

₹ crore

Particulars	Equity shares	Preference shares	Debt instruments	Loans	Other Investments	Total
Balance as at 1-4-2016	498.63	157.62	858.17	5372.28	229.30	7116.00
Addition during the year	253.52	6.02	1295.46	11203.09	411.19	13169.28
Disposal during the year	–	(62.50)	(14.84)	(5372.28)	(7.74)	(5457.36)
Gains/(losses) recognised in Profit or Loss	(0.95)	(30.26)	105.06	–	(15.62)	58.23
Balance as at 31-3-2017	751.20	70.88	2243.85	11203.09	617.13	14886.15
Addition during the year	143.66	–	1714.92	6962.71	438.36	9259.65
Disposal during the year	(163.17)	–	(1474.61)	(8957.39)	(9.61)	(10604.78)
Gains/(losses) recognised in Profit or Loss	9.10	(5.33)	(23.09)	–	(16.85)	(36.17)
Balance as at 31-3-2018	740.79	65.55	2461.07	9208.41	1029.03	13504.85

(h) Sensitivity disclosure for level 3 fair value measurements:

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	As at 31-03-2018	*As at 31-03-2017*		
	₹ crore			
Equity shares	655.47	*674.21*	Book value	2018: Increase/decrease of 5% in the book value would result in impact on profit or loss by ₹ 24.48 crore 2017: Increase/decrease in the book value by 5% would result in impact on profit or loss by ₹ 24.95 crore
	64.27	*55.94*	1. Lease realisation: Net realization per month ₹ 30 per sq/ft. 2. Capitalisation rate 12%"	2018: 1% change in net realization would result in +/- ₹ 0.38 crore (post tax- ₹ 0.25 crore) 25 bps change in capitalization rate would result in +/- ₹ 0.78 crore (post tax- ₹ 0.51 crore) 2017: 1% change in net realization would result in +/- ₹ 0.31 crore (post tax- ₹ 0.20 crore) 25 bps change in capitalization rate would result in +/- ₹ 0.64 crore (post tax- ₹ 0.42 crore)
	21.05	*21.05*	Cost	Sensitivity is insignificant
Preference shares	65.55	*70.88*	Book value	2018: Increase/decrease in the book value by 5% would result in impact on profit or loss by ₹ 3.07 crore 2017: Increase/decrease in the book value by 5% would result in impact on profit or loss by ₹ 3.27 crore
Debt instruments	2461.07	*2243.85*	Expected yield	2018: Increase/(decrease) in expected yield by 0.25% would result in impact on fair valuation by ₹ 43.65 crore and (₹ 43.63 crore) respectively 2017: Increase/(decrease) in expected yield by 0.25% would result in impact on fair valuation by ₹ 36.20 crore and (₹ 36.13 crore) respectively
Loans	9208.41	*11203.09*	Market interest rates	2018: Increase/(decrease) in market interest rates by 0.25% would result in impact on fair valuation by (₹ 24.24 crore) and ₹ 24.73 crore respectively 2017: Increase/(decrease) in market interest rates by 0.25% would result in impact on fair valuation by (₹ 31.31 crore) and ₹ 32.09 crore respectively
Other Investments	1029.03	*617.13*	Net Assets Value (NAV)	2018: Increase/decrease in the NAV by 5% would result in impact on profit or loss ₹ 33.65 crore 2017: Increase/decrease in the NAV by 5% would result in impact on profit or loss ₹ 20.18 crore

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] *(contd.)*

(i) Maturity profile of financial liabilities based on undiscounted cash flows:

₹ crore

Particulars	Note	As at 31-3-2018			*As at 31-3-2017*		
		Within twelve month	After twelve month	Total	*Within twelve month*	*After twelve month*	*Total*
A. Non-derivative liabilities:							
Borrowings	22,26,27	36008.78	87432.40	123441.18	*27643.99*	*79975.57*	*107619.56*
Trade payables	28	37030.83	764.44	37795.27	*28846.78*	*1450.36*	*30297.14*
Other financial liabilities	23,29	3142.21	1730.27	4872.48	*4368.85*	*194.69*	*4563.54*
Total		76181.82	89927.11	166108.93	*60859.62*	*81620.62*	*142480.24*
B. Derivative liabilities:							
Forward contracts	23,29	176.76	21.99	198.75	*545.71*	*47.72*	*593.43*
Embedded derivatives	23,29	136.50	89.29	225.79	*193.81*	*36.44*	*230.25*
Total		313.26	111.28	424.54	*739.52*	*84.16*	*823.68*

(j) Details of outstanding hedge instruments for which hedge accounting is followed:

(i) Outstanding currency exchange rate hedge instruments:

(A) Forward covers taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(a) Receivable hedges								
US Dollar	15955.20	69.64	10243.19	5712.01	*13970.76*	*70.07*	*8620.33*	*5350.43*
EURO	1823.48	85.20	1210.15	613.33	*1439.43*	*83.83*	*916.91*	*522.52*
Malaysian Ringgit	138.38	17.07	138.38	–	*331.20*	*14.86*	*331.20*	–
Omani Riyal	301.94	179.55	301.94	–	*324.75*	*172.04*	*309.74*	*15.01*
Arab Emirates Dirham	1414.98	18.11	1411.17	3.81	*1229.22*	*17.59*	*1029.47*	*199.75*
Canadian Dollar	56.96	56.96	56.96	–	*34.97*	*52.43*	*34.97*	–
British Pound	68.97	97.34	68.97	–	*70.50*	*90.97*	*70.50*	–
Japanese Yen	923.19	0.65	889.42	33.77	*845.50*	*0.66*	*467.82*	*377.68*
Kuwaiti Dinar	2039.77	222.73	1698.31	341.46	*1424.98*	*224.64*	*1401.83*	*23.15*
Qatari Riyal	1476.18	18.55	1253.61	222.57	*1184.17*	*15.58*	*1061.92*	*122.25*
Australian Dollar	25.90	56.32	25.90	–	*40.62*	*50.78*	*40.62*	–
South African Rand	102.69	5.40	102.69	–	*139.95*	*5.13*	*79.93*	*60.02*
Danish Krone	9.87	12.34	9.87	–	–	–	–	–
Norwegian Krone	16.91	9.39	16.91	–	–	–	–	–
Thai Baht	1.43	2.12	1.43	–	–	–	–	–
Swedish Krona	27.03	9.32	27.03	–	–	–	–	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] ***(contd.)***

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(b) Payable hedges								
US Dollar	13132.22	67.43	7440.61	5691.61	*9966.62*	*63.31*	*8641.16*	*1325.46*
EURO	4954.52	80.88	4884.77	69.75	*4103.84*	*73.31*	*3957.06*	*146.78*
Arab Emirates Dirham	0.75	17.86	0.75	–	*7.24*	*18.11*	*7.24*	–
British Pound	75.61	91.99	51.53	24.08	*23.18*	*84.46*	*23.18*	–
Japanese Yen	337.91	0.62	337.91	–	*1150.03*	*0.72*	*845.92*	*304.11*
Kuwaiti Dinar	760.92	219.15	760.92	–	*786.31*	*220.22*	*786.31*	–
Swiss Franc	417.42	74.49	417.42	–	*279.05*	*67.45*	*279.05*	–
Chinese Yuan	26.03	10.32	26.03	–	*63.51*	*9.63*	*63.51*	–
Swedish Krona	16.56	8.83	16.56	–	–	–	–	–
Norwegian Krone	8.03	8.74	7.00	1.02	*9.56*	*8.80*	*6.10*	*3.46*

(B) Options taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
Receivable hedges								
US Dollar	–	–	–	–	*138.13*	*64.85*	*138.13*	–

(C) Forward covers taken to hedge exchange rate risk and accounted as net investment hedge:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
Receivable hedges								
Saudi Riyal	187.39	17.43	187.39	–	*785.74*	*19.44*	*27.79*	*757.95*
US Dollar	28.73	71.83	–	28.73	–	–	–	–

(ii) Outstanding interest rate hedge instruments:

Interest rate swaps taken to hedge interest rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (%)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
Floating interest rate borrowings	773.58	7.48	524.94	248.64	*2038.16*	*7.88*	*1107.12*	*931.04*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] *(contd.)*

(iii) Outstanding commodity price hedge instruments:

Commodity forward Contract:

Particulars	As at 31-3-2018				*As at 31-3-2017*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
Copper (Tn)*	(193.29)	486405.65	(193.29)	–	*106.78*	*353806.93*	*106.78*	–
Aluminium (Tn)	266.11	138402.62	266.11	–	*27.96*	*119901.16*	*27.96*	–
Iron Ore (Tn)	60.65	4055.89	60.65	–	*71.66*	*3592.00*	*43.19*	*28.47*
Coking Coal (Tn)	33.91	11958.33	33.91	–	*50.40*	*11494.00*	*42.07*	*8.33*
Zinc (Tn)	19.76	222813.00	19.76	–	*0.23*	*150777.00*	*0.23*	–
Lead (Tn)	10.99	160606.00	10.99	–	*9.53*	*177153.00*	*9.53*	–

*Negative nominal amount represents sell position.

(k) Carrying amounts of hedge instruments for which hedge accounting is followed:

(A) Cash flow hedge:

₹ crore

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	538.62	(0.25)	25.18	*630.41*	*(0.34)*	*29.03*
Liability - Other financial liabilities	197.60	–	23.19	*559.96*	–	*(4.66)*
Non-current:						
Asset - Other financial assets	219.76	(0.48)	–	*408.33*	*(0.17)*	*3.34*
Liability - Other financial liabilities	98.81	–	–	*63.21*	–	*1.39*
(ii) Swap contracts						
Current:						
Asset - Other financial assets	66.58	(8.43)	–	*127.37*	*(1.38)*	–
Liability - Other financial liabilities	12.57	–	–	*20.60*	–	–
Non-current:						
Asset - Other financial assets	21.02	(3.65)	–	*116.91*	*(15.69)*	–
Liability - Other financial liabilities	–	–	–	–	–	–
(iii) Option contracts						
Current:						
Asset - Other financial assets	–	–	–	–	–	–
Liability - Other financial liabilities	–	–	–	*3.47*	–	–
Non-current:						
Asset - Other financial assets	–	–	–	–	–	–
Liability - Other financial liabilities	–	–	–	–	–	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] ***(contd.)***

(B) Net Investment hedge:

₹ crore

Particulars	As at 31-3-2018			*As at 31-3-2017*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	14.63	–	–	*1.47*	–	–
Liability - Other financial liabilities	2.15	–	–	–	–	–
Non-current:						
Asset - Other financial assets	0.91	–	–	*63.75*	–	–

(l) Breakup of cash flow hedging reserve and cost of hedging reserve:

₹ crore

Particulars	As at 31-3-2018		*As at 31-3-2017*	
	Cash flow hedging reserve	Cost of hedging reserve	*Cash flow hedging reserve*	*Cost of hedging reserve*
Balance towards continuing hedges	240.83	(11.45)	*329.86*	*(12.10)*
Balance for which hedge accounting discontinued	208.39	–	*29.76*	–

(m) Reclassification of hedging reserve and cost of hedging reserve to Profit or Loss:

₹ crore

Particulars	2017-18	*2016-17*
Future cash flows are no longer expected to occur:		
Revenue from operations	–	*0.52*
Sales, administration and other expenses	(83.81)	*(10.47)*
Hedged expected future cash flows affecting profit or loss:		
Progress Billing	441.59	*212.54*
Revenue from operations	331.25	*241.35*
Manufacturing, construction and operating expenses	(166.29)	*(264.00)*
Finance costs	(267.43)	*(412.17)*
Other Income	0.03	–
Sales, administration and other expenses	203.70	*(34.78)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] *(contd.)*

(n) Movement of hedging reserve and cost of hedging reserve:

₹ crore

Hedging reserve	2017-18	*2016-17*
Opening balance	359.62	*59.24*
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedges	(4.49)	*(154.69)*
Changes in fair value of forward contracts designated as hedging instruments	719.83	*673.53*
Changes in intrinsic value of option contracts	–	*(0.07)*
Changes in fair value of swaps	(151.83)	*(67.87)*
Amount reclassified to Profit or Loss	(211.57)	*183.49*
Amount included in non-financial asset/liability	1.24	*(1.39)*
Amount included in Progress Billing in balance sheet	(255.20)	*(114.03)*
Taxes related to above	(8.38)	*(218.59)*
Closing balance	449.22	*359.62*

₹ crore

Cost of hedging reserve	2017-18	*2016-17*
Opening balance	(12.09)	*(15.23)*
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	(5.33)	*(191.38)*
Less: Included in carrying amount of hedge item	–	*(3.39)*
Amount reclassified to Profit or Loss	6.49	*198.94*
Taxes related to above	(0.52)	*(1.04)*
Closing balance	(11.45)	*(12.10)*

NOTE [58]

Value of financial assets and inventories pledged as collateral for liabilities and/or commitments and/or contingent liabilities:

₹ crore

Particulars	As at 31-3-2018	*As at 31-3-2017*
Current:		
Investments	1202.00	*1400.63*
Inventories and trade receivables	11382.72	*10120.27*
Cash and cash equivalents	1257.08	*319.97*
Loans	4579.09	*2664.10*
Other assets	650.94	*848.83*
Total inventories and current financial assets pledged as security	19071.83	*15353.80*
Non-current:		
Loans	26397.11	*33711.73*
Other assets	26.10	*180.51*
Total non-current financial assets pledged as security	26423.21	*33892.24*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59]

Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31-3-2018:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Parent Company								
Larsen and Toubro Limited	88.35%	49174.26	73.10%	5387.30	(31.38%)	(50.94)	70.85%	5336.36
Indian Subsidiaries								
Infrastructure:								
Hi-Tech Rock Products and Aggregates Limited	0.02%	11.04	0.03%	1.83	0.00%	–	0.02%	1.83
L&T Geostructure LLP	0.11%	63.21	0.42%	31.09	0.00%	–	0.41%	31.09
L&T Infrastructure Engineering Limited	0.07%	40.19	0.02%	1.47	(0.17%)	(0.28)	0.02%	1.19
Heavy Engineering:								
L&T Cassidian Limited	0.00%	–	0.00%	(0.03)	0.00%	–	0.00%	(0.03)
Hydrocarbon:								
L&T Hydrocarbon Engineering Limited	3.61%	2009.85	5.50%	405.62	81.23%	131.86	7.14%	537.48
IT & Technology Services:								
Larsen & Toubro Infotech Limited	6.68%	3718.58	15.74%	1160.12	(61.24%)	(99.41)	14.08%	1060.71
L&T Technology Services Limited	3.53%	1965.34	6.64%	489.38	13.36%	21.69	6.79%	511.07
L&T Thales Technology Services Private Limited	0.00%	(0.26)	0.03%	2.27	0.11%	0.18	0.03%	2.45
Syncordis Software Services India Private Limited	0.00%	1.37	0.00%	0.19	0.00%	–	0.00%	0.19
Esencia Technologies India Private Limited	0.00%	0.56	0.00%	0.11	0.01%	0.02	0.00%	0.13
Financial Services:								
L&T Capital Markets Limited	0.10%	53.00	0.44%	32.40	(0.31%)	(0.50)	0.42%	31.90
L&T Finance Holdings Limited	13.81%	7685.66	3.61%	266.05	0.38%	0.62	3.54%	266.67
L&T Housing Finance Limited	2.46%	1369.43	2.34%	172.35	0.26%	0.43	2.29%	172.78
L&T Infra Debt Fund Limited	1.67%	929.73	1.89%	138.96	(0.02%)	(0.04)	1.84%	138.92
L&T Infra Investment Partners Advisory Private Limited	0.03%	15.47	0.03%	2.42	0.00%	–	0.03%	2.42
L&T Infra Investment Partners Trustee Private Limited	0.00%	0.05	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
L&T Infrastructure Finance Company Limited	6.44%	3585.22	1.88%	138.29	(0.06%)	(0.09)	1.83%	138.20
L&T Investment Management Limited	0.98%	546.13	0.40%	29.10	(0.70%)	(1.14)	0.37%	27.96
L&T Mutual Fund Trustee Limited	0.00%	1.53	0.00%	(0.06)	0.00%	–	0.00%	(0.06)
L&T Trustee Company Private Limited	0.00%	–	0.00%	0.01	0.00%	–	0.00%	0.01
L&T Financial Consultants Limited	0.11%	63.65	0.27%	19.69	0.00%	–	0.26%	19.69
Mudit Cement Private Limited	(0.03%)	(19.31)	(0.08%)	(5.68)	0.00%	–	(0.08%)	(5.68)
L&T Finance Limited	14.93%	8311.81	1.58%	116.26	(0.88%)	(1.43)	1.52%	114.83
L&T Infra Investment Partners (The Fund)	0.89%	496.45	0.71%	52.51	0.00%	–	0.70%	52.51
Developmental Projects:								
L&T Metro Rail (Hyderabad) Limited	3.84%	2136.91	(0.79%)	(58.36)	11.80%	19.15	(0.52%)	(39.21)
Sahibganj Ganges Bridge-Company Private Limited	0.00%	–	0.00%	–	0.00%	–	0.00%	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Marine Infrastructure Developer Private Limited	0.58%	320.53	(1.09%)	(80.55)	0.03%	0.05	(1.07%)	(80.50)
Power Development:								
L&T Arunachal Hydropower Limited	0.07%	40.58	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
L&T Himachal Hydropower Limited	0.36%	199.77	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
L&T Power Development Limited	5.60%	3116.06	0.00%	0.19	0.00%	–	0.00%	0.19
L&T Uttaranchal Hydropower Limited	1.93%	1072.55	0.00%	0.01	0.00%	–	0.00%	0.01
Nabha Power Limited	5.66%	3147.54	3.33%	245.17	2.23%	3.62	3.30%	248.79
Realty:								
Chennai Vision Developers Private Limited	0.00%	–	0.00%	–	0.00%	–	0.00%	–
L&T Asian Realty Project LLP	1.51%	838.18	(0.05%)	(4.00)	0.00%	–	(0.05%)	(4.00)
L&T Parel Project LLP	0.25%	136.73	1.12%	82.34	0.00%	–	1.09%	82.34
L&T Realty Limited	1.95%	1087.10	0.29%	21.15	0.00%	–	0.28%	21.15
L&T Seawoods Limited	5.44%	3027.95	0.37%	26.96	0.03%	0.05	0.36%	27.01
L&T Vision Ventures Limited	(0.01%)	(4.63)	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
Seawoods Realty Private Limited	0.00%	0.01	0.00%	–	0.00%	–	0.00%	–
Seawoods Retail Private Limited	0.00%	0.01	0.00%	–	0.00%	–	0.00%	–
L&T Electricals and Automation Limited	0.01%	4.47	(0.03%)	(2.07)	0.00%	–	(0.03%)	(2.07)
Valves, Welding Equipment, Construction Equipment and Others:								
L&T Construction Equipment Limited	1.33%	740.78	6.91%	509.40	0.76%	1.24	6.78%	510.64
L&T Cutting Tools Limited	0.00%	–	0.12%	8.93	(0.03%)	(0.05)	0.12%	8.88
L&T Valves Limited	1.03%	575.18	(0.43%)	(31.40)	1.85%	3.00	(0.38%)	(28.40)
EWAC Alloys Limited	0.00%	–	0.29%	21.35	0.00%	(0.01)	0.28%	21.34
Shipbuilding:								
L&T Shipbuilding Limited	(1.45%)	(809.15)	(5.99%)	(441.36)	15.14%	24.58	(5.53%)	(416.78)
Others:								
Bhilai Power Supply Company Limited	0.00%	0.05	0.00%	–	0.00%	–	0.00%	–
L&T Power Limited	0.01%	5.04	0.00%	0.20	0.00%	–	0.00%	0.20
Kesun Iron & Steel Company Private Limited	0.00%	(0.26)	0.00%	–	0.00%	–	0.00%	–
L&T Aviation Services Private Limited	0.06%	35.43	(0.01%)	(0.91)	(0.04%)	(0.06)	(0.01%)	(0.97)
L&T Capital Company Limited	0.03%	16.00	0.08%	5.95	0.00%	–	0.08%	5.95
L&T Infra Contractors Private Limited	0.00%	–	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
Foreign Subsidiaries								
Infrastructure:								
Larsen & Toubro (Oman) LLC	0.71%	392.61	(0.01%)	(0.46)	12.79%	20.76	0.27%	20.30
Larsen & Toubro Qatar LLC	0.00%	0.48	0.00%	(0.08)	0.00%	0.00	0.00%	(0.08)
Larsen & Toubro Saudi Arabia LLC	1.10%	611.65	3.00%	221.21	7.99%	12.97	3.11%	234.18
Larsen & Toubro T&D SA (Proprietary) Limited	0.01%	3.23	0.00%	0.20	0.26%	0.41	0.01%	0.61
Larsen & Toubro Readymix and Asphalt Concrete Industries LLC	0.00%	–	(0.12%)	(8.48)	0.00%	–	(0.11%)	(8.48)

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Heavy Engineering:								
Larsen & Toubro Heavy Engineering LLC	(0.34%)	(190.74)	(1.86%)	(137.34)	(1.06%)	(1.71)	(1.85%)	(139.05)
Hydrocarbon:								
Larsen & Toubro Hydrocarbon International Limited LLC	0.00%	(2.31)	(0.02%)	(1.23)	(0.01%)	(0.02)	(0.02%)	(1.25)
L&T Modular Fabrication Yard LLC	(0.06%)	(35.07)	0.43%	32.03	0.01%	0.01	0.43%	32.04
L&T Overseas Projects Nigeria Limited	0.00%	0.01	0.00%	–	0.00%	(0.00)	0.00%	(0.00)
Larsen Toubro Arabia LLC	(0.71%)	(396.55)	0.28%	20.72	(1.16%)	(1.88)	0.25%	18.84
Larsen & Toubro ATCO Saudi LLC	(0.81%)	(448.24)	(0.02%)	(1.29)	(1.39%)	(2.26)	(0.05%)	(3.55)
Larsen & Toubro Kuwait Construction General Contracting Company WLL	0.00%	(1.13)	0.12%	8.81	(0.04%)	(0.06)	0.12%	8.75
PT Larsen & Toubro Hydrocarbon Engineering Indonesia	0.00%	–	0.00%	–	0.00%	–	0.00%	–
Larsen & Toubro Electromech LLC	(0.21%)	(114.48)	0.25%	18.66	(0.63%)	(1.02)	0.23%	17.64
IT & Technology Services:								
L&T Information Technology Services (Shanghai) Co., Ltd.	0.00%	(0.36)	0.00%	(0.22)	(0.02%)	(0.02)	0.00%	(0.24)
L&T Infotech Financial Services Technologies Inc.	0.36%	200.22	0.52%	38.63	(0.28%)	(0.46)	0.51%	38.17
Larsen & Toubro Infotech Canada Limited	0.02%	10.95	0.05%	3.37	0.21%	0.33	0.05%	3.70
Larsen & Toubro Infotech LLC	0.01%	2.81	0.00%	0.29	(0.02%)	(0.03)	0.00%	0.26
Larsen and Toubro Infotech South Africa (PTY) LTD	0.01%	5.03	0.02%	1.60	0.39%	0.63	0.03%	2.23
Larsen & Toubro Infotech GmbH	0.25%	141.25	0.01%	0.85	0.31%	0.51	0.02%	1.36
Larsen & Toubro Infotech Austria GmbH	0.00%	0.72	0.00%	0.15	0.06%	0.09	0.00%	0.24
L&T Information Technology Spain SL	0.01%	3.29	0.02%	1.17	0.24%	0.39	0.02%	1.56
Larsen & Toubro LLC	0.00%	2.42	0.00%	0.01	0.00%	0.00	0.00%	0.01
L&T Technology Services LLC	0.10%	56.62	0.06%	4.07	0.39%	0.63	0.06%	4.70
L&T Infotech S. DE R.L. DE C.V.	0.00%	0.32	0.00%	0.31	0.00%	–	0.00%	0.31
Syncordis S.A. Luxembourg	0.03%	15.40	0.08%	5.77	0.40%	0.65	0.09%	6.42
Syncordis France SARL	0.01%	5.39	(0.01%)	(0.76)	0.20%	0.32	(0.01%)	(0.44)
Syncordis Limited	0.00%	(0.01)	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
Syncordis PSF S.A.	0.00%	0.18	0.00%	(0.04)	0.01%	0.01	0.00%	(0.03)
Esencia Technologies Inc.	0.02%	12.82	0.26%	19.47	0.08%	0.14	0.26%	19.61
Realty:								
L&T Realty FZE	0.01%	7.34	(0.04%)	(2.59)	0.01%	0.02	(0.03%)	(2.57)
Electrical & Automation:								
Henikwon Corporation Sdn. Bhd.	(0.02%)	(11.63)	(0.01%)	(0.90)	(0.91%)	(1.48)	(0.03%)	(2.38)
Kana Controls General Trading and Contracting Company WLL	(0.01%)	(3.63)	(0.03%)	(2.49)	(0.05%)	(0.07)	(0.03%)	(2.56)
L&T Electrical & Automation FZE	0.27%	151.53	0.49%	35.82	0.59%	0.96	0.49%	36.78
L&T Electricals & Automation Saudi Arabia Company Limited	(0.02%)	(12.38)	(0.11%)	(7.84)	(0.06%)	(0.11)	(0.11%)	(7.95)

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
PT. Tamco Indonesia	(0.06%)	(35.60)	(0.04%)	(2.82)	0.67%	1.08	(0.02%)	(1.74)
Servowatch Systems Limited	(0.03%)	(18.14)	0.04%	2.90	(1.48%)	(2.40)	0.01%	0.50
Tamco Electrical Industries Australia Pty Ltd.	0.01%	7.66	(0.05%)	(3.77)	0.06%	0.10	(0.05%)	(3.67)
Tamco Switchgear (Malaysia) SDN. BHD.	1.04%	577.76	0.19%	14.23	47.28%	76.76	1.21%	90.99
Thalest Limited	0.01%	8.06	0.00%	(0.13)	0.62%	1.00	0.01%	0.87
Others:								
Larsen & Toubro (East Asia) Sdn. Bhd.	0.00%	(0.05)	0.00%	(0.27)	0.01%	0.01	0.00%	(0.26)
Larsen & Toubro International FZE	1.28%	713.04	(1.44%)	(106.29)	1.81%	2.94	(1.37%)	(103.35)
L&T Global Holdings Limited	(0.06%)	(31.70)	(0.64%)	(47.37)	(0.26%)	(0.43)	(0.63%)	(47.80)
Total Subsidiaries		48164.30		3463.19		212.25		3675.44
Non-controlling Interest in all subsidiaries	(10.11%)	(5625.00)	(8.61%)	(634.57)	(0.57%)	(0.93)	(8.44%)	(635.50)
Indian Associates								
L&T-Chiyoda Limited	0.11%	61.43	0.23%	17.23	(0.21%)	(0.35)	0.22%	16.88
Gujarat Leather Industries Limited	0.00%	–	0.00%	–	0.00%	–	0.00%	–
Feedback Infra Private Limited	0.00%	–	0.01%	0.70	0.00%	–	0.01%	0.70
Magtorq Private Limited	0.01%	5.94	0.00%	0.07	0.00%	–	0.00%	0.07
Grameen Capital India Limited	0.01%	6.00	0.00%	–	0.00%	–	0.00%	–
Foreign Associates								
Larsen & Toubro Qatar & HBK Contracting LLC	0.00%	0.01	0.00%	–	(0.14%)	(0.22)	0.00%	(0.22)
L&T Camp Facilities LLC	0.01%	3.73	0.01%	0.67	0.00%	0.00	0.01%	0.67
Total Associates		77.11		18.67		(0.57)		18.10
Jointly Operations - Indian Operations								
Bauer-L&T Geo Joint Venture	0.02%	10.44	0.14%	10.21	0.00%	–	0.14%	10.21
Indian Joint Ventures								
Power:								
L&T-MHPS Boilers Private Limited	1.09%	604.68	1.67%	123.15	4.50%	7.30	1.73%	130.45
L&T-MHPS Turbine Generators Private Limited	0.19%	107.27	0.42%	31.10	6.93%	11.25	0.56%	42.35
L&T Howden Private Limited	0.06%	35.66	0.09%	6.53	0.02%	0.04	0.09%	6.57
L&T-Sargent & Lundy Limited	0.06%	32.78	0.07%	5.43	0.13%	0.21	0.08%	5.64
Heavy Engineering:								
L&T Special Steels and Heavy Forgings Private Limited	0.00%	–	(3.02%)	(222.58)	0.55%	0.89	(2.94%)	(221.69)
L&T MBDA Missile Systems Limited	0.00%	0.02	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
Hydrocarbon:								
L&T Sapura Offshore Private Limited	0.00%	0.45	0.00%	0.06	0.00%	–	0.00%	0.06
L&T Sapura Shipping Private Limited	0.51%	283.09	0.05%	3.98	0.88%	1.43	0.07%	5.41
L&T-Gulf Private Limited	0.03%	14.48	0.04%	2.70	0.00%	–	0.04%	2.70
L&T Hydrocarbon Caspian LLC	0.00%	0.36	0.00%	–	0.00%	–	0.00%	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Developmental Projects:								
L&T Infrastructure Development Projects Limited (Consolidated)	2.36%	1310.89	(5.61%)	(413.64)	1.58%	2.57	(5.46%)	(411.07)
Valves, Welding Equipment, Construction Equipment and Others:								
L&T Kobelco Machinery Private Limited	0.04%	20.47	0.04%	3.01	(0.60%)	(0.97)	0.03%	2.04
Others:								
Raykal Aluminium Company Private Limited	0.00%	0.26	0.00%	(0.02)	0.00%	–	0.00%	(0.02)
Foreign Joint Ventures								
Hydrocarbon:								
Larsen & Toubro Electromech LLC	0.00%	–	0.08%	5.74	0.00%	–	0.08%	5.74
Indiran Engineering Projects & Systems, Kish, (PJSC)	0.00%	0.04	0.00%	0.02	(0.01%)	(0.02)	0.00%	0.00
Total Joint Ventures		2410.45		(454.53)		22.70		(431.83)
CFS Adjustment and elimination	(69.28%)	(38554.57)	(5.70%)	(420.41)	(12.44%)	(20.18)	(5.85%)	(440.59)
Total		55656.99		7369.86		162.33		7532.19

NOTE [60]

Disclosure pursuant to Ind AS 1 "Presentation of financial statements":

(a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

₹ crore

Sr. No.	Particulars	As at 31-3-2018			*As at 31-3-2017*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
1	Inventories	3873.97	973.83	4847.80	*3965.73*	*174.01*	*4139.74*
2	Trade receivables	34126.74	527.34	34654.08	*28215.11*	*473.86*	*28688.97*
3	Loans - current	556.38	3.34	559.72	*477.31*	*9.14*	*486.45*
4	Other financial assets	4194.59	–	4194.59	*3181.54*	*104.80*	*3286.34*
5	Other current assets	38099.53	8425.30	46524.83	*29175.89*	*9880.93*	*39056.82*

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

₹ crore

Sr. No.	Particulars	As at 31-3-2018			*As at 31-3-2017*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
1	Trade payables	37029.04	765.92	37794.96	*28831.87*	*1462.99*	*30294.86*
2	Other financial liabilities	4817.16	31.83	4848.99	*4794.57*	*34.07*	*4828.64*
3	Other current liabilities	22580.97	4746.00	27326.97	*16828.25*	*6556.30*	*23384.55*
4	Provisions	2321.76	161.99	2483.75	*2474.21*	*193.60*	*2667.81*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [61]

Disclosure pursuant to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" on new Ind AS that has been issued but is not effective as of the closing day of the reporting period:

(a) Ind AS 115 Revenue from Contracts with Customers

The Ministry of Corporate Affairs notified Ind AS 115 "Revenue from Contracts with Customers" in respect of accounting periods commencing on or after April 1, 2018 superseding Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue".

The Group's current revenue recognition policy is broadly aligned to the principles enunciated in Ind AS 115 and does not require any material change except for realty business. In terms of Ind AS 115, revenue of realty business will be recognised at the time of delivery of units to the customers as compared to revenue recognition based on percentage completion method currently followed as per the Guidance note issued by the Institute of Chartered Accountants of India. The management is in the process of implementing Ind AS 115 and does not expect any material impact on the Group's financial position as at March 31, 2018 and on the financial results of the Group in the first year of implementation viz. financial year commencing on April 1, 2018 except as above.

(b) Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"

On March 28, 2018, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2018 and inserted Appendix B, Foreign Currency Transactions and Advance Consideration in Ind AS 21.

In Appendix B, it is clarified that the date of transaction to determine the exchange rate to use on initial recognition of related asset, expense or income is the date on which the initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The Group's existing accounting policy conforms to the above clarification.

NOTE [62]

Disclosure pursuant to Ind AS7 "Statement of cash Flows" - Changes in Liabilities arising from financing activities:

₹ crore

Sr. No.	Particulars	Non-current borrowings (note 22)	Current borrowings (note 26)	Current maturities of long term borrowings (note 27)	Total
1	Opening balance	67340.58	16534.47	10078.90	93953.95
2	Proceeds from Borrowings (net)	14133.39	2680.02	(4172.13)	12641.28
3	Effect of changes in foreign exchange rates	11.23	56.03	(8.64)	58.62
4	Interest accrued (net of interest paid)	(326.42)	61.33	1135.32	870.23
5	Other changes (transfer within categories)	(8244.02)	–	8244.02	–
6	Closing balance	72914.76	19331.85	15277.47	107524.08

Amounts reported in Statement of cash flow under financing activities

₹ crore

Particulars	2017-18
Proceeds from non-current borrowings	46903.46
Repayment of non-current borrowings	(36942.20)
Proceeds from other borrowings (net)	2680.02
changes from financing cash flows (Refer Sr No. 2 above) (a)	12641.28
Repayments on account of liability classified as held for sale (b)	(22.28)
Total changes from financing cash flows (a+b)	12619.00

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [63]

Disclosure pursuant to Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance":

The Group's exports qualify for various export benefits offered in the form of duty credit scrips under foreign trade policy framed by Department General of Foreign Trade India (DGFT). Income accounted towards such export incentives amounts to ₹ 208.06 crore *(previous year: ₹ 27.23 crore).*

NOTE [64]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2018.

NOTE [65]

Figures for the previous year have been regrouped/re-classified to conform to the figures of the current year.

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013]

₹ crore

Sr. no.	Sr. No.	1	2	3	4	5	6	7	8
	Particulars	Bhilai Power Supply Company Limited	L&T Shipbuilding Limited	L&T Electricals and Automation Limited	Hi-Tech Rock Products & Aggregates Limited	L&T Seawoods Limited	Kesun Iron & Steel Company Private Limited	L&T Valves Limited	L&T Realty Limited
	Financial year ending on	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
	Currency	–	–	–	–	–	–	–	–
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
	Date of Acquisition	11-Jul-95	13-Nov-07	12-Dec-07	01-Jan-08	13-Mar-08	16-Jan-09	23-Nov-61	30-Nov-07
1	Share capital (including share application money pending allotment)	0.05	444.00	7.44	0.05	1999.55	0.01	18.00	47.16
2	Other equity / Reserves and surplus (as applicable)	–	(1253.15)	(2.97)	10.99	1028.40	(0.27)	557.18	1039.95
3	Liabilities	2.34	4120.75	6.78	79.86	161.74	0.29	501.73	89.34
4	Total equity and liabilities	2.39	3311.60	11.24	90.90	3189.69	0.02	1076.91	1176.45
5	Total assets	2.39	3311.60	11.24	90.90	3189.69	0.02	1076.91	1176.45
6	Investments	–	11.12	–	–	–	–	24.19	854.39
7	Turnover	–	730.89	–	244.24	132.70	–	930.64	39.52
8	Profit before taxation	–	(441.36)	(2.07)	2.75	33.79	–	(48.69)	32.63
9	Provision for taxation	–	–	–	0.92	6.83	–	(17.29)	11.48
10	Profit after taxation	–	(441.36)	(2.07)	1.83	26.96	–	(31.40)	21.15
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	99.90	97.00	100.00	100.00	100.00	95.00	100.00	100.00

Sr. no.	Sr. No.	9	10	11	12	13	14	15	16
	Particulars	Chennai Vision Developers Private Limited	L&T Vision Ventures Limited	L&T Power Limited	L&T Cassidian Limited	L&T Aviation Services Private Limited	Larsen & Toubro Infotech Limited	L&T Finance Holdings Limited $	L&T Housing Finance Limited $
	Financial year ending on	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
	Currency	–	–	–	–	–	–	–	–
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
	Date of Acquisition	14-Aug-08	22-Dec-06	09-Mar-06	15-Apr-11	06-Nov-09	23-Dec-96	01-May-08	09-Oct-12
1	Share capital (including share application money pending allotment)	0.01	0.05	0.05	0.05	45.60	17.20	3030.08	165.37
2	Other equity / Reserves and surplus (as applicable)	(0.01)	(4.68)	4.99	(0.05)	(10.17)	3701.40	5621.50	1,196.71
3	Liabilities	0.01	10.87	0.02	–	18.06	1333.00	487.06	10640.44
4	Total equity and liabilities	–	6.24	5.06	–	53.49	5051.60	9138.64	12002.52
5	Total assets	–	6.24	5.06	–	53.49	5051.60	9138.64	12002.52
6	Investments	–	–	5.06	–	–	1560.30	7840.39	571.97
7	Turnover	–	–	–	–	18.83	6906.40	449.93	1193.06
8	Profit before taxation	(0.00)	(0.01)	0.20	(0.03)	(0.74)	1468.42	394.68	255.27
9	Provision for taxation	–	–	–	–	0.17	308.30	26.84	88.91
10	Profit after taxation	(0.00)	(0.01)	0.20	(0.03)	(0.91)	1160.12	367.84	166.36
11	Interim dividend - equity	–	–	–	–	–	(303.38)	–	(173.44)
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	(145.74)	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	68.00	99.99	100.00	100.00	82.96	64.01	64.01

Note: $ Reporting as per the Companies (Accounting Standards) Rules 2006 (I-GAAP)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ *crore*

Sr. no.	Sr. No.	17	18	19	20	21	22	23	24
	Particulars	**L&T Finance Limited $**	**L&T Capital Markets Limited**	**L&T Investment Management Limited $**	**L&T Mutual Fund Trustee Limited**	**L&T Infrastructure Finance Company Limited $**	**L&T Infra Debt Fund Limited $**	**L&T Infra Investment Partners Advisory Private Limited $**	**L&T Infra Investment Partners Trustee Private Limited**
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**31-Dec-12**	**07-Feb-13**	**25-Apr-96**	**30-Apr-96**	**18-Apr-06**	**19-Mar-13**	**30-May-11**	**12-Aug-11**
1	Share capital (including share application money pending allotment)	1599.14	56.62	251.82	0.15	989.91	595.48	5.00	0.10
2	Other equity / Reserves and surplus (as applicable)	6987.61	(3.62)	230.12	1.38	2358.31	420.54	10.46	(0.05)
3	Liabilities	36070.22	27.19	104.06	0.06	22871.01	6230.53	1.61	0.02
4	Total equity and liabilities	44656.97	80.19	586.00	1.59	26219.23	7246.55	17.07	0.06
5	Total assets	44656.97	80.19	586.00	1.59	26219.23	7246.55	17.07	0.06
6	Investments	2412.94	27.93	118.84	1.25	2179.79	–	13.68	0.03
7	Turnover	4997.45	93.72	615.51	0.05	2565.27	543.24	7.26	0.03
8	Profit before taxation	434.53	34.90	17.30	(0.08)	81.96	149.17	3.36	(0.01)
9	Provision for taxation	144.61	2.50	–	(0.01)	6.07	(0.48)	0.95	–
10	Profit after taxation	289.92	32.40	17.30	(0.06)	75.89	149.65	2.41	(0.01)
11	Interim dividend - equity	–	–	–	–	(151.46)	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	64.01	64.01	64.01	64.01	64.01	64.01	64.01	64.01

Sr. no.	Sr. No.	25	26	27	28	29	30	31	32
	Particulars	**L&T Financial Consultants Limited**	**Mudit Cement Private Limited**	**L&T Capital Company Limited**	**L&T Trustee Company Private Limited**	**L&T Power Development Limited**	**L&T Uttaranchal Hydropower Limited**	**L&T Arunachal Hydropower Limited**	**L&T Himachal Hydropower Limited**
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**16-Jun-11**	**27-Dec-13**	**06-Apr-00**	**09-Jul-09**	**12-Sep-07**	**13-Nov-06**	**24-Jun-10**	**22-Jun-10**
1	Share capital (including share application money pending allotment)	18.88	2.10	0.05	0.01	3112.70	180.50	40.39	200.05
2	Other equity / Reserves and surplus (as applicable)	44.77	(21.42)	15.95	(0.01)	3.36	892.05	0.19	(0.28)
3	Liabilities	425.21	56.04	0.46	–	2.07	62.98	0.12	0.80
4	Total equity and liabilities	488.87	36.73	16.46	–	3118.13	1135.53	40.70	200.57
5	Total assets	488.87	36.73	16.46	–	3118.13	1135.53	40.70	200.57
6	Investments	4.26	–	8.15	–	3110.59	1.63	–	–
7	Turnover	87.00	–	7.74	–	7.80	–	–	–
8	Profit before taxation	24.90	(5.45)	8.53	0.01	0.28	0.01	(0.01)	(0.01)
9	Provision for taxation	5.21	0.23	2.58	–	0.09	–	–	–
10	Profit after taxation	19.69	(5.68)	5.95	0.01	0.19	0.01	(0.01)	(0.01)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	(52.03)	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	64.01	64.01	100.00	100.00	100.00	100.00	100.00	100.00

Note: $ Reporting as per the Companies (Accounting Standards) Rules 2006 (I-GAAP)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] ***(contd.)***

₹ *crore*

Sr. no.	Sr. No.	33	34	35	36	37	38	39	40
	Particulars	**Nabha Power Limited**	**L&T Metro Rail (Hyderabad) Limited**	**L&T Technology Services Limited**	**L&T Construction Equipment Limited**	**L&T Infrastructure Engineering Limited**	**L&T Thales Technology Services Private Limited**	**Sahibganj Ganges Bridge-Company Private Limited**	**L&T Hydrocarbon Engineering Limited**
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**09-Apr-07**	**24-Aug-10**	**14-Jun-12**	**29-Jul-97**	**09-Dec-98**	**15-Feb-14**	**14-Jul-16**	**02-Apr-09**
1	Share capital (including share application money pending allotment)	2325.00	2206.98	20.49	120.00	3.60	2.05	0.01	1000.05
2	Other equity / Reserves and surplus (as applicable)	822.54	(70.06)	1944.85	620.78	36.59	(2.32)	(0.01)	1009.80
3	Liabilities	7948.17	11506.23	627.60	574.73	31.54	56.66	0.01	6866.05
4	Total equity and liabilities	11095.71	13643.14	2592.94	1315.51	71.73	56.40	0.01	8875.90
5	Total assets	11095.71	13643.14	2592.94	1315.51	71.73	56.40	0.01	8875.90
6	Investments	–	–	322.45	24.38	–	1.33	–	1370.59
7	Turnover	3778.16	1408.71	3506.60	1151.50	59.04	73.55	–	11044.35
8	Profit before taxation	282.48	(58.36)	681.05	650.48	2.63	1.66	–	641.35
9	Provision for taxation	37.31	–	191.67	141.08	1.16	(0.61)	–	235.73
10	Profit after taxation	245.17	(58.36)	489.38	509.40	1.47	2.27	–	405.62
11	Interim dividend - equity	–	–	(81.70)	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	(60.90)
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	100.00	88.64	100.00	100.00	65.60	100.00	100.00

Sr. no.	Sr. No.	41	42	43	44	45	46	47	48
	Particulars	**Marine Infrastructure Developer Private Limited**	**L&T Infra Contractors Private Limited**	**Esencia Technologies India Private Limited**	**Syncordis Software Services India Private Limited**	**Larsen & Toubro LLC**	**Larsen & Toubro Infotech, GmbH**	**Larsen & Toubro Infotech Canada Limited**	**Larsen & Toubro Infotech LLC**
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	**–**	**–**	**–**	**–**	**USD**	**EURO**	**CAD**	**USD**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**65.18**	**80.81**	**50.65**	**65.18**
	Date of Acquisition	**22-Jan-16**	**17-Mar-17**	**31-May-17**	**11-Dec-17**	**02-Jan-01**	**14-Jun-99**	**25-Apr-00**	**21-Jul-09**
1	Share capital (including share application money pending allotment)	400.00	0.01	0.01	0.45	0.34	0.40	–	–
2	Other equity / Reserves and surplus (as applicable)	(79.47)	(0.01)	0.55	0.92	2.08	152.31	11.13	2.84
3	Liabilities	1566.28	0.00	0.32	0.26	1.72	138.83	31.10	0.68
4	Total equity and liabilities	1886.81	0.01	0.88	1.62	4.13	291.55	42.23	3.52
5	Total assets	1886.81	0.01	0.88	1.62	4.13	291.55	42.23	3.52
6	Investments	–	–	–	–	–	–	–	–
7	Turnover	–	–	3.78	4.36	3.31	86.12	110.16	6.79
8	Profit before taxation	(82.27)	(0.01)	0.62	0.71	0.04	4.31	4.83	0.32
9	Provision for taxation	–	–	0.15	0.18	0.03	3.03	1.28	–
10	Profit after taxation	(82.27)	(0.01)	0.47	0.53	0.01	1.27	3.55	0.32
11	Interim dividend - equity	–	–	–	–	–	(8.83)	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	97.00	100.00	88.64	82.96	99.19	82.96	82.96	82.96

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	49	50	51	52	53	54	55	56
	Particulars	L&T Infotech Financial Services Technologies Inc.	Larsen & Toubro Infotech South Africa (PTY) Limited	L&T Information Technology Services (Shanghai) Co., Ltd.	L&T Realty FZE	Larsen & Toubro International FZE	Larsen & Toubro Hydrocarbon International Limited LLC	Thalest Limited	Servowatch Systems Limited
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Dec-17**	**31-Mar-18**	**31-Mar-18**	**31-Dec-17**	**31-Mar-18**	**31-Mar-18**
	Currency	**CAD**	**ZAR**	**CNY**	**AED**	**USD**	**SAR**	**GBP**	**GBP**
	Exchange rate on the last day of financial year	**50.65**	**5.58**	**9.82**	**17.75**	**65.18**	**17.03**	**92.28**	**92.28**
	Date of Acquisition	**01-Jan-11**	**25-Jul-12**	**28-Jun-13**	**27-Jan-08**	**25-Sep-01**	**17-Jun-13**	**04-Apr-12**	**04-Apr-12**
1	Share capital (including share application money pending allotment)	189.94	0.25	1.06	15.97	1788.08	0.85	1.23	23.53
2	Other equity / Reserves and surplus (as applicable)	10.28	4.92	(1.28)	(8.35)	(1017.69)	(2.99)	6.83	(41.67)
3	Liabilities	38.52	15.86	1.98	0.09	243.39	6.50	–	58.73
4	Total equity and liabilities	238.73	21.02	1.76	7.71	1013.77	4.35	8.06	40.59
5	Total assets	238.73	21.02	1.76	7.71	1013.77	4.35	8.06	40.59
6	Investments	–	–	–	–	568.23	–	–	–
7	Turnover	253.22	28.17	1.34	–	0.04	–	–	65.92
8	Profit before taxation	54.79	2.52	–	(2.54)	(107.82)	(0.79)	(0.13)	2.65
9	Provision for taxation	16.19	0.76	–	–	–	0.98	–	(0.25)
10	Profit after taxation	38.60	1.75	–	(2.54)	(107.82)	(1.78)	(0.13)	2.90
11	Interim dividend - equity	(40.18)	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	82.96	62.14	82.96	100.00	100.00	100.00	100.00	100.00

Sr. no.	Sr. No.	57	58	59	60	61	62	63	64
	Particulars	L&T Modular Fabrication Yard LLC	Larsen & Toubro (East Asia) SDN. BHD	Larsen & Toubro Qatar LLC	L&T Overseas Projects Nigeria Limited	L&T Electrical & Automation Saudi Arabia Company Limited LLC	Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L	Larsen & Toubro (Saudi Arabia) LLC	Larsen Toubro Arabia LLC
	Financial year ending on	**31-Dec-17**	**31-Mar-17**	**31-Dec-17**	**31-Dec-17**	**31-Mar-18**	**31-Dec-17**	**31-Mar-18**	**31-Dec-17**
	Currency	**OMR**	**MYR**	**QAR**	**NGN**	**SAR**	**KWD**	**SAR**	**SAR**
	Exchange rate on the last day of financial year	**165.91**	**14.65**	**17.54**	**0.18**	**17.38**	**211.58**	**17.38**	**17.03**
	Date of Acquisition	**05-Jul-06**	**13-Jun-96**	**31-Mar-04**	**15-Jul-04**	**22-Aug-06**	**29-Nov-06**	**22-Jun-99**	**01-Jul-12**
1	Share capital (including share application money pending allotment)	47.86	1.10	0.35	0.18	31.28	42.32	24.98	17.03
2	Other equity / Reserves and surplus (as applicable)	(46.79)	(1.32)	0.16	(0.17)	(42.99)	(41.44)	586.66	(411.48)
3	Liabilities	277.51	4.26	4.07	0.02	129.27	19.66	1312.27	729.70
4	Total equity and liabilities	278.58	4.04	4.59	0.03	117.56	20.53	1923.91	335.26
5	Total assets	278.58	4.04	4.59	0.03	117.56	20.53	1923.91	335.26
6	Investments	–	–	0.18	–	–	–	–	–
7	Turnover	501.32	2.81	–	–	79.34	–	1902.62	386.30
8	Profit before taxation	9.19	(0.14)	(0.03)	–	(8.71)	1.61	288.67	(85.44)
9	Provision for taxation	–	–	–	–	–	–	67.46	–
10	Profit after taxation	9.19	(0.14)	(0.03)	–	(8.71)	1.61	221.21	(85.44)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	70.00	30.00	49.00	100.00	100.00	49.00	100.00	75.00

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ *crore*

Sr. no.	Sr. No.	65	66	67	68	69	70	71	72
	Particulars	Larsen & Toubro ATCO Saudia LLC	Tamco Switchgear (Malaysia) Sdn. Bhd.	Henikwon Corporation Sdn. Bhd.	Tamco Electrical Industries Australia Pty Ltd.	PT. Tamco Indonesia	Larsen & Toubro Heavy Engineering LLC	L&T Electrical & Automation FZE	Kana Controls General Trading & Contracting Company W.L.L
	Financial year ending on	**31-Dec-17**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Dec-17**	**31-Dec-17**	**31-Mar-18**	**31-Mar-18**
	Currency	**SAR**	**MYR**	**MYR**	**AUD**	**IDR**	**OMR**	**AED**	**KWD**
	Exchange rate on the last day of financial year	**17.03**	**16.87**	**16.87**	**50.05**	**0.00**	**165.91**	**17.75**	**217.83**
	Date of Acquisition	**08-Jul-07**	**29-May-07**	**03-Jul-12**	**23-Apr-08**	**23-Apr-08**	**07-Apr-08**	**04-Apr-08**	**10-Sep-13**
1	Share capital (including share application money pending allotment)	1.70	168.68	10.88	82.44	12.19	93.99	1.77	2.18
2	Other equity / Reserves and surplus (as applicable)	(439.67)	433.13	(22.51)	(74.78)	(45.52)	(8.89)	176.36	(5.28)
3	Liabilities	679.26	263.51	24.52	17.27	105.80	110.57	209.35	30.60
4	Total equity and liabilities	241.29	865.31	12.89	24.93	72.47	195.67	387.48	27.49
5	Total assets	241.29	865.31	12.89	24.93	72.47	195.67	387.48	27.49
6	Investments	–	–	–	–	–	–	–	–
7	Turnover	52.53	500.58	42.11	2.74	59.42	49.12	430.27	29.36
8	Profit before taxation	0.42	21.99	(0.96)	(3.77)	2.71	(136.43)	33.25	(2.14)
9	Provision for taxation	1.03	6.52	–	–	0.40	(5.27)	0.34	–
10	Profit after taxation	(0.61)	15.47	(0.96)	(3.77)	2.32	(131.16)	32.91	(2.14)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	100.00	100.00	100.00	100.00	70.00	100.00	49.00

Sr. no.	Sr. No.	73	74	75	76	77	78	79	80
	Particulars	Larsen and Toubro T&D SA Propreitary Limited	L&T Technology Services LLC	L&T Infotech Austria GMBH LLC	L&T Global Holdings Limited	L&T Information Technology Spain, S.L.	Larsen & Toubro (Oman) LLC	Esencia Technologies Inc.	Syncordis S.A.
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Dec-17**	**31-Mar-18**	**31-Dec-17**
	Currency	**ZAR**	**USD**	**EURO**	**USD**	**EURO**	**OMR**	**USD**	**EURO**
	Exchange rate on the last day of financial year	**5.58**	**65.18**	**80.81**	**65.18**	**80.81**	**165.91**	**65.18**	**76.53**
	Date of Acquisition	**06-Sep-10**	**26-Jun-14**	**18-Jun-15**	**24-Feb-16**	**01-Feb-16**	**29-Jan-94**	**31-May-17**	**15-Dec-17**
1	Share capital (including share application money pending allotment)	4.18	97.83	0.28	52.14	0.40	24.18	27.96	0.27
2	Other equity / Reserves and surplus (as applicable)	(0.95)	(41.21)	0.43	(83.84)	2.93	262.70	(15.13)	11.78
3	Liabilities	0.32	141.52	0.17	1306.85	19.15	2927.42	16.94	26.92
4	Total equity and liabilities	3.55	198.13	0.89	1275.14	22.48	3214.30	29.77	38.96
5	Total assets	3.55	198.13	0.89	1275.14	22.48	3214.30	29.77	38.96
6	Investments	–	–	–	1117.89	–	–	0.03	1.01
7	Turnover	–	164.08	2.95	–	64.77	2955.17	118.65	106.12
8	Profit before taxation	0.20	4.29	0.19	(47.37)	1.66	11.55	28.08	17.60
9	Provision for taxation	–	0.22	0.05	–	0.49	(0.07)	8.62	4.29
10	Profit after taxation	0.20	4.07	0.14	(47.37)	1.17	11.62	19.47	13.31
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	72.50	88.64	82.96	100.00	82.96	65.00	88.64	82.96

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ *crore*

Sr. no.	Sr. No.	81	82	83	84	85	86	87	88
	Particulars	**Syncordis France SARL**	**Syncordis Limited**	**Syncordis Support Services S.A.**	**L&T Infotech S. DE R.L. DE C.V.**	**Larsen and Toubro Electromech LLC**	**L&T - Sargent and Lundy Limited**	**L&T - Gulf Private Limited**	**L&T - MHPS Boilers Private Limited**
	Financial year ending on	**31-Dec-17**	**31-Mar-18**	**31-Dec-17**	**31-Dec-17**	**31-Dec-17**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	**EURO**	**GBP**	**EURO**	**MXN**	**OMR**	**–**	**–**	**–**
	Exchange rate on the last day of financial year	**76.53**	**92.28**	**76.53**	**3.24**	**165.91**	**–**	**–**	**–**
	Date of Acquisition	**15-Dec-17**	**15-Dec-17**	**15-Dec-17**	**01-Mar-17**	**01-Jan-05**	**05-May-95**	**11-Jan-08**	**09-Oct-06**
1	Share capital (including share application money pending allotment)	0.11	0.01	0.23	0.00	4.98	5.57	8.00	234.10
2	Other equity / Reserves and surplus (as applicable)	5.48	(0.02)	(0.04)	0.11	(126.40)	60.02	20.96	951.56
3	Liabilities	9.64	0.02	0.19	3.77	382.82	28.02	6.34	3095.20
4	Total equity and liabilities	15.23	0.01	0.38	3.88	261.39	93.61	35.30	4280.86
5	Total assets	15.23	0.01	0.38	3.88	261.39	93.61	35.30	4280.86
6	Investments	–	–	–	–	–	38.12	1.36	578.43
7	Turnover	28.55	–	–	5.08	320.47	95.06	25.75	2966.52
8	Profit before taxation	4.05	(0.01)	(0.04)	0.23	16.98	11.16	7.51	368.17
9	Provision for taxation	1.32	–	–	0.11	0.68	1.34	2.12	126.70
10	Profit after taxation	2.73	(0.01)	(0.04)	0.12	16.30	9.82	5.39	241.47
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	82.96	82.96	82.96	82.96	70.00	50.0001	50.0002	51.00

Sr. no.	Sr. No.	89	90	91	92	93	94	95	96
	Particulars	**L&T - MHPS Turbine Generators Private Limited**	**Raykal Aluminium Company Private Limited**	**L&T Special Steels and Heavy Forgings Private Limited**	**L&T Howden Private Limited**	**L&T Sapura Offshore Private Limited**	**L&T Kobelco Machinery Private Limited**	**L&T Sapura Shipping Private Limited**	**L&T MBDA Missile Systems Limited**
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**27-Dec-06**	**23-Feb-99**	**01-Jul-09**	**17-Jun-10**	**02-Sep-10**	**25-Nov-10**	**02-Sep-10**	**05-Apr-17**
1	Share capital (including share application money pending allotment)	710.60	0.05	566.60	30.00	0.01	50.00	158.85	0.05
2	Other equity / Reserves and surplus (as applicable)	(448.17)	0.29	(1165.17)	41.19	0.74	(9.87)	312.90	(0.02)
3	Liabilities	2220.43	0.63	2093.96	131.57	5.94	36.22	380.99	0.01
4	Total equity and liabilities	2482.86	0.97	1495.39	202.76	6.70	76.35	852.74	0.04
5	Total assets	2482.86	0.97	1495.39	202.76	6.70	76.35	852.74	0.04
6	Investments	150.32	–	–	–	–	5.73	–	–
7	Turnover	963.29	–	127.87	234.86	–	78.94	122.17	–
8	Profit before taxation	60.21	(0.03)	(270.30)	27.35	0.10	5.90	6.99	(0.02)
9	Provision for taxation	2.69	–	–	14.31	–	–	0.36	–
10	Profit after taxation	57.52	(0.03)	(270.30)	13.04	0.10	5.90	6.63	(0.02)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	51.00	75.50	74.00	50.10	60.00	51.00	60.00	51.00

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)* ₹ *crore*

Sr. no.	Sr. No.	97	98	99	100	101	102	103	104
	Particulars	**L&T Infrastructure Development Projects Limited $**	**Panipat Elevated Corridor Limited**	**Krishnagiri Thopur Toll Road Limited**	**Western Andhra Tollways Limited**	**Vadodara Bharuch Tollway Limited**	**L&T Interstate Road Corridor Limited**	**LT IDPL INDVIT Services Limited**	**L&T Transportation Infrastructure Limited**
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	–	–	–	–	–	–	–	–
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
	Date of Acquisition	**26-Feb-01**	**21-Jul-05**	**02-Nov-05**	**02-Nov-05**	**23-Dec-05**	**02-Feb-06**	**20-May-99**	**24-Sep-97**
1	Share capital (including share application money pending allotment)	321.06	84.30	78.75	56.50	43.50	57.16	13.95	41.40
2	Other equity / Reserves and surplus (as applicable)	2565.42	(352.69)	(141.40)	(73.50)	(249.45)	42.95	19.87	156.04
3	Liabilities	2570.80	497.60	474.53	263.83	1074.13	295.70	71.51	176.51
4	Total equity and liabilities	5457.28	229.20	411.88	246.83	868.18	395.81	105.33	373.95
5	Total assets	5457.28	229.20	411.88	246.83	868.18	395.81	105.33	373.95
6	Investments	3700.19	–	74.59	79.02	320.08	150.83	102.58	80.97
7	Turnover	467.97	70.45	144.41	75.69	332.13	26.90	–	30.39
8	Profit before taxation	(72.95)	(29.16)	33.27	15.42	72.19	(4.38)	0.20	14.15
9	Provision for taxation	40.36	–	3.30	4.34	16.04	0.27	0.04	1.42
10	Profit after taxation	(113.32)	(29.16)	29.97	11.08	56.15	(4.66)	0.16	12.73
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	97.45	97.45	97.45	97.45	97.45	97.45	97.45	98.12

Sr. no.	Sr. No.	105	106	107	108	109	110	111	112
	Particulars	**L&T Krishnagiri Walajahpet Tollway Limited**	**Devihalli Hassan Tollway Limited**	**L&T Halol Shamlaji Tollway Limited**	**Ahmedabad-Maliya Tollway Limited**	**L&T BPP Tollway Limited**	**L&T Samakhiali Gandhidham Tollway Limited**	**L&T Deccan Tollways Limited**	**Kudgi Transmission Limited**
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	–	–	–	–	–	–	–	–
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
	Date of Acquisition	**23-Apr-10**	**27-Apr-10**	**09-Sep-08**	**09-Sep-08**	**25-May-11**	**05-Feb-10**	**20-Dec-11**	**30-Aug-13**
1	Share capital (including share application money pending allotment)	90.00	90.00	795.35	149.00	247.20	80.54	285.34	192.60
2	Other equity / Reserves and surplus (as applicable)	35.63	(37.44)	(360.94)	(44.98)	(549.25)	(95.69)	(115.93)	113.39
3	Liabilities	992.78	312.07	723.57	1241.37	4942.90	1676.05	2058.99	1634.41
4	Total equity and liabilities	1118.41	364.62	1157.97	1345.39	4640.84	1660.90	2228.39	1940.40
5	Total assets	1118.41	364.62	1157.97	1345.39	4640.84	1660.90	2228.39	1940.40
6	Investments	25.48	1.81	–	2.73	3.19	3.58	42.10	254.70
7	Turnover	152.40	46.82	84.47	174.28	360.71	139.24	290.50	191.24
8	Profit before taxation	27.94	(11.46)	(44.65)	(47.34)	(302.60)	(104.79)	(113.50)	48.14
9	Provision for taxation	5.42	–	–	–	–	–	–	12.80
10	Profit after taxation	22.52	(11.46)	(44.65)	(47.34)	(302.60)	(104.79)	(113.50)	35.33
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	97.45	97.45	47.75	97.45	97.45	97.45	97.45	97.45

Note: $ Reporting as per the Companies (Accounting Standards) Rules 2006 (I-GAAP)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	113	114	115	116	117
	Particulars	**L&T Sambalpur - Rourkela Tollway Limited**	**L&T IDPL Trustee Managers Pte Limited**	**PNG Tollway Limited**	**L&T Rajkot-Vadinar Tollway Limited**	**L&T Chennai - Tada Tollway Limited**
	Financial year ending on	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
	Currency	**–**	**SGD**	**–**	**–**	**–**
	Exchange rate on the last day of financial year	**–**	**49.82**	**–**	**–**	**–**
	Date of Acquisition	**18-Oct-13**	**30-Sep-13**	**16-Feb-09**	**08-Sep-08**	**24-Mar-08**
1	Share capital (including share application money pending allotment)	290.03	0.00	169.10	110.00	42.00
2	Other equity / Reserves and surplus (as applicable)	(8.80)	–	(521.81)	(122.75)	(5.36)
3	Liabilities	1020.13	0.00	1501.66	954.97	371.44
4	Total equity and liabilities	1301.36	0.00	1148.96	942.22	408.08
5	Total assets	1301.36	0.00	1148.96	942.22	408.08
6	Investments	1.73	–	–	–	–
7	Turnover	305.31	–	–	104.88	–
8	Profit before taxation	(5.87)	(0.06)	(66.14)	(46.48)	(0.30)
9	Provision for taxation	–	–	–	–	–
10	Profit after taxation	(5.87)	(0.06)	(66.14)	(46.48)	(0.30)
11	Interim dividend - equity	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–
15	% of share holding	97.45	97.45	72.11	97.45	97.45

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part B: "Associates/Joint ventures"

Sr No.	Sr. No.	1	2	3	4	5
	Name of Associates	**L&T- Chiyoda Limited**	**International Seaports (Haldia) Private Limited**	**L&T Camp Facilities LLC**	**Larsen & Toubro Qatar & HBK Contracting Co.WLL**	**Magtorq Private Limited**
1	Latest audited Balance Sheet Date	31-Mar-18	31-Mar-17	31-Dec-17	31-Dec-17	31-Mar-18
2	Date on which the Associate or Joint Venture was associated or acquired	26-Oct-94	11-Feb-05	13-Sep-07	28-Jul-04	30-Sep-12
3	Shares of Associate/Joint Ventures held by the company at the year end					
	Number	45,00,000	98,30,000	2,450	100	9,000
	Amount of Investment in Associates/Joint Venture (₹ crore)	4.50	9.83	4.33	0.18	4.42
	Total Share capital (₹ crore)	9.00	44.06	8.70	0.35	21.00
	Reserves closing (₹ crore)	112.48	21.76	(1.83)	(7.26)	10.65
	Total No of shares	90,00,000	4,40,58,020	5,000	196	21,003
	Extent of Holding %	50.00%	21.74%	49.00%	51.03%	42.85%
4	Description of how there is significant influence	Refer Note 1				
5	Reason why the associate/joint venture is not consolidated					
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ crore)	60.74	14.31	3.36	(3.53)	4.65
7	Profit/(Loss) for the year (₹ crore)					
	Considered in Consolidation	34.47	7.92	1.45	–	0.18
	Not Considered in Consolidation	–	–	–	–	–

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part B: "Associates/Joint ventures" *(contd.)*

Sr No.	Sr. No.	6	7	8
	Name Of Associates	**Indiran Engineering Projects and Systems Kish PJSC**	**Grameen Capital India Limited**	**Gujarat Leather Industries Limited**
1	Latest audited Balance Sheet Date	31-Mar-18	31-Mar-17	
2	Date on which the Associate or Joint Venture was associated or acquired	31-Oct-09	5-Jun-15	27-Jun-91
3	Shares of Associate/Joint Ventures held by the company at the year end			
	Number	875	2,126,000	735,000
	Amount of Investment in Associates/Joint Venture (₹ crore)	0.39	2.13	–
	Total Share capital (₹ crore)	0.78	8.18	–
	Reserves closing (₹ crore)	(1.07)	(7.66)	–
	Total No. of shares	1,750	81,77,887	Refer Note 4
	Extent of Holding %	50.00%	16.64%	50.00%
4	Description of how there is significant influence	Refer Note 1		
5	Reason why the associate/joint venture is not consolidated	Refer Note 2	Refer Note 3	Refer Note 4
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ crore)	(0.15)	–	–
7	Profit / (Loss) for the year (₹ crore)			
	Considered in Consolidation	0.03	–	–
	Not Considered in Consolidation	–	–	–

Notes:

1. Significant influence is demonstrated by holding 20% or more of the total voting power, or control of or participation in business decisions under an agreement of the investee.
2. The Incorporated joint venture is not required to be audited as per regulatory laws in Iran. Hence the management certified accounts have been considered for consolidation.
3. There is restriction on transferring the resources to the share holder and hence the same has not been considered for consolidation.
4. The associate company is under liquidation process and investment is fully provided in the accounts.

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director
(DIN 00019798)

M. DAMODARAN
(DIN 02106990)

M. M. CHITALE
(DIN 00101004)

SUBODH BHARGAVA
(DIN 00035672)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

Directors

Mumbai, May 28, 2018

PROXY FORM

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

LARSEN & TOUBRO LIMITED

CIN : L99999MH1946PLC004768
Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
Tel. No.: (022) 6752 5656, Fax No.: (022) 6752 5893
Email: IGRC@Larsentoubro.com, Website: www.larsentoubro.com

Name of the member(s)			
Registered Address			
Email ID			
Folio No./Client ID		DP ID	

I/We, being the holder(s) of _____ shares of LARSEN & TOUBRO LIMITED, hereby appoint:

1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy Third Annual General Meeting of the Company, to be held at Birla Matushri Sabhagar,19, Marine Lines, Mumbai - 400020 on Thursday, August 23, 2018 at 3.00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Item No.	Resolutions	For	Against
1	Adoption of audited financial statements for the year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company and the reports of the auditors thereon for the year ended March 31, 2018.		
2	Dividend on equity shares for the financial year 2017-18.		
3	Appoint Mr. Subramanian Sarma (DIN: 00554221) as a Director liable to retire by rotation.		
4	Appoint Mrs. Sunita Sharma (DIN: 02949529), as a Director liable to retire by rotation.		
5	Appoint Mr. A.M Naik (DIN: 00001514), as a Director liable to retire by rotation.		
6	Appoint Mr. D.K Sen (DIN: 03554707), as a Director liable to retire by rotation.		
7	Appoint Mr. Hemant Bhargava (DIN: 01922717), as a Director liable to retire by rotation.		
8	Appoint Mr. A.M Naik (DIN: 00001514) aged 75 years, as Non-Executive Director		

Item No.	Resolutions	For	Against
9	Approve payment of remuneration to Mr. A.M Naik (DIN: 00001514), as Non-Executive Director		
10	Issue listed/unlisted secured/unsecured redeemable non-convertible debentures, in one or more series/tranches/ currencies, aggregating up to ₹ 6000 crore.		
11	Ratification of remuneration payable to M/s R. Nanabhoy & Co. Cost Accountants (Regn. No. 00010) for the financial year 2018-19.		

Affix a 1 Rupee Revenue Stamp

Signed this ..... day of 2018

Signature of shareholder : .....

Signature of proxy holder(s)

Note:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

**(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

(6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

SEBI Notification dated June 8, 2018 – Amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Shareholder(s),

SEBI has, vide a notification dated June 8, 2018 amended Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating transfer of securities only in dematerialized form.

Accordingly, requests for effecting transfer of securities shall not be processed unless the securities are held in Dematerialized form with effect from December 5, 2018. Therefore, please note that the RTA and the Company will not be accepting any request for transfer of shares in physical form with effect from December 5, 2018. This restriction shall not be applicable to the requests received for transmission or transposition of physical shares.

You may access this Notification from the website of SEBI.

Shareholders are accordingly requested to get in touch with any Depository Participant to open a Demat account. You may visit the website of depositories viz., NSDL or CDSL for further understanding about the demat procedure:

NSDL website: https://nsdl.co.in/faqs/faq.php (dematerialization)

CDSL website: https://www.cdslindia.com/investors/open-demat.aspx

You may also visit the Investors section of our website for detailed procedure for dematerialization of shares.

Shareholders, who are holding shares in physical form are requested to arrange for the dematerialization of the said shares at the earliest to avoid any inconvenience in future for transfer of shares.

NOTES

LARSEN & TOUBRO LIMITED

CIN : L99999MH1946PLC004768
Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
Tel. No.: (022) 6752 5656, Fax No.: (022) 6752 5893
Email: IGRC@Larsentoubro.com, Website: www.larsentoubro.com

Mandatory updation of PAN and Bank details against your holding

Dear Shareholder(s),

The Securities and Exchange Board of India has vide its circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 mandated that companies through their Registrar and Transfer Agents ("RTA") take special efforts for collecting copies of PAN and bank account details of their security holders holding securities in physical form.

Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to the RTA / Company for registration / updation.

In case your PAN and/or Bank details are not updated with the RTA, please do the needful at the earlest by following the below mentioned procedure.

ACTION REQUIRED FROM YOU

You are requested to submit the following to update the records immediately

- Enclosed format duly filled in and signed by the shareholder/s (available on page 478)
- Self-attested copy of Pan Card of all the security holders
- Cancelled Cheque leaf with name (if name is not printed on the cheque, bank attested copy of the pass book (first page) showing name of account holder) of the First holder
- Address proof (self-attested copies of recent Electricity or Telephone Bill and Ration Card, PAN Card and Aadhaar Card) of the First holder

We request your co-operation in this regard.

In case if you have any queries or need any assistance, please contact:

Larsen & Toubro Limited
L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001
Tel. No. 022-67525656 Fax. No. 022-67525893
Website : www.larsentoubro.com
Email : igrc@Larsentoubro.com

For **Larsen & Toubro Limited**

Sd/-

N. Hariharan
Company Secretary (ACS 3471)

Format for Furnishing the PAN and Bank Details

To
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032

Dear sir,

Unit: Larsen & Toubro Limited

I/ We furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing the needful. I/we are enclosing the self-attested copies of PAN cards of all the holders, original cancelled cheque leaf of first holder, Bank pass book and address proof viz., Aadhaar card as required for updation of the details:

Folio No.	
Address of the 1st named shareholder	
Mobile No	
E-Mail id	

Bank Account Details : (for electronic credit of unpaid dividends and all future dividends)

Name of the Bank			
Name of the Branch			
Account Number (as appearing in our cheque book)			
Account Type (Savings / Current / Cash Credit)	Savings	Current	Cash Credit
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) A photocopy of a cheque is enclosed for verification			
11 Digit IFSC Code			

	PAN No.	**Name**
First Holder :		
Joint Holder 1 :		
Joint Holder 2 :		

Signature : _____

Date: _____ Place: _____

NB: The above details will not be updated if the supporting documents are not attached and not duly self attested.

Fold here

LARSEN & TOUBRO LIMITED

CIN : L99999MH1946PLC004768
Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
Tel. No.: (022) 6752 5656, Fax No.: (022) 6752 5893
Email: IGRC@Larsentoubro.com, Website: www.larsentoubro.com

Dear Shareholder, Date: _____

We are privileged to have you as our shareholder. It has been our constant endeavour to improve the services to our Investors and in this pursuit, we are once again sending you this Feedback Form, which is a self addressed prepaid Inland letter. We request you to kindly spare some time and retum the same to us duly completed. We look forward to your feedback/valuable suggestions.

Thanking you,

Yours faithfully,

For **LARSEN & TOUBRO LIMITED**

N. Hariharan
Company Secretary
M. No. A3471

SHAREHOLDER'S FEEDBACK FORM

Name and address of the shareholder	Phone No: (with STD code)
	E-maii ID:
	Folio No./DP ID & Client ID

Shareholders Satisfaction Survey Questionnaire

(please ✓ the appropriate box)

A. Do you perceive the Company as creating shareholder value in the:

(i) Short Term Yes ☐ No ☐
(ii) Long Term or Yes ☐ No ☐
(iii) Both Yes ☐ No ☐

B. Are you satisfied with the growth strategy of the Company?

Yes ☐ No ☐ Not aware ☐

		Excellent	Good	Poor*	Not experienced
C.	Please rate the contents and quality of Annual Report				
D.	Please rate the contents and quality of the website of the Company				
E.	Arrangements and presentations made at the last AGM				
F.	Quality and accuracy of response to your queries and complaints: - by Company				
	- by Registrar				
G.	Timeliness of response form - the Company				
	- the Registrar				
H.	Please rate the hospitality and efficiency of the persons attending to you when you interact with - Investors Relation Cell				
	- Office of Registrars				
I.	Overall quality of service provided by - the Company				
	- the Registrar				

* Kindly let us know your experience in space provided overleaf

J. Do you have any grievance which has not been redressed Yes ☐ No ☐

_____
Signature

Fold here

Fold here

Fold here

Postage will be paid by addresssee

BUSINESS REPLY LETTER

No Postage stamp necessary if posted in India

B. R. PERMIT No.: MBI GPO - 0049
Mumbai G.P.O.
Mumbai - 400 001.

Fold here

Fold here

Larsen & Toubro Limited
Secretarial Department
L&T House, Ballard Estate,
Mumbai - 400 001.

Second Fold

First Fold

* In case your response to any question overleaf is "Poor", kindly share your experience and let us know the reason/ instances to enable us to investigate the matter.

In case of any queries, kindly contact our Registrar:

Karvy Computershare Pvt. Ltd.
Unit: Larsen & Toubro Limited
Karvy Selenium Tower B, Plot 31 & 32, Gachibowli,
Financial District, Nanakramguda, Hyderabad, Telengana - 500 032
Tel : (040) 6716 2222 • Toll free number: 1-800-3454-001

AWARDS & RECOGNITION



Every year, L&T and its people receive a number of national and international awards that acknowledge its varied accomplishments. Presented by the media, industry associations, independent bodies and academia, they honour the Company's contribution in various spheres of business, technology, financial performance, growth and environmental protection.

For details of recent awards, please visit **www.Larsentoubro.com**



LTCBMC/072018/RP - Printed at : Print Plus Pvt. Ltd.

LARSEN & TOUBRO LIMITED

Annexure 'I' to the Directors' Report

Particulars of Employees as per Section 197 (12) of the Companies Act, 2013 for the year ended March 31, 2018

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
1	NAIK A M *	75	BE (MECHANICAL)	54	15-Mar-1965	GROUP EXECUTIVE CHAIRMAN	1,372,452,561	ENGINEER - NESTLER BOILERS LIMITED
2	SUBRAHMANYAN S N	58	B SC ENGG (CIVIL), MBA (FINANCE)	33	27-Nov-1984	CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR	318,028,796	-
3	SHANKAR RAMAN R	59	B COM, ACA, ACMA	35	14-Nov-1994	WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER	172,226,471	SENIOR VICE PRESIDENT - L&T FINANCE LIMITED
4	ROY SHAILENDRA N	65	B TECH (CIVIL), MBA	43	15-Jun-2004	WHOLE TIME DIRECTOR & SENIOR EXECUTIVE VICE PRESIDENT (POWER, HEAVY ENGG & NUCLEAR)	120,748,900	BHARAT HEAVY PLATES & VESSELS LIMITED, MANAGING DIRECTOR
5	SEN D K	62	B SC ENGG (CIVIL), MBA (FINANCE)	40	16-Sep-1989	WHOLE TIME DIRECTOR & SENIOR EXECUTIVE VICE PRESIDENT (INFRASTRUCTURE)	80,614,370	DEVELOPMENT CONSULTANTS (P) LIMITED, PROJECT ENGINEER
6	SATISH M V	61	BE (CIVIL)	38	05-Aug-1987	WHOLE TIME DIRECTOR & SENIOR EXECUTIVE VICE PRESIDENT (BUILDINGS, MINERALS & METALS)	73,810,299	TATA ELECTRONIC DEV SERVICES LIMITED, B'LORE, CONSTRUCTION ENGINEE
7	PATIL J D	63	BE (MECHANICAL), M TECH (PRODUCTION)	38	02-Jul-1979	WHOLE TIME DIRECTOR & SENIOR EXECUTIVE VICE PRESIDENT (DEFENCE BUSINESS)	48,088,410	–
8	HARIHARAN N	65	B COM, ACA, ACS	41	24-Sep-1997	EVP AND COMPANY SECRETARY	11,804,000	MAHINDRA CONSTRUCTION CO LIMITED
9	BALAN K R	60	B SC ENGG (ELECT)	34	03-Jun-1983	VP - INTERNATIONAL SALES, ELECTRICAL & AUTOMATION IC	11,683,361	–
10	BHARGAVA SHARAT CHANDRA	67	B TECH (ELECT)	44	04-Jul-1973	SVP - ELECTRICAL & AUTOMATION	38,561,804	–
11	BHAT S A	56	BE, HSC, SSC	34	24-Jul-1986	CEO - LTEA FZE	11,057,291	NATIONAL RADIO & ELECTRONICS CO. LIMITED
12	CAMERON WIRTZ NIGEL	50	DIPLOMA IN BUSINESS ADMINISTRATION	30	01-Mar-2014	HEAD - ENVIRONMENT, HEALTH & SAFETY	13,541,353	BABCOCK - SENIOR SQE MANAGER
13	CATON JAMES MICHAEL	47	MBA, BS (ENGINEERING TECHNOLOGY)	24	15-Feb-2016	HEAD - SMART CITIES INFRASTRUCTURE	17,122,152	IBM GLOBAL BUSINESS SERVICES - LEADER, SMART CITIES
14	CHANDRA VIPUL	47	BE (ELECTRONICS & COMMUNICATION), MBA (FINANCE & SYSTEMS)	23	10-Oct-2013	HEAD - TREASURY	12,639,559	CITIBANK N A
15	CHOI INKI	45	MS (CIVIL)	19	08-Apr-2015	HEAD - DESIGN (BRIDGES)	17,577,578	SAMSUNG C&T, DESIGN MANAGER
16	CHOUDHARY PAWAN KUMAR	54	BE (CIVIL)	33	23-Jun-2014	CHIEF EXECUTIVE - PAREL PROJECT	16,612,310	DLF HOME DEVELOPERS LIMITED
17	DESAI PRATIK	54	BE (MECHANICAL)	29	01-Sep-2007	CHIEF EXECUTIVE - KUWAIT	12,397,510	MANAGER-PROJECTS - F&K AL-ZHUWAYER & PARTERNS
18	GANESAN R	48	BE (MECHANICAL)	23	06-Jul-2016	HEAD OF CORPORATE CENTRE - L&T CONSTRUCTION	11,782,012	CAIRN ENERGY INDIA
19	GANGULY BABUL KUMAR	54	B TECH (CIVIL), PGC IN GENERAL MANAGEMENT	29	12-Oct-2016	BUSINESS HEAD - NOIDA, L&T REALTY	11,400,978	DUET INDIA HOTELS
20	GARG ARVIND KUMAR	57	BE (MECHANICAL)	35	01-Jun-1984	EVP - CONSTRUCTION & MINING MACHINERY BUSINESS	14,461,193	–
21	JOSEPH LOCHAN K	53	B TECH (CIVIL)	25	10-Aug-1992	VP & HEAD - CONSTRUCTION WORKS, (IG - SALALAH AIRPORT)	10,626,616	GEO - TECH FOUNDATION & CONSTRUCTIONS
22	JOSHI SHRIKANT PRABHAKAR	59	B TECH (TEXTILE TECH), PGDBM	33	01-Jun-2011	CEO & MD - L&T REALTY LIMITED	23,487,684	EMAAR MGF
23	JOSHIPURA HASIT BHARATKUMAR	60	BE (ELECTRICAL & ELECTRONICS), PGDM (MARKETING), PHD, LLB	32	16-Sep-2015	SVP & HEAD - ELECTRICAL & AUTOMATION IC	54,108,737	G S K PHARMACEUTICALS LIMITED.

Annexure 'I' to the Directors' Report *(Contd.)*

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
24	JYOTI RAJEEV	64	B TECH (ELECT), PGDMM (MARKETING)	39	19-Sep-2011	CHIEF EXECUTIVE - RAILWAY STRATEGIC BUSINESS GROUP, TRANSPORTATION IC	13,986,960	BOMBARDIER TRANSPORTATION INDIA
25	KANADE RAJESH	49	M TECH, BE (CIVIL), DCE	26	04-Oct-1991	DEPUTY PROJECT DIRECTOR	10,490,418	–
26	KANNAN B	65	BE, M TECH, MAM	42	19-Oct-2015	CEO & MD - L&T SHIPBUILDING LIMITED	18,923,450	INDIAN NAVY
27	KIM YEONGSEON	52	MS (CIVIL), BE (CIVIL)	27	21-Mar-2017	TECHNICAL HEAD (BRIDGES)	19,267,553	SAMSUNG C&T CORPORATION, GENERAL MANAGER
28	KRISHNAMURTHY VENKATESH	61	B COM, ACA, AICWA, PGDBM	37	20-Sep-2001	CHIEF EXECUTIVE AND MANAGING DIRECTOR - L&T IDPL LIMITED	20,727,587	MPHASIS GROUP
29	KUMAR HEMANT	61	B SC, LLB	35	21-Jun-2016	GROUP GENERAL COUNSEL	14,729,897	ESSAR STEEL INDIA LIMITED
30	LAKSHMANAN M T	50	B SC (MATHEMATICS), DIPLOMA (IT), MSW (PERSONNEL MANAGEMENT)	25	23-Jan-2013	VP & HEAD - HR, DEFENCE IC	13,173,809	INFOTEL BROADBAND SERVICES LIMITED
31	LAMBA AMARJIT SINGH	65	BE (MECHANICAL), M SC (ENGG IN DESIGN & PRODUCTION)	35	01-Apr-2006	GROUP CHIEF EXECUTIVE & WHOLE TIME DIRECTOR - L&T MHI BOILERS PRIVATE LIMITED	15,559,607	ALSTOM PROJECT INDIA
32	LINHAM ANDREW BARRIE	51	CONTRACTORS PLANT MECHANICS, PLANT FITTING, AGRICULTURAL MECHANICS	26	06-Mar-2017	CONSULTANT - CONCRETE PAVING	17,919,214	GOMACO INTERNATIONAL LIMITED - REGIONAL SALES MANAGER
33	MADHAVA DAS T	55	B TECH (ELECT), PGDM (FINANCE & MARKETING)	33	15-Jul-1986	EVP & HEAD - POWER TRANSMISSION & DISTRIBUTION IC & MEMBER OF EXECUTIVE COMMITTEE	11,334,751	–
34	MARNIX COOMANS	41	DEGREE IN CIVIL ENGG	19	11-Feb-2015	TECHNICAL HEAD	13,408,578	SIX CONSULTANT - PROJECT MANAGER
35	MICHAEL WILLIAM SANDERSON	57	M SC (HEALTH AND SAFETY)	29	18-Aug-2014	HEAD - EHS	16,555,262	DRAGADOS UK, MANAGER (SAFETY)
36	MOHAPATRA DEBABRATA	57	BA, MA (ENGLISH LITERATURE), PGD (PMIR)	32	03-Dec-2012	VP & HEAD-HR & PERSONNEL, ELECTRICAL & AUTOMATION IC	13,155,563	VISA POWER LIMITED
37	NARIN GOBINDRANAUTH	53	B ARCH	24	14-Apr-2010	CONSULTANT	15,361,770	SKIDMORE OWINGS & MERILL
38	P R SURENDRA BABU	59	BE (CIVIL), ME (CIVIL), MBA	35	01-Apr-1983	HEAD - CORPORATE CENTRE (HEAVY CIVIL INFRA)	12,217,841	–
39	RAJAVEL S	63	BE (ELECTRICAL & ELECTRONICS)	40	01-Oct-1978	SVP & HEAD - WATER & EFFLUENT TREATMENT (WET IC)	12,788,483	ECC LIMITED
40	RAO SHRINATH	57	BE (CIVIL)	34	10-Nov-1983	VP & HEAD - TRANSPORTATION (MIDDLE EAST)	10,383,161	–
41	RAVI G	55	BE (CIVIL)	33	23-Jul-2014	BUSINESS HEAD - HYDERABAD, L&T REALTY	11,429,029	HIRANANDANI REALTORS PIRVATE LIMITED
42	RAVICHANDRAN V	50	MBA, B COM	24	25-Sep-1993	DGM - ACCOUNTS & ADMIN	10,428,761	–
43	RAVINDRAN A	57	BE (ELECTRICAL & ELECTRONICS)	33	01-Jul-1984	EVP & HEAD - PT&D (MIDDLE EAST)	12,662,279	–
44	SAMAL AJIT KUMAR	55	BE (CIVIL), MBA (INTERNATIONAL TRADE)	32	18-Jul-2013	CHIEF EXECUTIVE - SPECIAL PROJECTS	18,349,991	VEDANTA GROUP
45	SEKAR A L	61	B TECH (CIVIL)	38	08-Aug-1979	SVP - SPECIAL PROJECTS	21,228,755	–
46	SHAH DEREK MICHAEL	53	B SC ENGG (MECHANICAL)	31	30-Jun-1987	EVP & HEAD - COAL POWER PLANT BUSINESS & EPC GAS BUSINESS UNIT	10,878,785	–
47	SHAHAB ATHAR	49	B SC ENGG (CIVIL), PGDBM (FINANCE & MARKETING)	28	03-Aug-2015	CHIEF EXECUTIVE - NABHA POWER LIMITED	19,620,620	VEDANTA LIMITED (SESA STERLITE LIMITED)
48	SHINDIKAR ATUL	53	DIPLOMA IN ARCHITECTURE & INTERIOR DECORATION (FT)	28	09-Nov-2010	HEAD - ARCHITECTURE (CLUSTER I)	10,416,185	NILKANTH TECH PARK AS COORDINATING CONSULTANT
49	SHIVRAJ J K	52	BE (CIVIL), PUC, SSLC	23	13-Mar-1995	CLUSTER PROJECT MANAGER	13,390,768	CES(I) PRIVATE LIMITED - SR. ENGINEER
50	SIVASUBRAMANIAN SRINIVASAN	57	BE (ELECTRICAL & ELECTRONICS)	32	01-Apr-2014	HEAD - EDRC (MIDDLE EAST & AFRICA)	11,245,671	DNV GL - OIL & GAS GERMANISCHER LLOYD INDL.SERVS.
51	SRINIVASAN N	58	BE (MECHANICAL)	30	16-Dec-1987	VP & HEAD - PLANT & MACHINERY	10,983,542	ADHIPARASAKTHI ENGG. COLL.,MARUVATUR

Annexure 'I' to the Directors' Report *(Contd.)*

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
52	SRINIVASAN SRIKANT	61	B COM, MA (PM&IR)	38	01-Jun-2012	VP & HEAD - HR, POWER TRANSMISSION & DISTRIBUTION IC	10,937,290	ASHOK LEYLAND LIMITED
53	SRINIVASAN T	61	B TECH (CIVIL)	36	16-Jul-1981	EVP & HEAD - CONSTRUCTION (CIVIL WORK GROUP JV)	11,444,431	–
54	SRIRAM YOGI	62	BA, MA, LLB, MBA	40	30-Jul-2007	SVP - CORPORATE HR & MEMBER OF THE EXECUTIVE COMMITTEE	24,806,609	THE INDIAN HOTELS CO LIMITED
55	STOREY STEPHEN PHILLIP	50	IOSH CMIOSH NEBOSH OCCUPATIONAL SAFETY & HEALTH MANAGEMENT	31	11-Nov-2013	HEAD - EHS (HC IC)	27,789,396	SAMSUNG C & T, GENERAL MANAGER EHS
56	SUBRAMANIAN S R	63	BE (MECHANICAL)	42	17-Mar-2006	EVP & HEAD - INDUSTRIAL MACHINERY & PRODUCTS / EWAC ALLOYS LIMITED	13,183,848	CATERPILLAR INDIA LIMITED
57	TRIVEDI Y S	66	BE (MET), ME (WELD ENGG)	41	15-Apr-1983	SVP & HEAD - PROCESS PLANT & NUCLEAR, HEAVY ENGINEERING IC	15,672,361	BHEL
58	VENKATESH S	52	BE (CIVIL)	31	23-Aug-1986	VP & HEAD - SUB CONTRACTS MANAGEMENT	11,432,466	–
59	YENURKAR RAHUL M MADHUKAR	54	BE (MECHANICAL), MBA (PERSONNEL)	29	15-Jul-2016	CHIEF OPERATING OFFICER - L&T SPECIAL STEELS & HEAVY FORGINGS	12,890,676	INDIA STEEL WORKS LIMITED
60	AHOOJA SANJU *	55	B COM, LLB LABOUR STUDIES (FT)	30	02-Sep-2013	HEAD - LEGAL, L&T REALTY	6,781,145	KALPATARU GROUP OF COMPANIES - LEGAL ADVISOR
61	ALAM M *	58	SSC, ITI (TURNER)	36	05-Apr-1982	UNIONISED WORKMAN - WSRSPL	922,984	–
62	BABU V N *	58	SSC	39	15-May-1978	UNIONISED WORKMAN - WSRSPL	880,580	–
63	BAJAJ PRADEEP KUMAR *	59	BE (ELECTRICAL & ELECTRONICS)	36	22-Jul-1985	EVP & HEAD - PRODUCT SBG, ELECTRICAL & AUTOMATION	19,247,792	SCIENTECHNIC
64	BHALERAO H M *	58	SSC	39	16-Oct-1978	ASSISTANT STORE KEEPER	1,838,691	–
65	BHATNAGAR SUBHASH *	59	BA, POST GRADUATE DIPLOMA IN MM MARKETING	32	04-Dec-1995	SR. DGM - INFRASTRUCTURE & SERVICES	1,260,743	JAGATJEET INDUSTRIES
66	BHATT SUBRAMANYA *	65	B COM, M COM, CAIIB, LLB, CS, MFM	37	12-Dec-2008	CHIEF LEGAL ADVISOR	3,788,773	GODREJ INDUSTRIES LIMITED
67	COUTINHO S V *	58	SSC	35	02-Nov-1982	HIGHLY SKILLED	1,880,013	–
68	D MELLO BRAZIAN J *	58	ITI	36	06-Aug-1981	HIGHLY SKILLED	1,877,867	–
69	DESHPANDE S A *	58	SSC	39	10-Jul-1978	HIGHLY SKILLED	1,885,155	–
70	DEVARAJAN V *	59	B COM, POST GRADUATE DIPLOMA IN INDUSTRIAL RELATIONS & PERSONNEL MANAGEMENT	38	02-Jun-1983	MANAGER - PERSONNEL & HR	1,003,549	EASUN ENGINEERING CO
71	DUTTA SWAJAN *	60	DIPLOMA IN MATERIALS MANAGEMENT, DIPLOMA IN FOUNDRY TECHNOLOGY, DME, HSC	33	28-May-1992	HEAD - PROCUREMENT (M&M)	2,386,387	INTERNATIONAL COMBUSTION (I) LIMITED
72	ERNEST KINGSLEY J D *	54	POST GRADUATE MANAGEMENT, B TECH (CIVIL)	31	02-Dec-2013	HEAD - TECHNOLOGY COMPETENCY CELL	1,714,973	CONSOLIDATED CONST. CONSORT. LIMITED, JGM
73	GONSALVES T M *	58	SSC	39	14-Jul-1978	CLERK - GRADE III	1,859,236	-
74	GOSWAMI PAPIYA* #	46	AICWA, B SC (PHYSICS)	21	21-Feb-2005	MANAGER - ACCOUNTS	6,333,520	MERCANTILE & INDL DE
75	GOVINDRAJ PRADEEP * #	34	BE, HSC	12	04-Jun-2007	ASSISTANT MANAGER - ENGINEERING	6,067,810	OMINI AGATE LIMITED
76	HASROUNI JOHN MANSOUR *	59	BE (ELECTRICAL & ELECTRONICS)	34	14-Jun-2017	CHIEF ENGINEERING MANAGER - OHE & TRACTION	19,297,735	EGIS - CHIEF POWER SUPPLY & TRACTION EXPERT
77	HAYCROFT PAUL *	47	DME	21	05-Dec-2016	SUPERINTENDENT - TUNNEL OPERATIONS & TRAINING	4,345,793	HBK SAUDI BINLADIN GROUP, SENIOR TUNNELING SUPERINTENDENT
78	HICKS CHRISTOPHER *	51	BS (CIVIL)	29	01-Oct-2012	DEPUTY PROJECT HEAD	6,602,068	SALINI CONSTRUCTION, SUPERINTENDENT
79	JAGANNATHAN K *	64	B SC, BL, PGD (PM&IR)	35	01-Sep-1982	VP & HEAD - LEGAL SERVICES	6,241,402	SOUTHERN ROADWAYS LIMITED, BANGALORE

Annexure 'I' to the Directors' Report *(Contd.)*

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
80	JITARAJA M*	59	LIII, B COM, PUC, SSLC	34	23-Sep-1994	DGM - INSURANCE	1,242,743	DCN LIMITED, OFFICER-CLAIMS & INSURANCE
81	JOSEPH PASCAL *	55	DIPLOMA IN SURVEY	36	23-Sep-2013	HEAD - RAILWAY TECHNICAL SERVICES	7,356,298	THE STATIONERY OFFICE - PROJECT DIRECTOR
82	KHOT DHANYAKUMAR D *	60	BE (CIVIL)	34	10-Dec-1983	HEAD - TRANSPORTATION INFRASTRUCTURE IC (OMAN)	5,379,209	–
83	KULKARNI R G *	64	B TECH (MECHANICAL), DBM (BUSINESS MANAGEMENT)	39	01-Jun-1978	CHIEF EXECUTIVE - L&T SPECIAL STEELS & HEAVY FORGINGS PRIVATE LIMITED	10,478,351	–
84	KUMAR ASHWANI *	52	BE (MECHANICAL), MBA (PGDM)	27	28-Jan-2013	CHIEF EXECUTIVE - POWER DEVELOPMENT AND EVP & HEAD OF CORPORATE AFFAIRS, DELHI, OFFICE OF GEC, CORPORATE STRATEGY	14,153,409	RELIANCE POWER LIMITED
85	KUMAR S *	59	MBA, B COM, AISSE	34	11-Jun-1996	DGM - BUSINESS DEVELOPMENT	1,392,891	MANG CONSTRUCTIONS - MARKETING MANAGER
86	LAKRA R *	58	SSC	37	13-Mar-1981	UNIONISED STAFF - SE	885,298	–
87	LENKA D *	58	SSC	38	26-Nov-1979	UNIONISED STAFF - SD	882,554	–
88	MAHESWARAN D *	57	BE (ELECTRICAL & ELECTRONICS), PUC, SSLC	34	08-Jul-2004	SEGMENT HEAD - UTILITIES	2,655,062	TATA CONSULTING SERVICES - TECHNICAL MANAGER
89	MALLIK P S *	60	BE	36	31-Aug-1981	GM - CORPORATE SUSTAINABILITY	3,729,921	STEEL & ALLIED PRODS, TRAINEE R&D ENGINEER
90	MHATRE P K *	58	SSC	35	21-Jun-1982	HIGHLY SKILLED	1,900,594	–
91	MITRA UDAY *	54	BE (MECHANICAL), POST GRADUATE IN BUSINESS MANAGEMENT	30	01-Jul-1987	VP & HEAD - BULK MATERIAL HANDLING (BMH) BU	4,466,662	–
92	MORADA DEEPAK *	63	BE (MECHANICAL), POST GRADUATE CERTIFICATE IN GENERAL MANAGEMENT	38	06-Jul-1979	VP & HEAD - CORPORATE BRAND MANAGEMENT & COMMUNICATIONS	2,081,959	–
93	NAIR MADHUSOODANAN G *	59	CERTIFICATE IN DATABASE APPLICATIONS, SSC	34	01-Jun-1982	SENIOR FOREMAN (ELEC)	881,278	–
94	NAYAK H M *	58	IA	34	01-Nov-1983	UNIONISED STAFF - SE	1,081,966	–
95	NITHIN B *	53	ACA, B COM	27	10-Aug-1990	HEAD - FINANCE & ACCOUNTS - MIP	1,457,176	SHARP & TANNAN CHARTERED ACCOUNTANTS
96	OBEROI G S *	47	BE, EMBA MANAGEMENT STUDIES, HSC	23	01-May-1996	JGM - SALES (EAST ZONE)	1,219,466	KEITH ELECTRONICS
97	PANCHAL K S *	59	DIPLOMA IN MECHANICAL ENGG	37	27-Jun-1988	DGM - TRAINING	1,014,413	SMT.BHAGIRATHI SHUKLA I.T.I., SURENDRANAGAR -INSTRUCTOR
98	PARAB N P *	58	ITI	38	15-Nov-1979	HIGHLY SKILLED	1,735,931	–
99	PARAMANIK SOUMITRA *	59	LCE, SSLC	36	01-Apr-1984	SR. CONSTRUCTION MANAGER (CIVIL)	1,091,000	–
100	PICHAI G *	65	BE (MECHANICAL), PGDM	39	02-Mar-2006	VP & HEAD - STRATEGIC PLANNING, DIVISIONAL CORPORATE CENTRE	3,701,964	TVS ELECTRONICS
101	PILLAI S SWAMIYA *	59	SSLC	32	01-Apr-1986	GENERAL FOREMAN (P&M)	903,973	ECC LIMITED,USHUR CEMENTS
102	RAJESH R *	46	B SC, HSC GENERAL (FT)	21	03-Apr-2017	PILOT	11,673,801	INDIAN AIR FORCE
103	RAMAKRISHNAN K *	63	BE (MECHANICAL), DMS	37	03-Jul-1980	VP & HEAD - HO HR & YOUNG TECHNICAL PROFESSIONAL TALENT	6,523,787	–
104	RAMAKUMAR M G *	59	B SC ENGG	35	03-Oct-1997	SR DGM - DEFENCE ELNX	1,259,143	BHARAT HEAVY ELECTRICALS LIMITED -DY. MANAGER
105	RAUT N N *	59	B TECH (HONS IN METALLURGICAL ENGG)	36	16-Sep-1992	INCHARGE HOD - MECHANICAL ENGG	5,876,493	ICHER GOODEARTH LIMITED - JR. MANAGER
106	RAVINDRANATH K *	68	B TECH (CHEMICAL), M TECH (CHEMICAL)	42	12-Aug-1975	SVP & WHOLE - TIME DIRECTOR L&T HYDROCARBON (LTHE)	24,509,840	–
107	REDDY K SREENIVASALU *	53	BE (CIVIL)	29	14-Jun-1991	PROJECT MANAGER	1,034,585	TEXMACO LIMITED - JUNIOR ENGINEER
108	ROUT N K *	58	SSC	38	01-Aug-1979	UNIONISED STAFF - SE	1,031,902	–
109	SALAH MOHAMED AHMED *	56	ME, M SC (CHEMICAL), B SC	31	13-Jul-2017	WATER TECHNOLOGIST	12,269,525	–
110	SAWANT A M *	58	SSC	39	29-Mar-1979	TECHNICAL ASSISTANT	1,737,801	–

Annexure 'I' to the Directors' Report *(Contd.)*

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
111	SESHADRI C S *	62	BE (ELECTRICAL & ELECTRONICS)	38	01-Apr-1980	HEAD - BUSINESS ANALYTICS & COMPLIANCE	4,262,150	SOUTHERN POWER SYSTEM, MADRAS - ASSISTANT ENGINEER - TESTING
112	SHAH RAHULKUMAR HARSHADBHAI *	40	BE (MECHANICAL)	14	17-Apr-2017	HEAD - BHIM STRATEGY	11,382,483	COLLEGE OF NORTH WEST LONDON, CAD INSTRUCTOR
113	SHARMA ALOK CHANDER *	62	BE (ELECTRICAL & ELECTRONICS)	37	22-Sep-1980	HEAD - EHS	3,438,540	–
114	SHARMA RAJKUMAR *	59	VII STD	40	02-Jan-1988	GENERAL FOREMAN (CIVIL)	982,684	–
115	SHELKE R R *	58	SSC	39	29-Mar-1979	HIGHLY SKILLED	1,835,361	–
116	SHENOY K S *	62	BE	38	02-Jul-1980	GM - INTERNATIONAL INFRASTRUCTURE PROJECTS	3,192,522	–
117	SHUKLA SATISH KUMAR *	59	NCTVT FITTER INSTRUCTOR, NCTVT TOOL & DIE MAKER, HSC	32	01-Apr-1986	GENERAL FOREMAN (MECHANICAL)	949,276	ISGEC YAMUNA NAGAR AMBALA - SUPERVISOR
118	SIDHAYE P P *	58	ITI	38	31-Oct-1979	HIGHLY SKILLED	1,930,001	–
119	SINGH SUJAN *	58	SSC	34	01-Dec-1983	UNIONISED WORKMAN - WII	860,180	–
120	SOMERS FRANK MARIA *	55	MS (CIVIL)	33	17-Dec-2015	SENIOR PROJECT DIRECTOR	10,115,882	BESIX
121	SONAVANE S G *	58	SSC	39	20-Feb-1979	TECHNICAL ASSISTANT	1,778,913	–
122	SREEKUMAR K *	63	BE (CIVIL)	40	20-Nov-1998	VP & HEAD - CONSTRUCTION ENABLING SERVICES CELL	5,361,943	VOLTAS INTERNATIONAL LIMITED.
123	SRIDHARAN P*	59	DIPLOMA IN ELECTRICAL & ELECTRONICS	35	15-Dec-1982	DGM (OPERATIONS)	1,888,472	BEST & CROMPTON ENGG LIMITED, - DET
124	SRINIVASAN S *	63	MBA	37	15-Jun-1980	GM & HEAD - RPM BU	4,027,030	–
125	SRIVASTAVA P K *	65	B TECH (ELECT), AERONAUTICAL ENGG, M TECH (COMPUTER SCIENCE), MBA (MARKETING)	38	05-Aug-2014	VP, DEFENCE & AEROSPACE	5,229,393	HUSYS CONSULTING PRIVATE LIMITED
126	SUBRAMANIAN V R *	59	DIPLOMA IN ENGG	38	12-Jul-1979	DGM - MARKETING SURVEY	1,234,002	–
127	TARAKESHWAR A A *	59	BE	37	01-Jul-2006	SR. DGM - AVIONIC SYSTEMS	979,847	BHARAT ELECTRONICS LIMITED - MANAGER
128	TAWADE P R *	58	ITI	37	28-Aug-1980	HIGHLY SKILLED	1,973,390	–
129	THULASIRAM V *	60	BE (ELECTRICAL & ELECTRONICS)	37	05-Feb-1987	TASK FORCE LEADER - KAHRAMAA PHASE XI (SS)	6,703,456	BHILAI STEEL PLANT-JUNIOR MANAGER
130	VINAYAKUMAR H N *	59	DME, PUC, SSLC	35	09-Oct-1991	HEAD - LTEW KANCHEEPURAM WORKS	1,981,305	PAM SYSTEMS LIMITED, BANGALORE

Notes

1 All appointments are contractual & other terms and conditions are as per Company's rules.

2 Gross remuneration received includes Salary, Commission, Bonus, Medical expenses, Leave travel assistance, House rent allowance/subsidy, VRS/VRPS compensation, Gratuity, Leave encashment, Company's contribution to Provident Fund & Superannuation fund and Taxable value of perquisites & includes the value of ESOPs granted to employees.

3 None of these employees are related to any director of the Company.

4 * Indicates employees for part of the year. (At a rate which, in aggregate, is equal to or more than 8.50 Lakh per month)

5 # Due to amount received against death claim from insurance company

6 This data includes overseas employees

LARSEN & TOUBRO LIMITED

Annexure 'I' to the Directors' Report

Particulars of Employees as per Section 197 (12) of the Companies Act, 2013 for the year ended March 31, 2018

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
1	ABDURABB K T	53	MA, POST GRADUATE IN MARKETING MANAGEMENT, BA, PUC, SSLC	24	16-Oct-2016	HEAD - MEDIA RELATIONS	7,193,023	EDITOR - SAUDI RESEARCH & PUBLISHING CO.
2	AHMED SAYEEQ	55	BE (MECHANICAL)	25	10-Aug-2015	MANAGER (MECHANICAL)	6,876,771	QATAR PETROLEUM
3	ALI AHMED A ALTHAWAB	41	BS (ELECTRICAL ENGINEERING)	16	01-Jan-2015	MANAGER - BUSINESS DEVELOPMENT & CO-ORDINATION	7,177,578	SAUDI ELECTRICITY COMPANY - SR. TRANSMISSION ENGINEER
4	AMBADY SANTHOSHKUMAR	55	BE (TRANSPORTATION)	25	01-Sep-2015	INTERFACE MANAGER	6,467,799	LARSEN & TOUBRO LIMITED - DGM CIVIL
5	ANANTHARAMAN PARVATHY	47	DIPLOMA IN FAMILY MEDICINE, INTL NEBOSH CERTIFICATION, MASTER OF APPLIED EPIDEMIOLOGY, DIPLOMA IN PUBLIC HEALTH, BMS	20	25-Apr-2016	DOCTOR	6,269,302	JGC CORPORATION - DOCTOR
6	ANDERSON JOHN HAARE	55	POST GRADUATE IN BUSINESS ADMINISTRATION, DIPLOMA IN BUSINESS MANAGEMENT, BBS	26	16-Feb-2015	HEAD - QEHS	13,478,161	"PROJECT DIRECTOR ALSSTOM, MALAYSIA"
7	ANTIPOFF JACQUES	41	BE (CIVIL)	15	13-May-2017	CONSTRUCTION MANAGER	7,584,863	OAS BRAZIL – SR. PROJECT MANAGER
8	AZEEZ SOJAN PLAKKIL	52	MBA, POST GRADUATE IN COMPUTER ENGINEERING, B TECH (ELECTRICAL)	26	15-Feb-2015	CLUSTER HEAD - SS - CENTRAL	6,638,095	ASST. EXECUTIVE ENGINEER, KSEB, CHENNAI
9	BABU S SATHEESH	42	M TECH (CIVIL), BE (CIVIL), HSC, SSC	12	11-Sep-2016	SR. TRAFFIC MANAGER	6,391,167	PETROSERV LIMITED - TRAFFIC ENGINEER
10	BAHADUR HITENDRA	62	BA (POLITICAL SCIENCE HONS)	38	21-May-2015	HEAD - ADMINISTRATION	7,165,157	PUNJ LLOYD LIMITED - GENERAL MANAGER - HR & ADMIN
11	BASHA MEHABOOB SHERIFF HAYATH	42	BE (ELECTRICAL & ELECTRONICS)	16	13-Sep-2013	ENGINEERING MANAGER (ELECT)	7,233,948	CH2MHILL
12	BENZ THOMAS	38	DIPLOMA IN INDUSTRIAL SAFETY	15	15-Mar-2013	MANAGER (EHS)	6,482,752	–
13	BROWN ADRIAN MATTHEW	60	M SC (PROJECT MANAGEMENT)	37	13-Jan-2013	PROJECT DIRECTOR	24,651,715	CMA TOWER RIYADH - PROJECT DIRECTOR
14	CALAPATIA DANTE LAVAREZ	60	B SC (ENGG IN MECHANICAL)	35	25-Sep-2013	HEAD - EHS	10,794,261	DUBAI NATURAL GAS LIMITED - FACILITIES SAFETY SUPERVISOR
15	CHAHAL REECE	51	B SC (ENVIRONMENTAL HEALTH)	21	09-Aug-2016	MANAGER (EHS)	10,100,983	KHATIB & ALAMI - HEALTH AND SAFETY MANAGER
16	CHANDAK ARVIND	58	BA (HONS)	34	06-Nov-2013	HEAD - HR, CLUSTER I-MIDDLE EASE	15,452,499	SUHAIL BHAWAN AUTOMOBILES | VP-HR & ADMIN
17	CHANDRASEKARAN S	62	DCE	36	03-Jan-2016	ADVISOR	7,484,055	L&T CONSTRUCTION(B&F) | HEAD - CONTRACTS
18	CHOURASIA SOURABH	33	B TECH (MECHANICAL), AISSCE, AISSE	10	24-Jul-2016	DESIGN INTERFACE MANAGER	6,113,005	AECOM ASIA - ASST. PROJECT MANAGER
19	CRUICKSHANK MALCOLM ANGUS STEWART	52	NATIONAL DIPLOMA IN ENGG (ELECTRICAL)	32	01-Aug-2016	CONTRACTS MANAGER	13,119,146	HOCHTIEF SOLUTION MIDDLE EAST QATAR WLL - CONTRACTS MANAGER
20	CUGLEY DAVID ANDREW	48	BE (CIVIL)	19	01-Apr-2013	DESIGNS MANAGER	15,712,048	LARSEN & TOUBRO LIMITED (B&F) - DESIGN INTERFACE MANAGER
21	DAR TARIQ AHMAD	40	BE (ELECTRICAL), HSC, SSLC	15	19-Nov-2013	ENGINEERING MANAGER (ELEC)	7,632,007	MOTTO MACDONALD - OMAN
22	DEVLIN MICHAEL	37	NATIONAL DIPLOMA IN BUSINESS STUDIES AND HOTEL MANAGEMENT	14	14-Aug-2014	TALENT ACQUISITION SPECIALIST - HR	6,420,367	LOUIS BERBER | HR MANAGER
23	DHALL SANJAY	56	BE (CIVIL)	30	11-Jun-2017	HEAD - CIVIL, PT&D AFRICA	9,522,418	BHAWAN ENGINEERING COMP. LLC OMAN - ASSISTANT GENERAL MANAGER
24	DHAWAN AMITABH	46	DIPLOMA IN MANAGEMENT, PGDBM (MARKETING PT)	23	04-Feb-2014	HEAD - INTERNATIONAL SALES, MIDDLE EAST	6,597,152	EMMAR MGF - HEAD, INTERNATIONAL SALES - DUBAI OFFICE

Annexure 'I' to the Directors' Report *(Contd.)*

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
25	DIB DEMITRION H	54	MBA, M SC, B SC (ENGG IN CIVIL)	29	16-Jun-2012	HEAD - CORP CENTRE & BUSINESS DEVELOPMENT (B&I), QATAR	26,097,492	SR. MANAGER - CONTRACTS - CCC
26	DIBBEN STEPHEN ALAN JOHN	46	DIPLOMA IN HIGHER EDUCATION , PG-DIPLOMA IN MANAGEMENT	15	27-May-2017	DY. MANAGER (EHS)	9,748,405	KEO INTERNATIONAL - PROJECT HSE MANAGER
27	DURAISWAMY KRISHNAN	54	DIPLOMA IN ELECTRICAL ENGINEERING	22	10-Sep-2013	PROJECT MANAGER (ELEC)	7,248,638	SIEMENS QATAR
28	ELMOGHENI AYMAN YOUSSEF ABDELAZIM	37	SSC	11	07-Nov-2015	TECHNICAL ENGINEER	7,535,736	AL NAOODAH - SITE ENGINEER
29	FADDOUL JOSHEPH MICHAEL	60	GRADUATE DIPLOMA IN QUANTITY SURVEY	39	01-Oct-2015	CONTRACTS MANAGER	21,217,184	GM-BUSINESS DEVLPT - IMPLENIA
30	GHOSN ELIE EDMOND ABI	46	ELECTRICAL ENGINEERING	21	14-Aug-2013	HEAD - PT&D (ALGERIA)	12,745,307	MELEC SAL GHORFINE - LEBANON
31	GOBINDRANAUTH NARIN	54	BARCH	18	01-Apr-2017	CONSULTANT	27,959,107	–
32	GOKHALE DHANANJAY KISHOR	44	DIPLOMA IN ELECTRICAL ENGINEERING	15	17-Aug-2014	DIVISION MANAGER - DANWAY L.L.C. DUBAI	6,685,378	–
33	GUPTA ACHAL	42	M TECH (CONSTRUCTION TECHNOLOGY & MANAGEMENT), BE (MECHANICAL)	18	26-Jun-2016	HEAD - SCM (CLUSTER II)	6,276,994	CROMPTON GREAVES LIMITED - ASST. GENERAL MANAGER-SUPPLY CHAIN
34	GUPTA PRAMOD KUMAR	62	B SC (ENGG IN CIVIL)	43	28-Mar-2016	PROJECT MANAGER	7,712,925	-
35	HEUGH FERDINAND MICHAEL	48	B SC (ENGG IN CIVIL)	26	27-Sep-2016	CONTRACTS MANAGER	13,970,492	SYSTECH INTERNATIONAL - COMMERCIAL MANAGER
36	HOSNY WAEL MOHAMED ABOUELFETOUH	50	B SC	28	27-Apr-2017	CONSTRUCTION DIRECTOR	13,237,810	CEINSA CONSTRUCTION W.L.L. - PROJECT DIRECTOR
37	HOWE STEVEN JOHN	55	B SC, HIGHER NATIONAL DIPLOMA IN QUANTITY SURVEYING	33	23-May-2016	CONTRACTS MANAGER	10,827,429	HILL INTERNATIONAL - COMMERCIAL CONSULTANT
38	HUCKFELDT JENS	53	PHD, M SC (ENGG IN CIVIL)	28	01-May-2014	CHIEF EXECUTIVE - QATAR, L&T CONSTRUCTION	43,227,308	HAWKINS INFRASTRUCTURE, MANAGER-QHSE -INTERNATIONAL & NZ
39	HUSSAIN ALAA	64	B SC	38	18-Jan-2017	PROJECT DIRECTOR	18,498,264	WADE ADAMS CONTRACTING LLC - SR PROJECT MANAGER
40	IYER GOPALAKRISHNAN NATARAJA	52	B SC (ENGG) - TECHNOLOGY, DIPLOMA IN ELECTRICAL & ELECTRONICS	29	13-Apr-2014	SR. MANAGER - ELECTRICAL (T&C)	8,861,224	ETA-PCS LLC DUBAI
41	JAMES JEBAKAR	59	BE (HONS IN ELECTRICAL & ELECTRONICS)	35	22-Aug-2015	CLUSTER HEAD - TL AND SS - WEST AND SOUTH	11,417,489	PGCIL - GENERAL MANAGER
42	JAYARAMAN SIVAKUMAR	50	BE (MECHANICAL & PRODUCTION)	25	12-Nov-2015	MANAGER - PLANNING	8,105,150	WAFRA JOINT OPERATION KUWAIT
43	JOSEPH PASCAL	55	DIPLOMA IN SURVEY	32	07-Sep-2017	HEAD - ENGINEERING COORDINATION (RAILWAYS) & INTERFACE MANAGEMENT	9,134,334	TSO - PROJECT DIRECTOR
44	KADIA SHARAD KUMAR JAYANTILAL	44	BE (ELECTRICAL)	24	26-Sep-2015	PROJECT MANAGER (ELEC)	6,576,755	ALSTOM
45	KALAYANASUNDARAM SWAMINATHAN	45	CA, B SC (MATHS)	22	07-Aug-2016	HEAD - FINANCE ACCOUNTS & ADMIN (PT&D - MIDDLE EAST)	10,620,246	ETA ENGINEERING - CHIEF FINANCIAL OFFICER
46	KAPADIA IRFAN ABDUL KARIM	37	BE (CONSTRUCTION ENGINEERING)	13	12-Jul-2016	PLANNING MANAGER - FORENSIC	7,684,352	DMCC - PLANNING MANAGER
47	KHAN ASLAM	60	DME, HSC, SSLC	33	05-Jun-2015	HEAD - MEP	9,479,440	BLUE STAR - PROJECT DIRECTOR
48	KHAN MASHHOOD S	45	BE, DIPLOMA IN ELECTRICAL & INSTRUMENTATION	19	26-Oct-2014	ASST. GENERAL MANAGER - BD	6,403,312	ELECTRIC HOUSE/POWER
49	KIRAN D	40	B TECH (ELECTRICAL & ELECTRONICS)	16	31-Dec-2007	CONSTRUCTION MANAGER (ELEC)	7,105,244	AL HASN ENG. CO
50	KLINGLER CHRISTIAN	39	POST DIPLOMA IN MECHANICAL	18	09-Sep-2015	SITE MANAGER	10,741,408	–
51	KOKA SRI VENKATESWARA KUMAR	53	B TECH (CIVIL)	30	07-Oct-2015	OPERATIONS HEAD - CIVIL	8,557,792	GALFAR ENGINEERING & CONTRACTING SAOG
52	KRISHNA MOORTHY CS	62	MA (HISTORY)	38	02-Aug-2014	MANAGER (ADMINISTRATION)	6,218,181	MANAGER (ADMN.) - L&T CONSTRUCTION

Annexure 'I' to the Directors' Report *(Contd.)*

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
53	KUMAR NIDHI	45	MBA (MARKETING), BE (CIVIL)	26	01-Sep-2016	HEAD - BUSINESS DEVELOPMENT	9,522,668	SHAPOORJI PALLONJI GEN TRAD FOR CONSTRUCTION WLL - HEAD BUSINESS DEVELOPMENT
54	KUMAR RAJEEV	37	M TECH (CIVIL), B TECH (CIVIL), HSC, SSC	11	18-Jul-2014	STRUCTURAL WORKS ENGINEER - CIVIL	6,884,908	ITD-ITD-CEM JV | MANAGER (DESIGN)
55	KUYPER CORNELIUS PETRUS VAN NIKKELEN	54	DIPLOMA IN BUILDING SURVEYING	30	06-Jun-2017	CONTRACTS MANAGER	9,528,498	MURRAY & ROBERTS - COMMERCIAL MANAGER
56	LARBI LAWRENCE BOAMAH	47	MBA	21	10-Jul-2016	CONTRACTS MANAGER	17,293,630	CONSOLIDATED CONTRACTORS COMPANY OMAN
57	MAHER SAID	36	BE (INDUSTRIAL)	12	21-Jan-2016	MANAGER - CONTRACTS	12,034,938	–
58	MOINUDEEN SYED KHALEELUR RAHMAN SYED	45	DIPLOMA IN ELECTRICAL & ELECTRONICS	21	29-Mar-2016	MANAGER (ELEC)	6,778,647	SIEMENS LIMITED QATAR
59	MONDAL SANDIP KUMAR	53	DCE	30	05-Aug-2015	DGM (CIVIL)	7,215,188	SIMPLEX INFRASTRUCTURE - ASST. GENERAL MANAGER
60	MOORTHI VIJAYAKUMAR DHACHINA	43	BE (CIVIL)	13	26-Jan-2016	PROJECT CONTROL MANAGER	6,157,224	DSC INTERNAIONAL
61	MORSI BALIGH HAMDI EL	46	BE (CIVIL)	22	15-Apr-2011	CONSTRUCTION MANAGER	10,502,989	–
62	MUHANDES NAIM A A AL	61	B TECH (CIVIL)	37	01-May-2014	PROJECT DIRECTOR	19,328,846	MOUCHEL - PROJECT MANAGER
63	MYDEEN SHAIK PEER MOHAMED	40	BE (ELECTRICAL & ELECTRONICS)	15	25-Apr-2017	SR. PROJECT MANAGER (ELEC)	6,604,679	JAZEERA EMIRATES POWER
64	NAIDU SURLA SATYAM	44	M TECH (TRANSPORTATION ENGG), BE (CIVIL), DCE, SSC	18	09-Aug-2016	TRAFFIC SAFETY AND CONTROL MANAGER	6,496,127	NAVI MUMBAI SEZ PRIVATE LIMITED - DY. GENERAL MANAGER
65	NAIR R RAVINDRANATH K R	60	B TECH (CIVIL), B SC	37	04-Oct-2016	COST CONTROL MANAGER	10,585,403	–
66	NAIR SUDEEP SUKUMARAN	36	INTERNATIONAL GENERAL CERTIFICATE -NEBOSH, BE (MECHANICAL), HSC, SSC	13	26-Mar-2017	MANAGER - EHS	6,046,727	EGIS INTERNATIONAL - SAFETY MANAGER
67	NARASIMHAN RAM KUMAR	55	DIPLOMA IN ELECTRICAL ENGG (MACHINE DESIGN & INDUSTRIAL ELECTRONICS) CER , DIPLOMA IN CIVIL ENGG	31	21-Mar-2017	SR. PROJECT MANAGER	6,515,390	NILSEN (NSW) PRIVATE LIMITED - PROJECT MANAGER
68	NARKHEDE SUBHASH CHINTAMAN	60	POST GRADUATE IN MANAGEMENT OF CONSTRUCTION PROJECTS, BE (CIVIL), DCE	36	17-Oct-2015	HEAD - CIVIL - KSA	10,572,832	BAHWAN CONTRACTING CO LLC - DEPUTY GENERAL MANAGER
69	NATANASABAPATHY S	43	BE (ELECTRICAL & ELECTRONICS)	21	21-May-2011	PROJECT MANAGER	7,007,090	VOLTECH ENGINEERS
70	NATARAJAN KARTHIKEYAN CHOCKALINGAM	49	DCE	27	17-Oct-2016	MANAGER (CIVIL)	6,214,081	BAHWAN CONTRACTING COMPANY LLC - PROJECT MANAGER
71	NAVARRO FRANCISCO GALLARDO	38	M SC (ENERGY GENERATION), B SC (INDUSTRIAL ENGINEERING)	16	08-Aug-2017	SEGMENT HEAD - SOLAR (MIDDLE EAST)	9,469,289	ENVI ROMENA - DIRECTOR PROJECTS
72	PANDE PRASAD ANANTRAO	50	BE (ELECTRICAL)	25	13-Oct-2012	MANAGER (ELEC)	6,755,845	SIEMENS LLC. UAE.
73	PANDIAN ASOKAN	57	BE (ELECTRONICS & COMMUNICATION)	33	14-Nov-2015	SENIOR PROJECT MANAGER	7,666,791	LARSEN & TOUBRO LIMITED - PROJECT MANAGER ELEC
74	PAPADOPOULOS ANTONIOS	59	B SC (ENGG IN INDUSTRIAL & SYSTEMS)	33	07-Sep-2014	HEAD – QEHS	13,374,499	HILL INTERNATIONAL (MIDDLE EAST) LIMITED - KSA - QA/ QC- HEAD
75	PAULAIAN RAMESH	36	BE (ELECTRICAL & ELECTRONICS)	14	22-Aug-2016	ENGINEERING MANAGER (ELECT)	6,055,313	ISOLUX CORSAN - ENGINEERING MANAGER
76	PHAYAZUDDEEN MAHAMMAD	52	BE (MECHANICAL)	27	26-Feb-2010	HEAD MEP OPERATIONS	6,268,953	GALFAR ENGG. & CONTRACTORS - MANAGER
77	PILLAI SURESH KUMAR	55	BE	29	09-Aug-2017	SR. PROJECT MANAGER	9,385,428	HLG CONTRACTING LLC - SR. PROJECT MANAGER
78	PONNUSWAMY GOVINDA RAJ	53	B TECH (ELECTRICAL & ELECTRONICS)	28	21-Dec-2015	PROJECT MANAGER (ELEC)	7,456,310	–
79	PONUDORAI JONES GABRIEL S	57	MBA, BS (ELECTRICAL ENGINEERING)	28	01-Oct-2017	HEAD - ASEAN (PT&D IC)	9,603,497	GROUP DIRECTOR - GRID SOLUTIONS AT GE ENERGY CONNECTIONS

Annexure 'I' to the Directors' Report *(Contd.)*

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
80	PRADHAN MANAS RANJAN	52	BE (CIVIL)	28	16-Apr-2012	DGM (CIVIL)	6,450,668	–
81	RAJAGOPAL S M	54	BE (ELECTRICAL & ELECTRONICS)	34	01-Aug-2013	SR. MANAGER - ELECTRICAL (T&C)	7,617,912	TANGEDCO (TNEB)
82	RANJAN SINGARAVEL	43	BE (CIVIL), DCE	24	04-Aug-2016	OPERATIONS HEAD - CIVIL	9,732,013	ALSTOM GIRD SAS DUBAI BRANCH - UNIT CIVIL WORKS MANAGER - UAE, QATAR, BAHRAIN, OMAN & KUWAIT
83	RAY SUJIT RANJITKUMAR	60	ICWAI, B SC	33	15-Jul-2015	MANAGER ACCOUNTS AND ADMIN (EAST AFRICA)	6,207,034	LARSEN & TOUBRO LIMITED - MANAGER-SITE ACCOUNTS & AUDIT
84	SABHARWAL SANJIV	51	BE (MECHANICAL)	29	21-Jul-2016	TECHNICAL HEAD - MEP	16,793,414	L&T HQ EDRC - CHIEF ENGINEERING MANAGER
85	SACHIKUMAR SHYAMPRASAD	44	BE (ELECTRICAL & ELECTRONICS)	20	16-Jun-2015	PROJECT MANAGER (ELEC)	6,783,560	MINISTRY OF ELECTRICITY & WATER - ENGINEER
86	SAIGAL K B	52	B TECH (MECHANICAL)	27	11-Dec-2016	MANAGER - MEP	7,037,098	L&T - MANAGER (MEP)
87	SATHEESAN N	60	B SC (ENGG IN ELECT)	36	22-Apr-2007	HEAD - RISK MANAGEMENT (PT&D - MIDDLE EAST BU)	11,267,770	DANWAY (E&M)
88	SERGAKIS GEORGIOS	38	MASTERS IN CONSTRUCTION MANAGEMENT, M SC (ENGG IN STRUCTURE), BE	11	22-May-2014	ENGG MANAGER - STRU. DESIGN	11,440,099	SAMSUNG C & T - MANAGER
89	SHARMA SUHAIL	55	BE (CIVIL)	21	02-Dec-2015	PROJECT MANAGER (ROADS)	8,143,531	K S CONSTRUCTIONS
90	SHRIVASTAVA OMPRAKASH	52	BE (MECHANICAL)	18	26-May-2015	HEAD - PROCUREMENT	7,867,783	DODSAL ENGINEERING AND CONSTRUCTION PTE LIMITED - SR. MANAGER PROCUREMENT
91	SIKKA RAHUL	59	B SC (ENGG IN MECHANICAL)	36	18-Aug-2014	HEAD - PT&D, AFRICA	21,114,367	SALES DIRECTOR - MIDDLE EAST (EAST AFRICA & CENTRAL ASIA)
92	SOARES PAULA CRISTINA SILVA	51	BE (ENVIRONMENTAL ENGG)	27	22-Oct-2016	MANAGER (ENVIRONMENTAL)	8,998,184	OHL CONSTRUCTION - SENIOR ENVIRONMENTAL MANAGER
93	SRINIVASAPRABHAKAR AVINASH	41	BE (ELECTRICAL & ELECTRONICS), DIPLOMA IN ELECTRICAL & ELECTRONICS	18	26-Jan-2017	PROJECT MANAGER (ELEC)	6,484,764	BHARAT EARTH MOVERS LIMITED - APPRENTICE
94	SRIVASTAVA DEEPAK	44	B TECH (ELECTRICAL)	20	23-May-2013	PROJECT MANAGER	6,288,630	ALSTOM T&D INDIA LIMITED
95	SUBBANAIDU RANGASWAMY AV	67	DIPLOMA IN MECHANICAL ENGINEERING	40	22-May-2017	RESIDENT MANAGER	7,294,744	GAMMON INDIA LIMITED - ETHIOPIA
96	SUBRAMANI T	50	PROJECT MANAGEMENT PROFESSIONAL	30	24-Feb-2009	CLUSTER PROJECT MANAGER - DUBAI CLUSTER	6,265,533	BAHWAN ENGINEERING COMPANY LLC
97	SURESH S	49	BE (ELECTRICAL)	25	12-May-2016	HEAD-ASEAN CLUSTER II	8,119,682	M/S HG POWER TRANSMISSION SDN. BHD. - CONSULTANT
98	TAUQEER MOHAMMED	42	BE (ELECTRICAL)	19	07-Aug-2011	CLUSTER HEAD (SS) - EAST	6,138,882	AREVA
99	THOMAS CHACKO	39	B TECH (CIVIL), DCE, SSC	16	25-Sep-2016	CONSTRUCTION MANAGER (CIVIL)	6,479,086	UCC - CONSTRUCTION MANAGER
100	UMA SANKAR M	55	MS (QUALITY MANAGEMENT), M TECH (CIVIL), B TECH (CIVIL), DCE	31	09-May-2015	HEAD - QA/QC	8,460,084	L&T CHENNAI - HEAD (QA/QC)
101	UNDRU LAKSHMANA RAO	44	M TECH (STRU-ENGG), B TECH (CIVIL)	20	14-May-2016	ENGINEERING MANAGER (CIVIL)	7,147,478	HILL INTERNATIONAL - LEAD STRUCTURAL ENGINEER
102	VARGHESE CECIL	47	BE (ELECTRICAL)	24	09-Apr-2017	DEPUTY GENERAL MANAGER-SALES	6,318,232	INDUSTRIAL ELECTRICAL PROJECTS CO.
103	VASUDEVAN JAYARAMAN	47	BE (CIVIL)	22	23-Mar-2016	MANAGER (CIVIL) - QA/QC	6,450,397	PUNJ LLYOD - MANAGER - QA/QC
104	VENKATESH G	54	B TECH (CIVIL), INTERMEDIATE	29	09-Feb-2017	HEAD - ARCHITECTURAL FINISHES	6,547,235	L&T - CONSULTANT
105	VINOD KUMAR RM	44	BE (MECHANICAL)	18	23-Jun-2016	SR. MANAGER (MEP)	6,904,676	SHAPOORJI PALLONJI – ASST. GENERAL MANAGER (SERVICES)
106	VINOD P B	45	B TECH (CIVIL)	18	22-Sep-2016	SR. MANAGER (QA/QC)	9,488,980	KEO CONSULTANTS LIMITED - QUALITY ASSURANCE MANAGER

Annexure 'I' to the Directors' Report *(Contd.)*

Sr. No.	NAME	AGE	QUALIFICATION	EXPERIENCE YEARS	DATE OF EMPLOYMENT	DESIGNATION	GROSS REMUNERATION	LAST EMPLOYMENT - PREVIOUS DESIGNATION / COMPANY
107	WE SAMPATH KUMAR	58	DIPLOMA IN ELECTRICAL ENGINEERING	34	16-Mar-2016	CONSULTANT (VERTICAL & HORIZONTAL TRANSPORT SYSTEM)	6,151,525	L&T CONSTRUCTION MUMBAI - CONSULTANT
108	AQUIL SYED ASIF *	38	BE (ELECTRICAL)	14	23-Jul-2017	MANAGER PROJECTS (CLOSE OUT)	4,659,713	SIEMENS LLC. UAE.
109	BARTON ANTHONY *	55	BE (CIVIL)	30	08-May-2016	PROJECT DIRECTOR	1,470,169	DAWNUS INTERNATIONAL BAHRAIN
110	BRIGGS SHANE LEE *	41	DIPLOMA	21	17-Jul-2017	DY. MANAGER (EHS)	4,952,776	KELLOGG ROOT & BROWN - SR. FACILITIES MANAGER
111	GAMAGE DINUKA JAYARATHNA KEERIWALA *	41	B SC (QUANTITY SURVEYING),NATIONAL DIPLOMA IN TECHNOLOGY (CIVIL ENGINEERING)	10	10-Aug-2017	SENIOR QUANTITY SURVEYOR	4,684,538	AL SHAFAR GENERAL CONTACTING CO. L.L.C. - SENIOR QUANTITY SURVEYOR
112	GARSIDE DAVID ANTHONY *	43	LEVEL 3 DIPLOMA	12	16-Sep-2017	SCAFFOLDING MANAGER	4,963,999	SGB QATAR - PROJECT MANAGER
113	GHYATH DENNO MOHAMMAD *	57	M SC (ENGG IN CONSTRUCTION), M SC (CONSTRUCTION MANAGEMENT), PHD IN PHILOSOPHY	33	18-Jun-2015	HEAD - WATER BUSINESS KSA	507,176	–
114	HALLIWELL SHAUN JOSEPH *	45	B TECH (PLANT OPERATION)	24	19-Feb-2018	ERECTION SPECIALIST	1,124,141	CDM SMITH - SENIOR STEEL INSPECTOR
115	HARIDAS THIYYATH JANAKYAMMA *	53	DCE	23	02-Sep-2017	SENIOR CONSTRUCTION MANAGER ROADS & UTILITIES	4,322,482	DUTCO BALFOUR BEATY - CONSTRUCTION MANAGER
116	IPE JAYAN CHACKO *	34	BE (INDUSTRIAL ENGG & MANAGEMENT), HSC, SSC	10	15-Aug-2017	PLANNING MANAGER	4,746,400	AL NABOODAH - SR PLANNING ENGINEER
117	JEAN-MARIEBRANDONE MARC *	60	PHD IN PROJECT MANAGEMENT	37	19-Dec-2015	HEAD - QATAR CLUSTER II	1,742,603	ABB KUWAIT
118	JOHANNES NICHOLAS WILLIAM *	57	ADVANCED PROJECT MANAGEMENT	34	03-Oct-2017	SR. PROJECT MANAGER (ELEC)	3,155,564	ROBOR (TRICOM), SOUTH AFRICA
119	KANDIL MOHAMED KHAIRY MAHMOUD MOHAMED *	36	BE (CIVIL)	13	20-Jul-2017	TECHNICAL MANAGER	4,730,154	HLG CONTRACTING LLC - CONSTRUCTION MANAGER
120	KEMP SCOTT *	40	B TECH (QUANTITY SURVEYING)	15	10-Jul-2016	CONTRACTS MANAGER	1,024,046	MCCONNELL DOWELL - CONTRACTS MANAGER
121	PADAVAL DNYANESH NATHURAM *	47	BE (ELECTRICAL)	23	02-Jan-2018	PROJECT MANAGER (ELEC)	1,561,327	CONTROL & APPLICATIONS EMIRATES - PROJECT MANAGER
122	SALAH MOHAMED AHMED *	56	ME, M SC (ENGG IN CHEMICAL), B SC (ENGG IN CHEMICAL)	32	01-Dec-2012	WATER TECHNOLOGIST	3,788,926	-
123	SECIL RAJAN C *	52	DIPLOMA IN ELECTRONICS & COMMUNICATION, NAVY GRADUATION, CERTIFICATE IN NEBOSH - INTERNATIONAL, DIPLOMA IN OCCUPATIONAL HEALTH & SAFETY	30	01-May-2017	DY. MANAGER (EHS)	5,857,015	LOUIS BERGER - SAFETY OFFICER
124	SELVARAJ RAMAKRISHNAN *	38	BE (ELECTRICAL & ELECTRONICS)	14	07-Aug-2017	PROJECT MANAGER (ELEC)	4,700,003	TURNER CONSTRUCTION
125	SPS PRINCE JEEVANAND *	51	MA (SOCIAL WORK), B SC (BOTANY)	20	08-Jan-2018	HEAD - HR	1,806,740	GALFAR ENGG & CONTRACTING WLL | HEAD (HR)
126	SRINIVASAN T *	50	BE (MECHANICAL)	26	03-Mar-2018	MANAGER - MEP	1,021,588	L&T - HEAD (MEP)
127	TEMURLENK NURI *	38	M SC (ENGG IN ELECTRONICS), B SC (ELECTRONICS)	12	04-Feb-2018	BUSINESS DEVELOPMENT MANAGER - SOLAR	1,500,511	ACWA POWER, KSA

* Indicates employees for part of the year. (At a rate which, in aggregate, is equal to or more than 5 Lakh per month)