LARSEN & TOUBRO

Larsen & Toubro Limited
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L&T House, Ballard Estate
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SEC/PAM/AR/ 2019

June 28, 2019

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 2019**

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 2019 alongwith AGM Notice dated May 10, 2019.

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.

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

CIN : L99999MH1946PLC004768

LARSEN & TOUBRO



LED BY TECHNOLOGY
EQUIPPED FOR GROWTH

74th ANNUAL REPORT
2018-2019



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



We look forward with optimism to political leadership with the vision, maturity and resolve to usher in a resurgent era of inclusive growth and prosperity.

A.M. NAIK
GROUP CHAIRMAN

Dear Shareholders

At the outset, our hearty congratulations to the new Government on winning a decisive mandate in the General Elections. With the uncertainties thrown up by the polls now behind us, the country can re-focus on its primary goal of building a new future for all its citizens. We look forward with optimism to the new political leadership which we believe possesses the vision, maturity and resolve to usher in a resurgent era of inclusive growth and prosperity.

Economic Scenario

India's GDP in FY2019 is estimated to have grown by around 7 per cent. While this is a laudable achievement in the global context, it falls marginally short of expectations due to an interplay of macro-economic and political factors. These include the uncertainties which invariably accompany our General Elections, volatility in crude prices and unpredictable currency fluctuations. The economy also had to grapple with a funding crunch for NFBCs precipitated by the IL&FS debt default, deceleration in the agriculture and mining sectors and widening of fiscal and current account deficits.

On a positive note, the country has largely got back on track after the initial disruptive effects of twin reform measures, viz., Demonetisation and GST. The longer-term benefits of both these measures are gradually being realised through an uptick in tax collections on an expanding base of tax payers. We also see the light at the end of the tunnel in the case of overleveraged corporate balance sheets and high bank loan delinquencies. Imaginative steps such as the resolution of stressed businesses under the Insolvency & Bankruptcy Code, bank recapitalisation and more stringent application of NPA credit provisions norms should help the sector back on its feet. It is also heartening to note that India now ranks 77th in the World Bank's Ease of Doing Business index, continuing its ascent for the second consecutive year.

Benign headline retail (CPI) inflation (a nominal anchor of monetary policy) over a prolonged period has prompted a softer monetary policy resulting in lower interest rates. Eventually, this should rev up private sector investment, which has remained dormant for the past few years.

Though corporate earnings have registered reasonable growth during FY19, FIIs have been withdrawing significant tranches of money from secondary markets for the better part of the year. Domestic money managers also rebalanced their portfolios by favouring defensive sectors and reducing allocations to cyclical sectors like Infrastructure. The last few months of FY19 have, however, witnessed a rebooting of confidence in the future of the economy, with markets too recording a significant inflow of FII money.

While the private sector has been somewhat tentative in increasing spends in FY19 (in areas of PPP, industrial capex and certain segments of urban infrastructure), the public sector has been far more forthcoming with vigorous investments in key sectors. These include water, metro rail networks, railways, roads and road adjacencies (special bridges, expressways and city flyovers), power transmission & distribution and hydrocarbon. The strong underlying macro drivers of investments in these sectors are expected to sustain into FY20 and beyond. Encouragingly, the private sector also seems to have overcome its bashfulness, and begun to show signs of revival in road concessions, airports, healthcare, metals, mining and cement capacity augmentation. Gross fixed capital formation rate improved to 32.3% in FY19 from 31.4% in FY18, signalling a smart rise in public investment spending.

On the international front, optimism and growth are being held hostage to geo-political uncertainties, such as Brexit, the flaring of protectionist tendencies and the combustible issue of trade tariffs. Current consensus forecasts point to a slowdown in the world economy in 2019, precipitated by higher oil prices in 2018 and tempering of US growth, even as the US Fed is under pressure to adopt an accommodative monetary stance. Against this backdrop, your Company's investments in targeted geographies are expected to yield salutary returns. Our clear thrust is towards renewable energies, hydrocarbon expansion and non-oil revenues in the Middle East as well as significant investments in infrastructure in non-Middle East geographies where your Company has consolidated its presence.

Group level Performance Overview

Your Company has once again turned in a stellar performance on all key parameters. Order Inflows, which are the lifeblood of any business with Engineering, Procurement and Construction (EPC) as its core, came in at ₹ 176,834 crore in FY19 registering a strong growth of 16% over FY18. The unexecuted Order Book as on 31st March, 2019 stood at ₹ 293,427 crore which gives us strong revenue and margin visibility for the next few years. Revenues in FY19 have clocked in at ₹ 141,007 crore registering a resurgent growth of 18% over FY18. PAT touched an all-time high of ₹ 8,905 crore in FY19 representing a substantial growth of 21% over FY18.

The touchstone of your Company has been its focus on shareholder value creation and your Company has delivered on this front in FY19 as well.

It gives me great pleasure to inform you that the Board of Directors has recommended a Dividend of ₹ 18.00 per share. The corresponding dividend in the previous year was ₹ 16.00 per share.

International business

Geographical de-risking has always been part of your Company's game plan for international markets. Across the last decade, the strong organisation which we have built in the oil-rich Middle East region has paid handsome dividends, while insulating us from the periodic ups and downs of the domestic economy. The recent volatility in crude prices due to political and economic crosscurrents has, however, led to reduced investments in OPEC regions. Having proactively readied itself for such an eventuality, your Company forayed into select African countries, Bangladesh and Sri Lanka. This sustained drive over the last few years has started yielding results, with non-Middle East business contributing to around 45% of the International Order Book.

Meanwhile, L&T Infotech (LTI) and L&T Technology Services (LTTS) accelerated their growth thrust in the US and European markets.

Talent Management and Succession Planning

Your Company believes that people are the basic building blocks of a business organisation, and places unrelenting emphasis on nurturing, retaining and developing talent at all levels of management. The wide canvas of businesses within the Group offers unparalleled opportunities for professional growth. Structured professional and leadership development programmes, monetary and non-monetary rewards as well as a conducive work environment and mentoring at various levels form the backbone of HR initiatives of your Company.

I personally allocate quality time to mentoring the next generation of leaders for the Group, apart from involvement in strategy, business portfolio rationalisation and CSR.

Sustainable Development

Your Company views sustainability as the essential discipline of balancing economic growth with social inclusiveness and environmental conservation. Our Sustainability Policy mirrors our values and ethos, while our Sustainability Programme is aligned to universally recognized development goals and focused on measurable outcomes. We offer green technology solutions for our clients, work continuously on energy intensity reduction and shrinking our carbon footprint. A 'reduce, reuse, recycle and redeem' principle has helped us reduce consumption of natural resources. Most of our campuses are water positive and many harness green energy. On the community front, the social infrastructure which we help to build is introducing positive change in the lives of thousands who live in proximity to our campuses. The mantle of social responsibility extends beyond the organization to a youthful army of your Company's employee volunteers known as 'L&Teers'. It is indeed heartening that many L&Teers, entirely of their own volition, have made social change their personal mission.

In 2018-19 your Company moved to a higher level of disclosure in the public domain and published its first Integrated Report (<IR>) which conforms to the International Integrated Reporting Council (IIRC) framework and is in accordance with the Global Reporting Initiative (GRI) Standards.

Total spends on CSR initiatives in 2018-19 by your Company amounted to ₹ 122 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. The focus areas under CSR continue to be health, education, skill building, water and sanitation.

Outlook

Apart from the hustle of the election campaigns distracting attention from economic policy-making, this year we had to contend with global deceleration and financial constraints cramping many economies. All this is likely to present challenges to India's growth story in FY20. We expect the investment climate to improve in the second half of FY20, as the new Government settles down. Financial markets and capital inflows may witness volatility in the first half of FY20 but gain relative stability in the latter half, given India's inherent potential as an investment destination in the emerging markets space.

The traction that the country's infrastructure development has seen in the last few years will, to our minds, continue in the future. Retail (CPI) inflation, projected by the RBI to remain below 4% up to end-2019, should facilitate a soft monetary policy in FY20. Additionally, the decisive market interventions of the central bank, the recent recapitalisation of public sector banks and the ongoing resolution of chronic stressed asset cases through IBC give us reason for a broadly positive outlook.

Segments which hold promise in the current year include:

1) Infrastructure

a) Urban Infrastructure

Your Company has for several years been at the forefront of designing and constructing large and complex civil infrastructure. Our capabilities and track record place us in pole position to make the most of numerous emerging opportunities. These include: airports, commercial buildings, hospitals, educational institutions, convention centres, shopping malls, IT buildings, affordable housing and high-end residential real estate.

b) Smart Cities

Your Company leads the way in building smart city infrastructure and is well-positioned for the projects likely to be ordered out. We are looking at expanding opportunities in intelligent traffic management and surveillance systems, smart electric grids & lighting, fibre optic cabling and transport & logistics systems. The domain expertise available with L&T Infotech and L&T Technology Services positions your Company as a formidable player in Master Systems Integration for smart city projects.

c) Roads

While the focus of the National Highways Authority of India continues to be on both EPC and the Hybrid Annuity Model, expressways as well as special bridges and city flyovers are likely to buttress the overall roads investment programme in the country.

d) Railways

With the execution of the first two legs of the Dedicated Freight Corridor well underway, the focus has shifted to the Mumbai-Ahmedabad high speed rail project, rapid electrification of railway lines and track upgradation / augmentation. All these are likely to provide good business prospects in FY20.

e) Metro Rail

In the last few years, urban planning authorities have zeroed in on metro rail networks as the most viable solution for decongesting urban traffic in our cities. While over ten cities have operational metro rail networks covering close to 600 km of inner city networks, another 600 km are currently under construction and around 1400 km are in the planning stage. Investment in this area is expected to continue for many years as more and more cities move from drawing board to execution phase over the years. Total spends on Metro Rail networks in the country over the next few years are expected to be in the region of ₹ 400,000 crore.

2) Water Infrastructure

The sector has seen a surge in investments over the last few years, and the momentum is expected to continue. Infrastructure for management of water resources within the country, waste-water treatment facilities as well as large lift irrigation systems are likely to see continued investment. Inland waterways infrastructure could receive focused government attention from FY20 onwards.

3) Power Transmission & Distribution (PT&D)

Prospects in India and other focused geographies continue to be strong, with investments by Central as well as State utilities offering good business opportunities. The Saubhagya initiative launched by the Government in 2017 to transmit electricity to individual households along with smart metering has given good business traction to your Company. This programme is expected to extend into FY20 as well.

While building further on its presence in the Middle East markets, your Company has also successfully entered parts of East Africa, Algeria, Egypt and countries in East Asia. These geographies are likely to provide continual growth opportunities.

4) Hydrocarbon

This business has grown rapidly in FY19 in terms of Order Inflows and Revenues. It sees sizeable investment prospects in domestic and international markets in both offshore and onshore segments. Prevailing oil prices, hovering around USD 70 per barrel (Brent Crude), should spur further investment in oil producing countries, and ensure a pipeline of continued investments in the production and processing of hydrocarbons.

5) Heavy Engineering

Your Company's competitive position is built around its strong technological capabilities in designing and production of sophisticated equipment for the oil & gas, fertiliser and power sectors. On the back of significant all-round growth in FY19, the business is expected to leverage strong domestic and global business opportunities in FY20.

6) Defence Engineering

This business segment was formed keeping in mind the abundant business opportunities that are likely to come up in the domestic market on a continuing basis. Your Company's expertise spanning three decades, in both land-based and naval systems, gives this business a competitive edge in responding to the strong defence capex outlay that is likely to sustain at a national level in the coming years.

7) Thermal Power Generation

This sector continues to face a host of challenges. Manufacturers of core power generation equipment must contend with over-capacity, intensive competition and inadequate coal supply. Aggravating this is a customer base weakened by financially-stressed IPPs, public utilities in the red and rural customers clamouring for more subsidised power. Despite these prevailing conditions, your Company sees the potential to bid for around 8 GW of upcoming projects in the power EPC space as well as tenders for retro-fitting existing power plants with state-of-the-art emission control equipment. During the last year, we successfully executed gas-fired power plant projects in Bangladesh and are targeting similar opportunities in neighbouring countries.

8) Realty

The real estate sector is slowly picking up as demonstrated in an increase in sales, a gradual reduction of unsold inventory levels and improvement in absorption rates. Your Company's real estate development projects in Mumbai as well as Bengaluru are progressing well and are expected to provide steady revenues and profits over the next few years. The launch of new projects in Mumbai and Chennai should provide growth momentum to this business.

9) Information Technology and Technology Services (IT&TS)

This business segment, comprising two separate listed entities (L&T Infotech and L&T Technology Services) has recorded strong revenue growth and increased profitability over the last few years. The business is expected to continue registering strong growth in FY20 while maintaining margins.

10) Financial Services

The NBFC space in India since mid-2019 has been dominated by the unfortunate developments concerning IL&FS. It has led to a liquidity squeeze, and made lenders wary of rolling over short liability positions. Your Company's financial services business successfully weathered the upheaval thanks to its robust financial structure, control on ALM mismatches, short term strategy and sound operating practices. The situation has since improved and the business turned in a superlative financial performance in FY19 on all key parameters even during a volatile year. The business has delivered top quartile Return on Equity (ROE) in FY19 and expects to continue this strong ROE performance in FY20.

11) Development Projects

Your Company has a clutch of concessions in roads, transmission lines, coal fired power plants, hydel power plants and a large metro rail (in Hyderabad). In FY19, we successfully divested five road assets to an Infrastructure Investment Trust (InvIT) and a container port (in Kattupalli, Tamil Nadu) as part of our wide-ranging efforts to enhance Group ROE. Certain stretches of the Hyderabad Metro Rail have been completed in FY19 and it is expected that the network will be commissioned fully in FY20. The focus here is on monetisation of the value created in these businesses.

L&T-NxT

Your Company is an early adopter of digital technologies among India's E&C companies, and is adept at IoT, Lidar, photogrammetry, BIM, AI and Machine Learning. Launched three years ago, the digital initiative yielded significant asset productivity gains and process efficiencies to operations ranging from pre-bid engineering and cost-estimation, project execution and monitoring and supply chain interactions.

On the strength of wide-ranging digital transformations achieved successfully within the L&T group, we have now launched a new strategic initiative 'L&T-NxT' to extend this in-house experience and expertise to global markets and create value for our clients in select industry verticals. Leveraging the domain expertise of L&T across diverse industry segments, L&T-NxT targets building a business through the use of new age technologies, such as IIoT, digitalisation and analytics, Artificial Intelligence, Augmented / Virtual Reality, Geo-spatial applications and Cyber Security to partner our clients in their transformation journey. We believe there is a huge opportunity ahead with an increasing number of companies moving towards Industry 4.0 and adopting 'Smart' products, systems & processes to unlock incremental value. While it is too early to talk about financials, L&T-Nxt is well positioned to capture a significant market share and become one of the key drivers for L&T's growth in the long term.

Acquisition of Mindtree Limited

Your Company is in the process of acquiring a controlling stake in Mindtree Limited, a company operating in the IT services space. We believe the acquisition would be completed in the best interests of all stakeholders. For L&T, it is a good opportunity to grow the IT&TS business portfolio and create value for the shareholders.

Strategic Plan

Your Company's 5-year strategic plan 'LAKSHYA' is the roadmap for growth and value addition. LAKSHYA extends from FY17 to FY21 and encompasses every major performance parameter to achieve the over-arching goal of boosting ROE. Your Company is well on its way to achieving its targets and has recorded progress on all fronts of the Lakshya plan over the last three years (FY17 to FY19). We remain confident of achieving the goal in FY21 (the terminal year of the plan) and in the meantime, have been developing the next strategic plan (to be launched from FY22) to ensure steady, profitable growth into the future.

Acknowledgements

I would like to thank the leadership team of L&T headed by Mr. S.N. Subrahmanyan and all the employees for their stellar contribution to the Company's performance. I also thank our customers, vendors and other stakeholders for their confidence and trust in the Company. I acknowledge and thank my fellow Board Members for their invaluable support in taking the Company to greater heights.

Thank You



A.M. Naik
Group Chairman

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LARSEN & TOUBRO

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)

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, L&T-NxT)

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

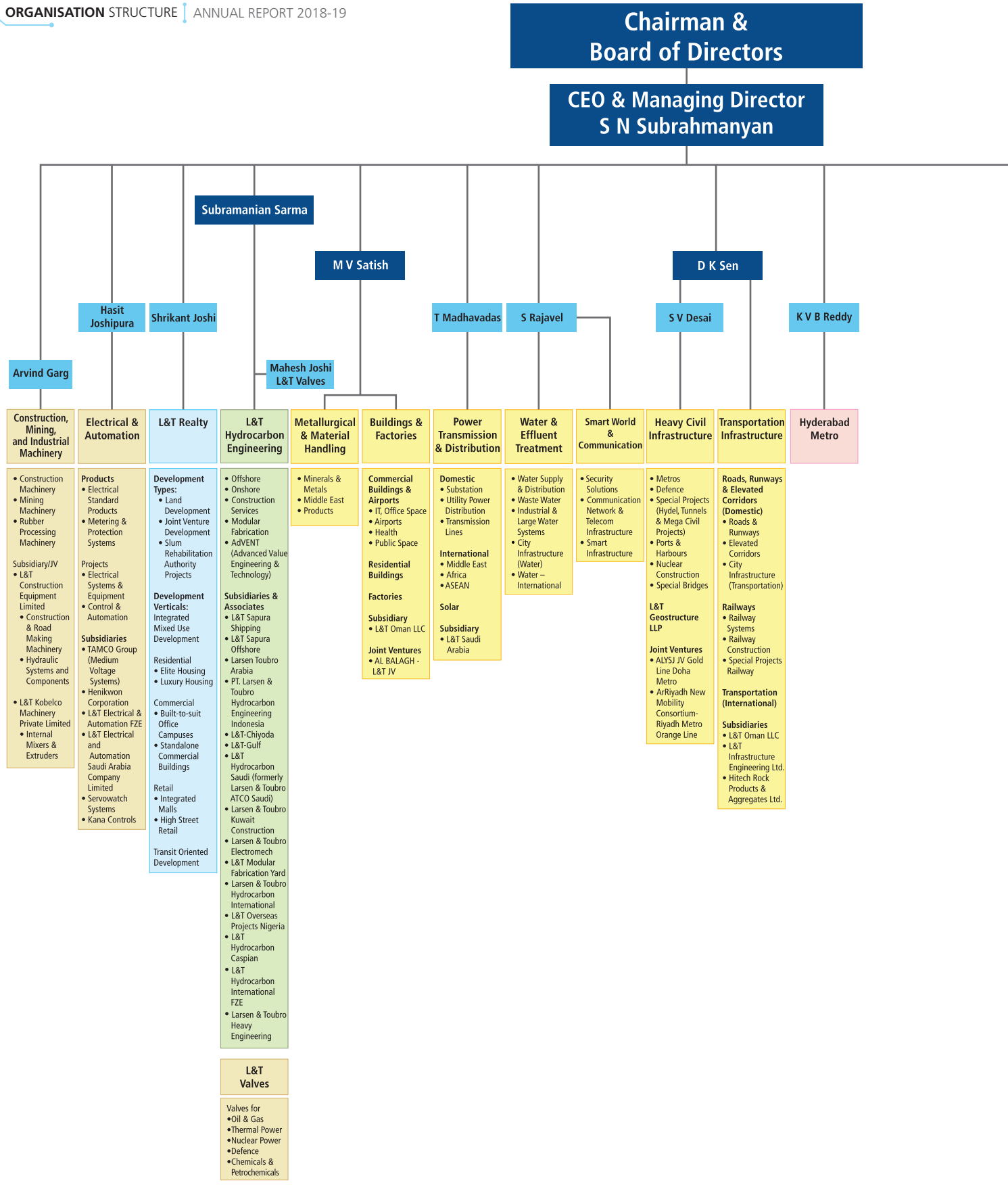
Company Secretary
Mr. N. Hariharan

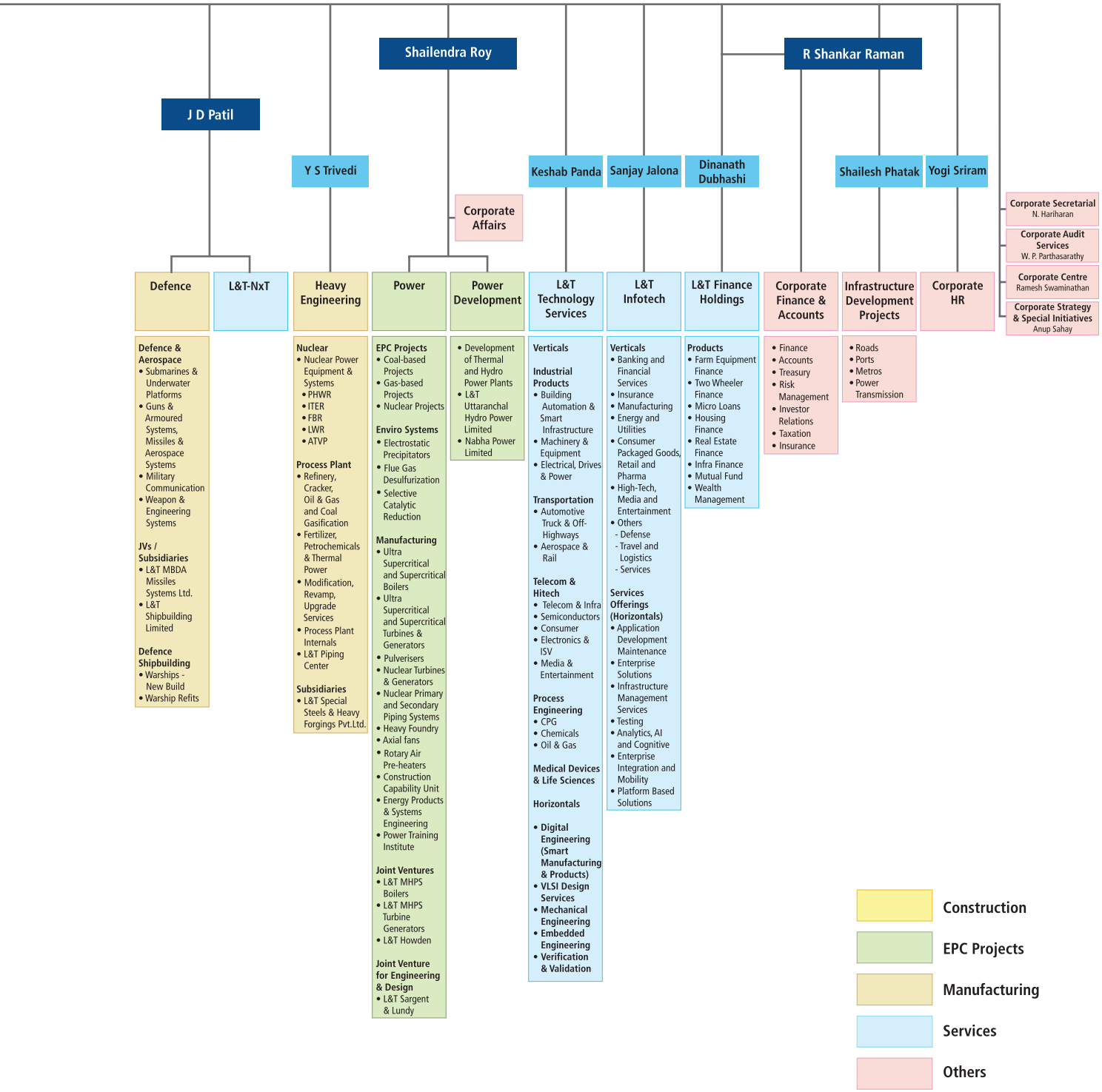
Registered Office
L&T House, Ballard Estate, Mumbai - 400 001

Auditors
M/s.Deloitte Haskins & Sells LLP

Registrar & Share Transfer Agents
Karvy Fintech Private Limited

74th Annual General Meeting at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020. on Thursday, 1st August, 2019 at 3.00 p.m.


Chairman & Board of Directors
CEO & Managing Director S N Subrahmanyan
Subramanian Sarma
M V Satish
D K Sen
Arvind Garg
Hasit Joshipura
Shrikant Joshi
Mahesh Joshi L&T Valves
T Madhavadas
S Rajavel
S V Desai
K V B Reddy
Construction, Mining, and Industrial 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 Hydrocarbon Engineering
• Offshore
• Onshore
• Construction Services
• Modular Fabrication
• AdVENT (Advanced Value Engineering & Technology)
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
• L&T Hydrocarbon Saudi (formerly Larsen & Toubro ATCO Saudi)
• Larsen & Toubro Kuwait Construction
• Larsen & Toubro Electromech
• L&T Modular Fabrication Yard
• Larsen & Toubro Hydrocarbon International
• L&T Overseas Projects Nigeria
• L&T Hydrocarbon Caspian
• L&T Hydrocarbon International FZE
• Larsen & Toubro Heavy Engineering
L&T Valves
Valves for
•Oil & Gas
•Thermal Power
•Nuclear Power
•Defence
•Chemicals & Petrochemicals
Metallurgical & Material Handling
• Minerals & Metals
• Middle East
• Products
Buildings & Factories
Commercial Buildings & Airports
• IT, Office Space
• Airports
• Health
• Public Space
Residential Buildings
Factories
Subsidiary
• L&T Oman LLC
Joint Ventures
• AL BALAGH - L&T JV
Power Transmission & Distribution
Domestic
• Substation
• Utility Power Distribution
• Transmission Lines
International
• Middle East
• Africa
• ASEAN
Solar
Subsidiary
• L&T Saudi Arabia
Water & Effluent Treatment
• Water Supply & Distribution
• Waste Water
• Industrial & Large Water Systems
• City Infrastructure (Water)
• Water – International
Smart World & Communication
• Security Solutions
• Communication Network & Telecom Infrastructure
• Smart Infrastructure
Heavy Civil Infrastructure
• Metros
• Defence
• Special Projects (Hydel, Tunnels & Mega Civil Projects)
• Ports & Harbours
• Nuclear Construction
• Special Bridges
L&T Geostructure LLP
Joint Ventures
• ALYSJ JV Gold Line Doha Metro
• ArRiyadh New Mobility Consortium-Riyadh Metro Orange Line
Transportation Infrastructure
Roads, Runways & Elevated Corridors (Domestic)
• Roads & Runways
• Elevated Corridors
• City Infrastructure (Transportation)
Railways
• Railway Systems
• Railway Construction
• Special Projects Railway
Transportation (International)
Subsidiaries
• L&T Oman LLC
• L&T Infrastructure Engineering Ltd.
• Hitech Rock Products & Aggregates Ltd.
Hyderabad Metro



As on 1st June, 2019

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)



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, L&T-NxT)



Hasit Joshipura
Sr. Vice President & Head
Electrical & Automation

As on 1st June, 2019

www.Larsentoubro.com



Game changers
don't dream of change.
They engineer it.

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

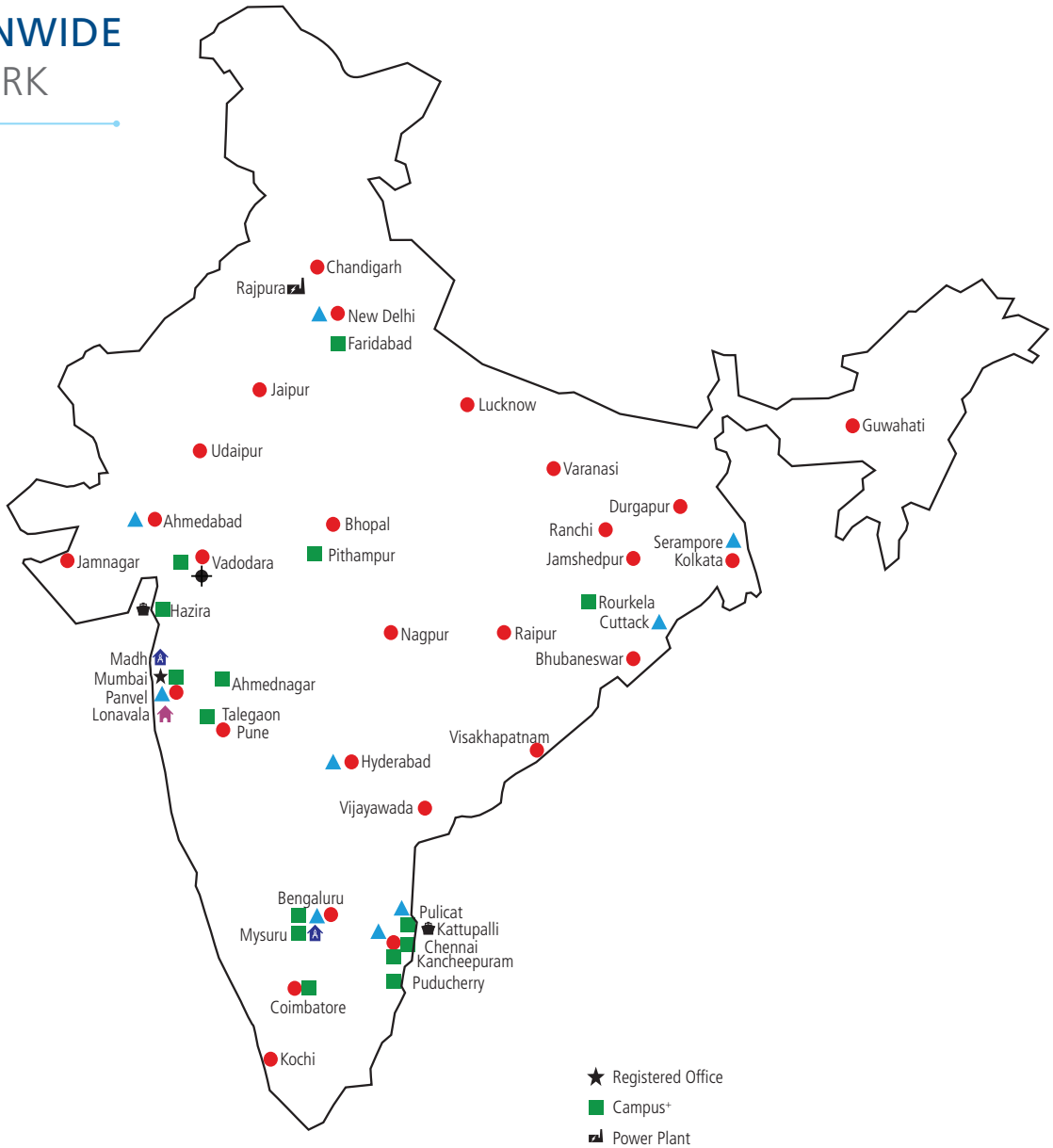
Smart Cities | Construction | Infrastructure | Defence & Aerospace
Special Steels & Forgings | EPC for Steel and Power Plants | Equipment for Oil & Gas
Technology, IT and Financial Services | Realty

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

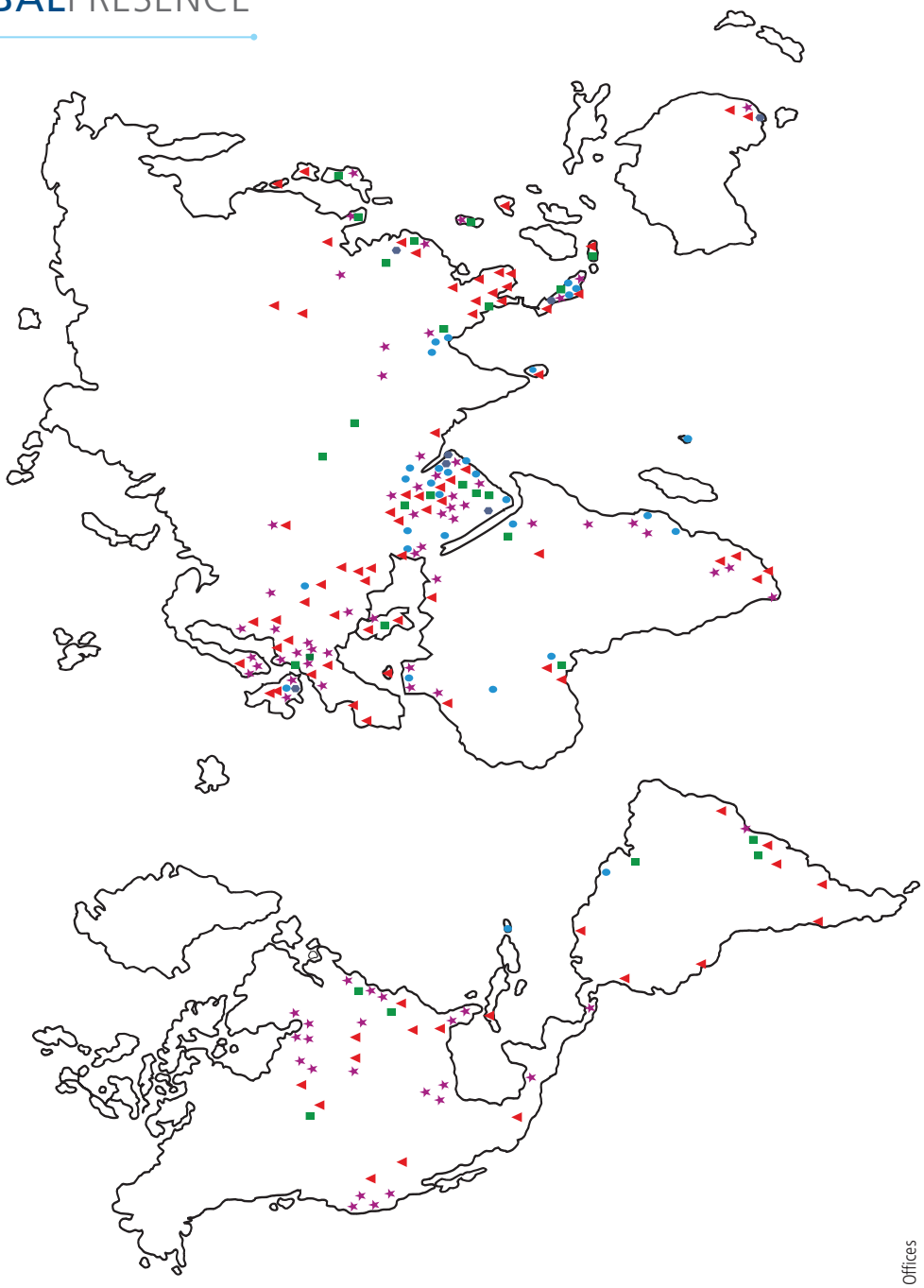
NATIONWIDE NETWORK



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

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

GLOBALPRESENCE



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



Rainwater harvesting through an anicut, at Village Kemriya, Bhim Block, Rajasthan

Contributing towards Social Development and Growth

L&T is an engineering and construction conglomerate with a concern for the community. Building on over eight 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 L&T's 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.

In the recent years we consolidated CSR programmes with a focus on certain development areas that align with the global and national development agenda. L&T received the highest '4 Good' rating in the annual The Economic Times '2 Good 4 Good' CSR Rating Scheme based on its performance and impact created in CSR in the period 2016-18. A total of 35 companies participated this year in the rating scheme presented by *The Economic Times*, with knowledge partner KPMG.

Through the CSR theme 'Building India's Social Infrastructure' we are glad to contribute to social change in India. Here is a snapshot of our CSR interventions across four key thrust areas.

WATER & SANITATION

The Integrated Community Development Program of L&T started in 2014-15, focused on making water - the very 'necessity of life' - available to six water stressed districts in Rajasthan, Maharashtra and Tamil Nadu covering 20100 households across an area of 16844 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



Handpump at Village Upla Karkala,Gram Panchayat Lasadiya, Bhim Block in Rajasthan



Computer lab set up in Dr. Manibhai Desai Madhyamik and Uchhatar Madhyamic School, Chondha Village, Navsari district, Gujarat

contribution of the community, helped in increasing the water level in the water bodies in these villages and retain soil moisture.

- The community groups like Village Development Committees (VDCs), Farmers Groups 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.
- Agri-based livelihood options were created for additional income generation benefitting 1800 no. of families.

WASH Initiatives

The Swachha Bharat Program of GOI gave the necessary impetus to initiate the sanitation drive in villages. L&T trained local youth in masonary skills and used local materials to achieve the following:

- Community-based monitoring committees to deter open defecation.
- Construction of over 4000 well-designed household toilet-cum-bathrooms and over 300 school toilets of which 1108 HH toilets and 117 school toilets were built in 2018-19. This work was recognised under Sanitation Mission of by Government of Rajasthan by awarding it for being the best sanitation programme in the state.

Impact

- Access to water for drinking, sanitation, irrigation, cultivation of fodder and extra crops
- Ensured water availability to 10558 households
- Increased land productivity by converting 46% of fallow land to cultivable land
- 40 hamlets, 11 revenue villages and 2 gram panchayat are ODF benefitting 1108 families this year
- Improved economies, for 18300 households, raising the aspirations of the people

The Kookara - Lasariya watershed project, Bhim Block of Rajsamand District Rajasthan, enabled water holding of 6948 lakh litres in one year (2018-19) and made 54 hectares of barren land cultivable.

EDUCATION

We commit ourselves to fulfill the dream of reaching education to each and every child. This is done by making schools accessible, helping retaining children in school by improving the quality of education in terms of introducing relevant curriculum, improving teaching methods, providing infrastructure for a coducive learning environment in schools and ensuring parent and community partcipation in creating a learning environment at home and in the



Science laboratory set up for high school students of Dr. Manibhai Desai Madhyamik and Uchhatar Madhyamic School, Chondha Village, Navsari district, Gujarat



About 300 School kits issued to various tribal and rural schools located near SSC Talegaon, Government Primary School at Village Diwad, Block – Maawal, District Pune, Maharashtra

community. The future strategic plan for interventions in the education sector includes initiating the STEM Education Project in resource-poor government schools to teach Science and Math through hands-on models and digital content for better comprehension and encouraging curiosity and scientific rigour among students in government schools.

Interventions

- **Basic Infrastructural support** includes construction or repairs of the classrooms, toilet blocks and water stations for basic hygiene facilities, midday meal kitchens and sports grounds.
- **Educational support:** Supplies like uniforms, text books, note books and sports kits are provided to under-privileged students in government and unaided low-income schools in rural and tribal villages
- **Balwadi programme:** L&T strengthens early childhood development programme 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 sent to anganwadis provide necessary childhood development activities
  - Training of Trainers for Balwadi teachers for capacity building
- **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 and Technology:**
  - L&T has supported Government initiatives and sponsored Mini Science Centres in rural schools, simplifying complex scientific concepts and equipped science laboratories for practical application of learning
  - To facilitate the access to e-learning technology rural and tribal students, L&T has provided computer labs and digital classrooms in several peri-urban and 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



Mobile Medical van operated by Stree Mukti Sanghatana in New Mumbai slums



Patient check-up for TB respiratory diseases at Koldongri TB Clinic

School Management Committee (SMC) and parents are invited for a dialogue to encourage students to continue the education, as well as for sustaining L&T's efforts in future

Impact

- **350 schools** gained better facilities that increased enrolment and retention of students
- **2,23,023 students** covered through our education projects this year.

HEALTH

L&T's CSR programme in the health sector aims at making quality health care services accessible and affordable without anyone having to face financial hardship. L&T focuses on strengthening the government health programme 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.

Interventions

Health Centres: A team around 90 well-qualified medical and rehabilitation consultants and 3 professionally staffed, well-equipped multi-speciality centres provide the following services:

Physical health: Health Centres offer tertiary health services including Family Planning surgeries, Day Care General Surgeries, Endoscopy Procedures and Dental Procedures. It also provides eye check-ups, 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.

This year, L&T's Andheri Health Centre completed 50 years of service. The interior structure was refurbished for better organization and crowd management. The refurbishment increased waiting space and facilitates patient education. There is a separate space for registration, a nurses desk and a dispensary. New services have been introduced, such as Ultrasonography with 2D Echo, spacious pathology with electrolytes, an opthalmology unit and health-check-up packages.

Health Camps:

- Two mobile health vans cover marginalised communities across in and around Mumbai including Mumbai slums and tribal blocks near Thane and Ahmednagar
- Specialised health camps covering Eye care, Anaemia diagnosis and treatment, Basic and rubella vaccination drives, Skin ailments, Geriatric care, Dental, Paediatric and Gynaecological care



Bar Bending training in progress, CSTI, Serampore, Hooghly, West Bengal



Training with Bar-tying machine, CSTI, Serampore, Hooghly, West Bengal

- 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%

This year a Gene Expert Study machine introduced at Koldongri Clinic as an extension to the TB programme along with appointment of a Laboratory technician

Dialysis centres: 3748 dialysis sessions have been conducted with over 50 patients 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: 255000 Lives touched through various health services

SKILL DEVELOPMENT

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 8 states, providing free training in construction skills for the large unorganised workforce in the sector, making them employable.
- **Vocational 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 skill courses include Tailoring, Embroidery, Beautician Course, Food processing, Home Management, Computer skills and Basic Education and Basic Health.

Impact:

- 8769 youth completed various courses at CSTIs this year
- 19798 people have been trained in employable vocational skills this year.

TALLEST
FASTEST
STRONGEST



The Statue of Unity – in honour of Sardar Vallabhbhai Patel, the Iron Man of India – is a colossus in every respect. Built in a mere 33 months, it towers 182 metres above the shimmering waters of the Narmada river.

Creating benchmarks is a way of life at L&T. But it's not every day that you get a chance to build the world's tallest statue – and then do it in record-breaking time.

The opportunity presented by the Sardar Vallabhbhai Patel Rashtriya Ekta Trust (SVPRET) and Sardar Sarovar Narmada Nigam Limited (SSNNL) to collaboratively convert our Honourable Prime Minister's grand vision into reality, came with its own set of unique construction challenges. The innovative solutions we applied to overcome them will inevitably find their way into the engineering textbooks of tomorrow.

Today, we salute the spirit of unity, as we pledge ourselves once again to **making the things that make India proud.**

Height	**182** metres Tallest statue in the world, twice the height of the Statue of Liberty	Construction	**13** months designing time **33** months construction time, a world record
Construction material	**210,000** cubic metres of concrete **6,500** tonnes of structural steel **18,500** tonnes of reinforcement steel	Bronze cladding	**1,700** tonnes
Viewing gallery	For **200** people at **135** metres height		

LARSEN & TOUBRO

www.Larsentoubro.com

ANNUAL BUSINESS RESPONSIBILITY REPORT 2018-2019

L&T is committed to fulfilling its economic, environmental and social responsibilities while conducting its business. It is conscious of its impact on the society it operates in and has systems to either eliminate or control adverse impact. The Company works towards resource conservation, improving social relations with the community in which it operates and generating economic value. L&T's sustainability Roadmap 2021 aligned with Business plan LAKSHYA 2021 has produced positive results through various digitalization initiatives.

The Business Responsibility Report (BRR) is prepared in accordance with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of the Business (NVG – SEE) released by the Ministry of Corporate Affairs, Government of India. The BRR complies with the regulations 34 (2) (f) of the Securities Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015. Last year, L&T published its 1st Integrated Report (IR) 2017-18, as per the International Integrated Reporting Council (IIRC) reporting framework. The externally assured IR was also in accordance with Global Reporting Initiative (GRI) Standards 'Comprehensive' option. From FY2018, the IR has replaced the Sustainability Report of the organization. The Integrated Report and previous Sustainability Reports can be accessed 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 2018 - 31st March 2019**
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
301	3011	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
		42103	Construction and maintenance of airfield runways

Group	Class	Sub Class	Description
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 of 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 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) : ₹ 280.55 crore
2. Total Turnover (INR) : ₹ 86,987.86 crore
3. Total profit after taxes (INR) : ₹ 6,677.70 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.822%

As per the section 135 of the companies Act, 2013, the CSR spend is 2.003% of the average net profits 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 Business Responsibility Initiatives of the parent organization. In addition, companies like L&T Finance Holdings, L&T Infotech, L&T Technology Services (Listed entities) will have their separate Business Responsibility Report (BRR) as a part of Annual Report. L&T Hydrocarbon Engineering and other subsidiary companies participate in our Business Responsibility 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 : **NA**
- Name : **Dr. Hasit Joshipura**
- Designation : **Member, Executive Committee, and Senior Vice President & Head - Electrical & Automation**

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**

2. 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 stakeholders?	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.**								
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 Executive 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

2a. 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	-----								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-----								

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	The company does not have financial or manpower resources available for the task	-----								
4.	It is planned to be done within next 6 months	-----								
5.	It is planned to be done within the next 1 year	-----								
6.	Any other reason (please specify)	-----								

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

  Annually

- 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 performance annually as per the Global Reporting Initiative (GRI) framework since 2008. From 2017-18, the Sustainability Reports have been replaced by Integrated Report (IR) which follows GRI Standards as well as International Integrated Reporting Council (IIRC) framework. The Integrated Report is externally assured. We are following GRI Standard and 2017-18 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

At Larsen & Toubro, Corporate Governance is fundamental to the business and core to its existence. The philosophy is based on the transparent governance & disclosure practices, respect for human rights and individual dignity and adherence to norms of moral and professional conduct. L&T is a professionally managed Indian multi-national, committed to total customer satisfaction and enhanced value creation. The Vision of the company is inclusive, with a culture of caring and trust supplemented by corporate policies. These are also applicable to all subsidiary and associate companies.

The Company has laid down its Code of Conduct (CoC) which is applicable to Board members, senior management and employees. The objective is to remain committed, vigilant towards ethical conduct of business processes. All employees need to adhere to and provide an annual declaration for their compliance with the CoC. The objective is to increase the understanding and instill a sense ownership of the Company.

The CEO & MD provided an annual declaration by the Board members and senior management to CoC and affirms its compliance. The CoC is available at www.larsentoubro.com and periodical training is conducted for relevant stakeholders to make them aware of the CoC and amendments. All new employees undergo training on the CoC in the induction program. The training module on CoC is also hosted on L&T's web-based Any Time Learning (ATL) portal. The Graduate Engineering Trainees (GETs) and Post Graduate Engineering Trainees (PGETs) also learn about the CoC in the 'PRAYAG' & 'SWAGAT' (special orientation) training modules.

At the Apex level in the governance structure, a CoC committee comprising minimum five board members meet at least twice a year to review the CoC and ensure implementation across the organization. This Apex committee coordinates, interacts and provides feedback to the Executive Committee (E Com) on all issues pertaining to the CoC. The Compliance officer of the organization also acts as Ex-officio secretary of the Apex committee. Its key function is to ensure implementation of the CoC across the organization, review all the instances of non-compliance and augment the CoC if required. The Compliance officer also oversees the function of Unit-level CoC committees.


Sustainability Policy

At Larsen & Toubro, we are committed to fulfilling our economic, environmental and social responsibilities while conducting business. We will conserve natural resources and enhance social equity to achieve sustainable growth while serving all our stakeholders

Towards this we shall,

- Incorporate environmental and social considerations in our business operations
- Reduce adverse impact of climate change, augment energy efficiency and promote renewable energy usage
- Foster a culture of trust and caring to enhance safety and well-being of employees
- Continue to ensure good governance, ethics and transparency in our engagements with stakeholders, and advocate responsible business practices
- Partner with communities towards social interventions in the identified thrust areas
- Adopt sustainable and resource efficient processes and provide value added products and services

20th November, 2014

A M NAIK
Group Executive Chairman

LARSEN & TOUBRO

All L&T vendors and suppliers sign a Combined Code of Conduct covering various aspects of governance.

At the Unit level, the CoC committee comprises four members from Heads of Human Resources (HR), Operations and Accounts department. The committee is chaired by the Unit head and meets at least once a quarter. The role of the unit committee comprises creating awareness amongst employees, motivating them to adhere to the CoC and monitoring compliance. The investigation of non-compliance cases, and reporting to the Apex level committee is also done by the unit CoC committee. Senior officers from various locations are appointed as coordinators for the respective locations/businesses/ corporate departments. The objective is to inculcate good governance practices amongst employees. This ultimately boosts L&T's brand value.

Whistle Blower Policy

The Policy was formulated in 2004, and is periodically reviewed and updated. The objective is to have a vigilance mechanism in place for directors, senior management and employees to report their concerns about potential, suspected and actual frauds, unethical, and violation to the clauses of the CoC. The Whistle Blower policy is an effective method available to employees to fearlessely report any wrong practices, unethical behavior or non-compliance which may have a detrimental impact on the organization including financial damage and its brand devaluation. During 2018-19, a total of 51 Complaints were received through whistleblower policy and all these complaints were scrutinized and addressed in accordance with the Company's protocol. 50 complaints were resolved and one complaint is in the process of being resolved. The Whistle Blower investigation committee and management maintain the anonymity of the whistleblower at all times. The stakeholder complaints are included in the director's report section of the Annual Report.

From the last two years, the Whistleblower policy has been extended to suppliers and contractors as well to enable them to report their concerns about unethical behavior, misconduct, violation of legal and other requirements, improper practices, actual or suspected fraud by the company official without the fear of unfair treatment or punishment (including loss of business). The senior management and the audit committee of the Board are apprised of the internal processes on a periodical basis, which covers internal controls, statutory compliance, and assurance.

The Company has established a Combined Code of Conduct for the suppliers and vendors which covers various aspects, such as compliance with environmental regulations, health & safety, labour practices, human rights aspects, minimum wages rule, freedom of association and collective bargaining, prohibition on child labour, forced & compulsory labour, ethical behavior, reducing negative impact on society due to their operations, transparency in business processes and environment conservation.

A new supplier needs to sign this combined CoC when he/she wants to do business with the Company. So far more than 22,000 suppliers have signed this CoC. Training workshops, including capacity building programmes, are periodically conducted for vendors and sub-contractors which cover topics from Environment, Health & Safety (EHS), Human Rights, business process improvements and sustainability. The Company ensures compliance by vendors and suppliers to combined CoC through periodic quality appraisal, EHS audits, and assessments.

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 endeavor 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 and certified Green Campus (LDA Lonavala). Our 24 campuses have adopted the zero-wastewater discharge approach and continue to ensure water positive status. Energy efficiency programmes and climate change mitigation measures are extensively implemented across L&T, contributing to 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



227 MLD Water Treatment Plant, Kolkata, West Bengal



L&T offers a variety of energy-saving low voltage switchgear

and coal gasifiers. Our green portfolio is focused on minimizing 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 the 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) are extensively practiced by our infrastructure business. The Sustainability Roadmap 2021 targets increasing recycling/ use of recycled material by 5%.
Fly ash substitutes cement in construction, 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 requirements, 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 help L&T to become a truly global conglomerate. The Company nurtures its talent by motivating 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 include Human Rights clauses. These causes are part of our contracts with suppliers, partners, NGOs and extended across our supply chain.

The Company recognizes the employees' right to form unions and associations affiliated with trade unions at its



L&T's 24-acre Leadership Development Academy at Lonavala



L&T promotes good electrical practices among both employees and customers

manufacturing campuses 5.75% of permanent employees are covered under the unionized employee category. L&T has provided direct employment to 90 Persons With Disabilities (PWDs) and the supply chain has employed 41 Persons With Disabilities. In 2018-19, 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	2822
Number of contract workmen	2,93,662

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 behavioral 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. The ATLNext, a learning process automation, and analytical platform has been hosted since last two years. 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, 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 PhD. 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





L&T's unique Safety Innovation School fosters a 'safety culture' across the workforce

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'. 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 the commencement of work. L&T is the first corporate organization in India to be accredited as 'Course Provider' by the National Examination Board in Occupational Safety & Health (NEBOSH), United Kingdom (UK) for delivering the International General Certificate and by the Institution of Occupational Safety & Health (IOSH), the UK for delivering their course.

More than 4.1 million man-hours of safety training were provided in FY 2018-19 to our workforce. Our wellness programme '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 enhancing 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



L&T helps rural communities accelerate development by joining the Digital Highway



L&T engineers make models to help make STEM concepts easier to grasp

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 a counseling help-line for its employees and their families 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.

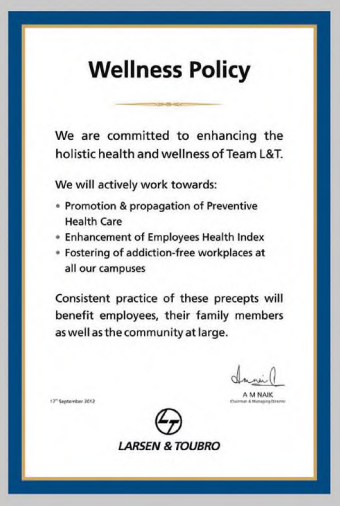
One of our flagship CSR programmes is 'Integrated Community Development (ICD)' which focuses on improving the quality of life of communities living in the 'water-stressed' regions of India. The ICD programme works towards providing access to clean drinking water, sanitation facilities and water for agriculture 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 Release, 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 (Shareholders interaction), Investors meet and shareholder visits to works, corporate website
Suppliers/ Contractors	Regular supplier, dealer and stockiest meets
Media	Press Releases, Quarterly Results, Annual Reports, Sustainability Reports, AGM (Shareholders interaction), Access information & respond to queries



L&T holds supplier meets to enhance supplier's knowledge of new products



L&T has a number of policies to ensure non-discrimination of any form

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

Principle 5: Business should respect and promote Human Rights

L&T is an Indian Multi-National Company (MNC) with a presence in over 35 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 is 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, the 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 the Workplace is implemented to address sexual harassment at the workplace. We conduct periodical training for employees on various aspects of 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



L&T regularly organizes tree plantation drives in and around its campuses and worksites



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

Workers (Regulation of Employment and Conditions of Service) Act 1996, the Industrial Disputes Act 1947 and amendments thereof. Four complaints of sexual harassment at workplace 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 complaint 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

Environmental 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 considerations 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 L&T's 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 the regional and global level) and how these can adversely impact their operations. We also share with our vendors, opportunities and benefits made available by following sustainability practices. More than 22,000 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 2018-19. Water conservation and rainwater harvesting are practiced within our premises; additionally, our community interventions consist of rainwater 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



Alternative energy sources at L&T campuses help lower the Company's carbon footprint



L&T's green portfolio includes green buildings and a large number of eco-friendly products, systems and solutions.

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). We maintained the Carbon Neutrality for two of our Campuses, i.e. Powai (Mumbai) and Chennai in 2018-19 as well. 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 the compliance to environmental regulations, including submission of the compliance report to the regulatory agency. During 2018-19, there were no pending or unresolved show cause / legal notices from CPCB / SPCB. Renewable energy at manufacturing campuses is utilized, wherever feasible. Currently, eight 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 the sustenance of human lives on this planet. L&T undertakes tree plantation both within and outside its premises (as part of its CSR programme) and engage with agencies / NGOs to conduct plantation at public places, national parks and on Government land. During the year 2018-19 more than 2,50,000 trees were planted by our people in project locations across India. We have planted more than 7 lakh trees in the 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

We engage 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.



L&T actively promotes best practices in business communications through industry bodies like the ABCI



L&T has been recognized for its sanitation efforts by the FICCI - Sanitation Council

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 Excellence 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 a 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-related 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.

Principle 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 impact. The CSR interventions of the company are based on the CSR Policy and one in line with the Companies Act 2013 and CSR Rule 2014. The CSR Committee of the Board oversees the implementation of CSR programmes



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



Over 5000 L&T employee volunteers (L&Teers) give back to society in a myriad ways

on a project mode through the 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 i.e. Water & Sanitation, Education, Health and Skill-Development, as mentioned below:

Water & Sanitation

- Implementation of Integrated Community Development (ICD) Programme with the objective to make safe drinking water available for communities staying in the water-stressed regions of Maharashtra, Tamil Nadu and Rajasthan
- Creating access to sanitation facilities for the communities by building toilets and bathrooms
- Implementing soil and moisture conservation programmes, building water harvesting structures, check dams, field bunds and promoting other agricultural techniques
- Conducting tree plantation drives in and around L&T facilities and at ICD locations
- Number of beneficiaries: 1,25,535

Education

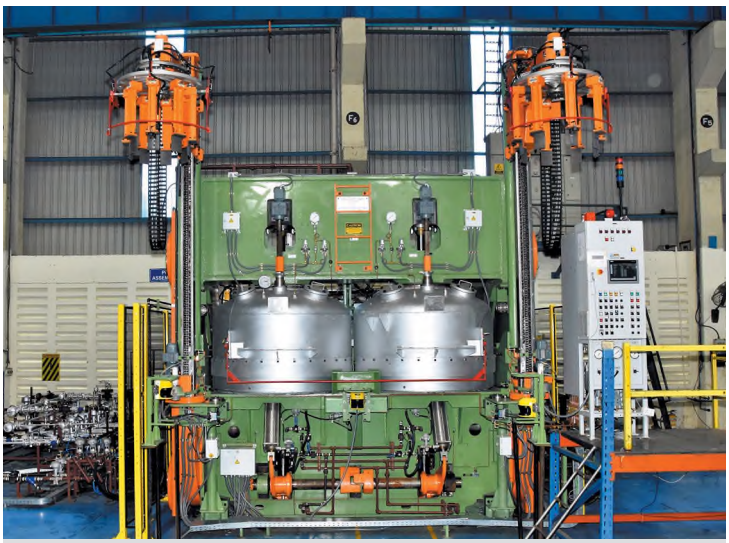
- Pre-primary and primary education
- Infrastructure development in schools
- 'Science on Wheels' vans
- Introduction of innovative teaching and learning techniques in English and Science, building and equipping computer labs, providing teaching aids and running capacity building programmes for teachers
- STEM (Science, Technology, Engineering and Math) Education infrastructure support and capacity building of teachers and students
- Running urban and rural community learning centres to provide after-school academic support to children from disadvantaged communities and helping them to cope with their curriculum and prevent them from dropping out
- L&T Employee Volunteering Programme through which 'L&Teers' help augment the running of urban community learning centres
- Conducting workshops on life skills and awareness on social issues
- Conducting summer camps, sports activities and extracurricular activities to help children expand their horizons
- Number of beneficiaries: 2,42,984

Health

- Providing health and welfare activities for the underprivileged across L&T's facility/site locations in India



L&T's healthcare facilities reach the neediest, at the last mile



L&T's runner processing machinery adds value to tyre majors around the world

- Conducting malnutrition and anaemia mitigation camps
- 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 10 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: 2,55,000

Skill-development

- Providing free training in various construction skills like bar bending, formwork carpentry, masonry, scaffolding, welding, electric wiring, etc. through Construction Skills Training Institutes (CSTIs) to rural and urban youths to enhance their employability
- Vocational training programmes for women: Tailoring, beautician, home nursing and food processing courses
- Imparting vocational training skills among physically and mentally-challenged individuals
- Imparting skills and development of self-help groups at ICD locations
- Collaboration with state run technical institutes (ITIs)
- Number of beneficiaries: 28,567

The Company contributed ₹ 121.68 Crores in 2018-19 towards CSR activities as per the Companies Act 2013.

Principle 9: Engage with and provide value to customers

Projects, products and services designed, developed and executed by L&T are significant in India as well as in select geographies.

L&T offers products and services in diverse fields keeping in mind changing customer demands and market trends. Such changes are also incorporated into training, R&D, design & testing, manufacturing, construction process and customer interactions. 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 in its business model.
We have a robust EHS management framework complemented by the active involvement of our vendors and contractors working at our campuses and project



L&T's high-tech asset management solutions help clients enhance their productivity



Digitalization initiatives across the Company enhance execution excellence

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 fulfil the various needs of its customers. Our products are tested against the most 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. Providing training to our product users / clients forms an integral part of our services including training on preventive maintenance. Adequate labelling is put on the products for ease in understanding during transportation and use of products.

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.
In all its products and service offerings, L&T engages with customers through regular customer meets, customer satisfaction surveys and market-based research, including training and capacity building programmes for customers. Inputs received through customer feedback sessions are incorporated into our operations. Senior management actively reviews customer feedback and suggests corrective and/or preventive action as required.

All of 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.

ANNEXURE: MAPPING TO THE SEBI FRAMEWORK

Question	Reference Section	Description Page Number
Section A: General Information about the Company		
1. Corporate Identity Number (CIN) of the Company 2. Name of the Company 3. Registered Address	AR	20 20
4. Website	AR	20
5. Email id	AR	20
6. Financial Year Reported	AR	20
7. Sector(s) that the Company is engaged in (industrial activitycode-wise)	AR	20-21
8. List three key products/services that the Company manufactures/ provides (as in balance sheet) 9. Total number of locations where business activity is undertaken by the Company	AR	21 21
i. Number of International Locations (Provide details of major 5)	AR	21
ii. Number of National Locations	AR	21
Markets served by the Company – Local/State/National/International	AR	21
Section B: Financial Details of the Company		
1. Paid up Capital (INR)	AR	21
2. Total Turnover (INR)		21
3. Total profit after taxes (INR)	AR	21
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	AR	21
5. List of activities in which expenditure in 4 above has been incurred:	AR	21
Section C: Other Details		
1. Does the Company have any Subsidiary Company/ Companies?	AR	21
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	21-22
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%]		22
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 • e-mail ID	AR	22-23

Question	Reference Section	Description Page Number
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	24
Does the Company publish a BR or a Sustainability Report? What is the Hyperlink for viewing this report? How frequently it is published?	AR	24
Section E: Principle-wise Performance		
Principle 1: 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	25-26
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.	25-26
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	26-27
For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):	AR	26-27
Does the company have procedures in place for sustainable sourcing (including transportation)?	AR	26-27
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	AR	26-27
If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	AR	26-27
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 solution provider for Solar Photo Voltaic (PV) based power plants helping customers save on the energy bills and contribute to reduction of GHG emissions from consumption of indirect energy.	

Question	Reference Section	Description Page Number
Principle 3: Employee Well Being		
Total number of employees. Total number of employees hired on temporary/contractual casual basis. Number of permanent women employees. Number of permanent employees with disabilities Do you have an employee association that is recognized by management? What percentage of your permanent employees and members of this recognized employee association?		27-29
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 finacial year.		27-29
What percentage of your under-mentioned employees were given safety and skill upgradation training in the last year?		27-29
Principle 4: Valuing Marginalized Stakeholders		
Has the company mapped its internal and external stakeholders?		29-31
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.		29-31
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?		31-32
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?		31-32
Principle 6: Environment		
Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors NGOs/others?		32-33
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?		32-33
Does the company identify and assess potential environmental risks?		32-33
Does the company have any project related to Clean Development Mechanism?		32-33
Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.		32-33
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?		32-33
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.		32-33

Question	Reference Section	Description Page Number
Principle 7: Responsible Public Advocasy		
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?		33-34
Principle 8: Inclusive Growth		
Does the company have specified programmes/initiatives projects in pursuit of the policy related to Principle 8?		34-36
Are the programmes/projects undertaken through in-house team own foundation/external NGO/government structures/any other organisation?		34-36
Have you done any impact assessment of your initiative?		34-36
What is your company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.		34-36
Have you taken steps to ensure that this community development initiative is successfully adopted by the community?		34-36
Principle 9: Customer Welfare		
What percentage of customer complaints/consumer cases are pending as on the end of financial year?		36-37
Does the company display product information on the product label, over and above what is mandated as per local laws?		36-37
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		36-37

STANDALONE FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

	← Ind AS →				← IGAAP →					
Description	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
								← $$ →		
Statement of Profit and Loss										
Gross revenue from operations	86988	74612	66301	63813	57558	57164	52196	53738	44296	37356
PBDIT^^	8684	7701	6481	5829	6488	6667	5473	6283	5640	4816
Profit after tax (excluding extraordinary/exceptional items)	6363	4861	4560	4454	4699	4905	4169	4413	3676	3185
Profit after tax (including extraordinary/exceptional items)	6678	5387	5454	5000	5056	5493	4384	4457	3958	4376
Balance Sheet										
Net worth	52551	49174	46013	42135	37085	33662	29291	25223	21846	18312
Loan funds	10192	10561	10558	13924	12936	11459	8478	9896	7161	6801
Capital employed	62743	59735	56571	56059	50021	45121	37769	35119	29007	25113
Ratios and statistics										
PBDIT as % of net revenue from operations @	9.98	10.34	9.86	9.23	11.38	11.78	10.60	11.82	12.84	13.00
PAT as % of net revenue from operations $	7.68	7.23	8.30	7.91	8.87	9.71	8.50	8.38	9.01	11.82
RONW % *	13.22	11.32	12.37	12.39	14.30	17.46	16.06	18.95	19.73	28.49
Gross Debt: Equity ratio	0.19:1	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
Basic earnings per equity share (₹) #	47.63	38.46	39.00	35.81	36.31	39.57	35.55	32.41	29.04	32.79
Book value per equity share (₹) ##	374.63	350.90	328.79	301.57	265.85	241.97	211.39	182.90	159.31	134.98
Dividend per equity share (₹) ##	18.00	16.00	14.00	12.17	10.83	9.50	8.22	7.33	6.44	5.56
No. of equity shareholders	10,21,275	8,99,902	9,23,628	10,28,541	8,53,824	832,831	854,151	926,719	8,53,485	8,14,678
No. of employees	44,761	42,924	41,466	43,354	44,081	54,579	50,592	48,754	45,117	38,785

Figures for 2015-16 to 2018-19 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 extraordinay/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 extraordinay/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 2009-10 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	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Statement of Profit and Loss										
Gross revenue from operations	141007	119862	110011	101975	92762	85889	75195	64960	52470	44310
PBDIT^^	16325	13641	11130	10463	11258	10730	9929	8884	7677	6423
Profit attributable to Group shareholders (excluding extraordinary/exceptional items)	8713	7151	5920	4154	4470	4547	4911	4649	4238	3796
Profit attributable to Group shareholders (including extraordinary/exceptional items)	8905	7370	6041	4233	4765	4902	5206	4694	4456	5451
Balance Sheet										
Net worth	62375	54904	50217	44180	40909	37712	33860	29387	25051	20991
Non-controlling interest	6826	5201	3564	2893	4999	3179	2653	1753	1026	1087
Loan funds	125555	107524	93954	88135	90571	80330	62672	47150	32798	22656
Capital employed	194756	167629	147735	135208	136479	121221	99185	78290	58875	44734
Ratios and statistics										
PBDIT as % of net revenue from operations @	11.58	11.40	10.18	10.35	12.24	12.60	13.33	13.81	14.75	14.61
PAT as % of net revenue from operations $	6.32	6.16	5.53	4.19	5.18	5.76	6.99	7.30	8.56	12.40
RONW % *	15.35	14.12	12.80	9.91	12.13	13.71	16.47	17.26	19.38	31.23
Gross debt: Equity ratio	1.81:1	1.79:1	1.75:1	1.87:1	2.21:1	2.13:1	1.85:1	1.61:1	1.31:1	1.08:1
Basic earnings per equity share (₹) #	63.51	52.62	43.20	30.32	34.22	35.31	37.69	34.14	32.69	40.84
Book value per equity share (₹) ##	444.67	391.78	358.83	316.20	293.29	271.10	244.40	213.09	182.65	154.70
Dividend per equity share (₹) ##	18.00	16.00	14.00	12.17	10.83	9.50	8.22	7.33	6.44	5.56

Figures for 2015-16 to 2018-19 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)].

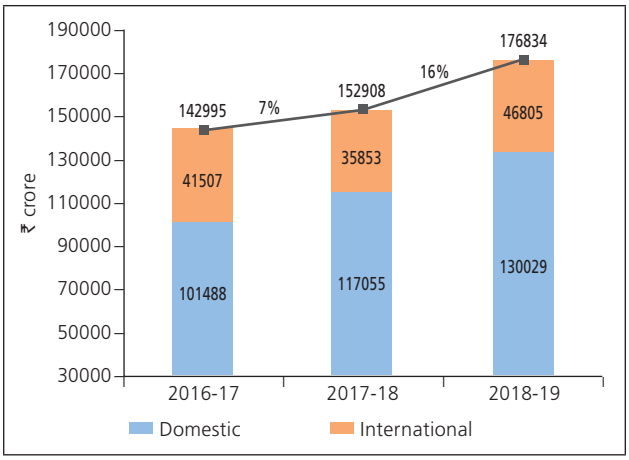
$ Profit after tax (PAT) as % of net revenue from operations = [PAT including extraordinary/exceptional items/gross revenue from operations less excise duty].

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

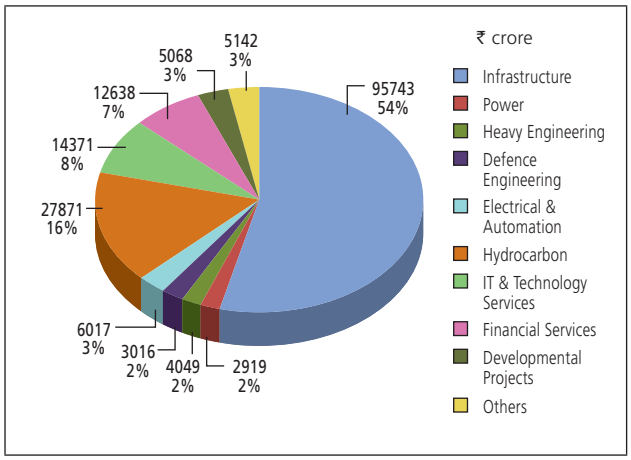
Basic earnings per equity share has been calculated including extraordinary/exceptional items and adjusted for all the years for issue of bonus shares.

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

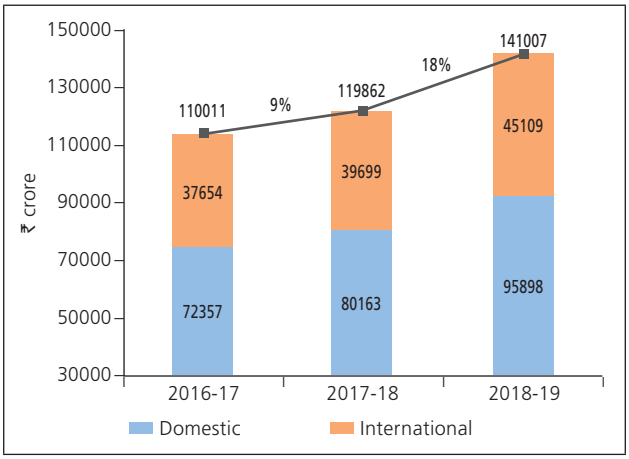
L&T CONSOLIDATED - ORDER INFLOW



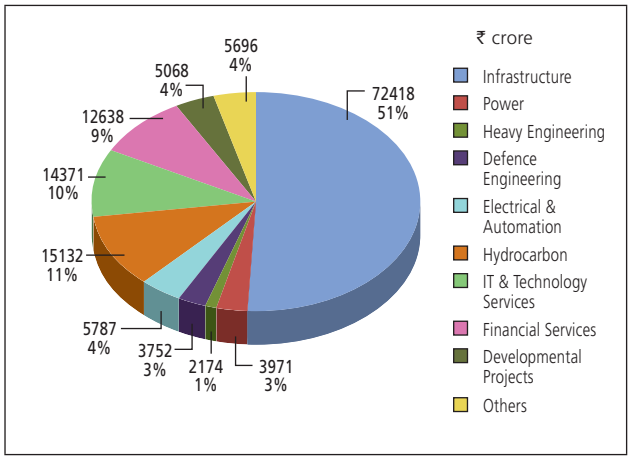
L&T CONSOLIDATED - SEGMENT-WISE ORDER INFLOW 2018-19



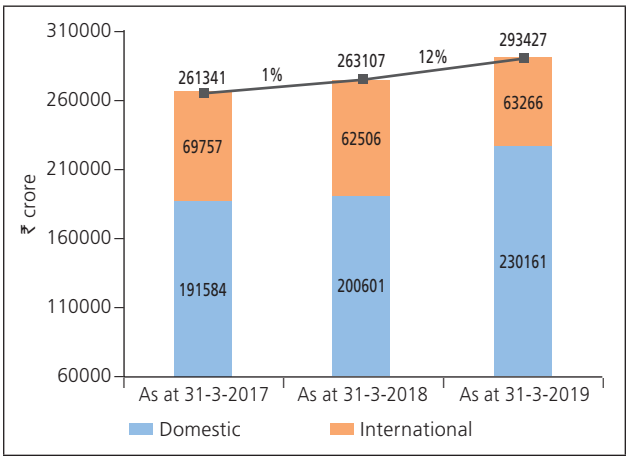
L&T CONSOLIDATED - GROSS REVENUE FROM OPERATIONS



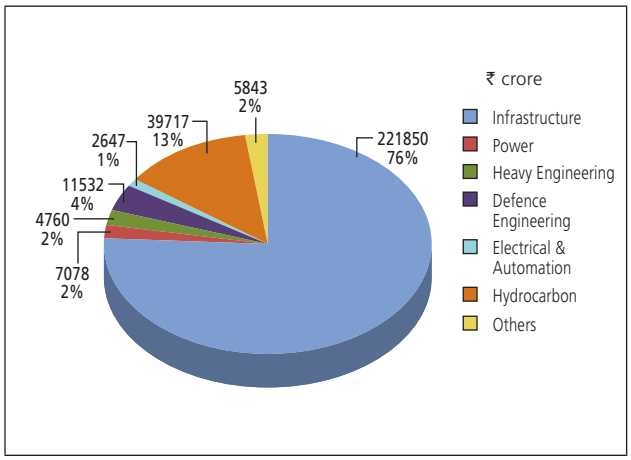
L&T CONSOLIDATED - SEGMENT-WISE EXTERNAL REVENUE 2018-19



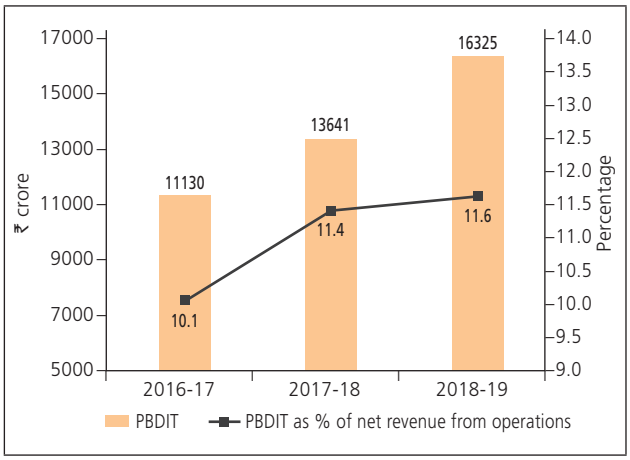
L&T CONSOLIDATED - ORDER BOOK



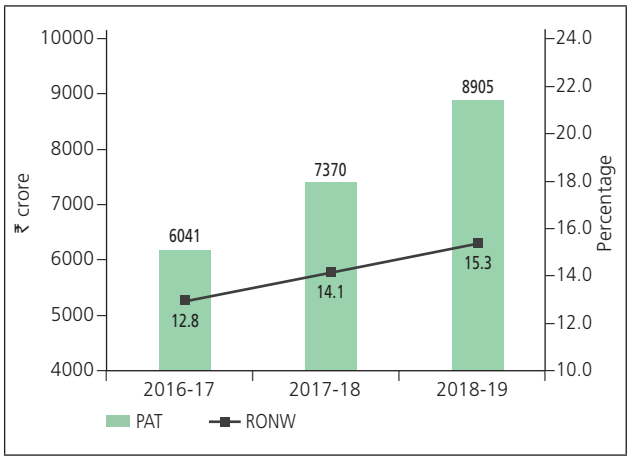
L&T CONSOLIDATED - SEGMENT-WISE ORDER BOOK 2018-19



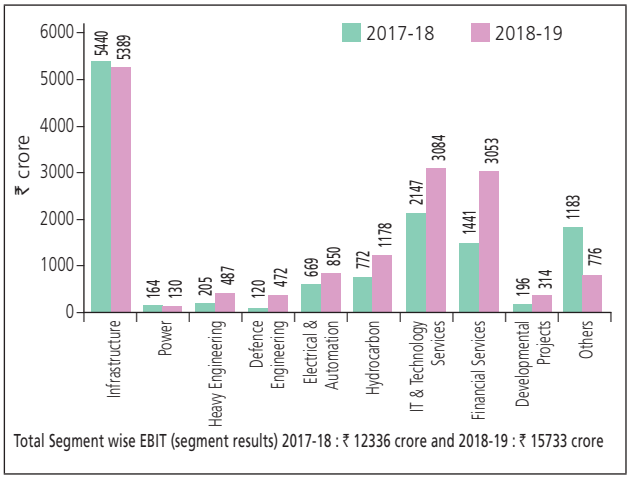
L&T CONSOLIDATED - PBDIT AS % OF NET REVENUE FROM OPERATIONS



L&T CONSOLIDATED - PAT AND RONW %

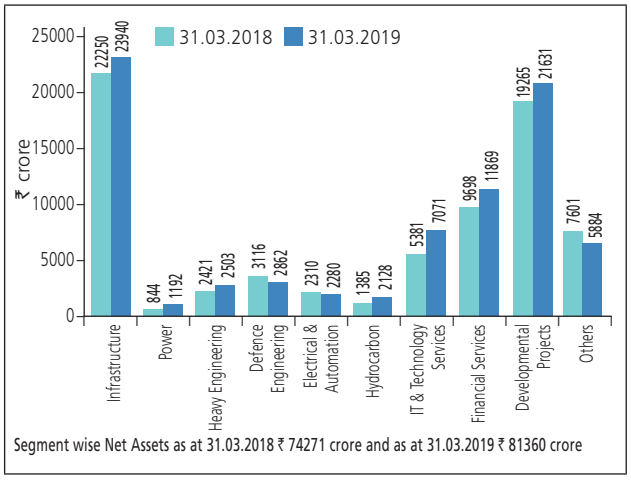


L&T CONSOLIDATED - SEGMENT-WISE EBIT (SEGMENT RESULTS)



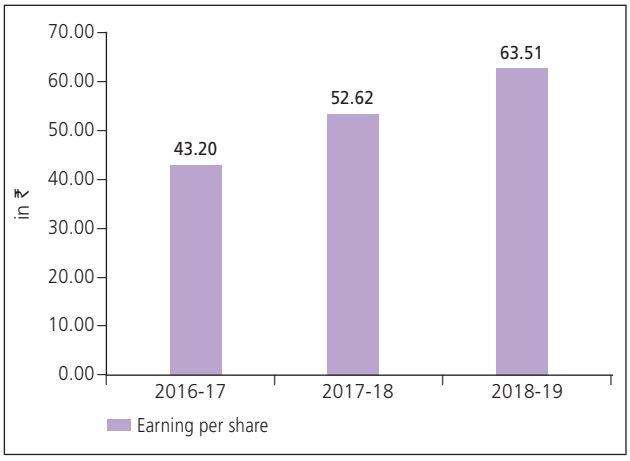
Total Segment wise EBIT (segment results) 2017-18 : ₹ 12336 crore and 2018-19 : ₹ 15733 crore

L&T CONSOLIDATED - SEGMENT-WISE NET ASSETS

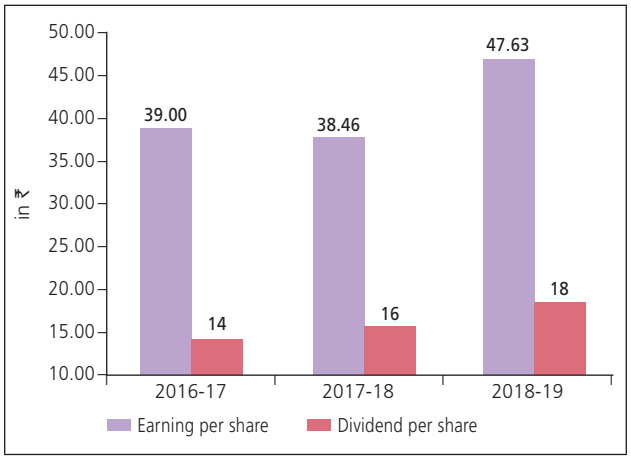


Segment wise Net Assets as at 31.03.2018 ₹ 74271 crore and as at 31.03.2019 ₹ 81360 crore

L&T CONSOLIDATED - EPS



L&T STANDALONE - EPS & DPS



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 Fourth Annual General Meeting of **LARSEN & TOUBRO LIMITED** will be held at **Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 on Thursday, August 1, 2019 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, 2019 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, 2019;

2) To declare a dividend on equity shares;

3) To appoint a Director in place of Mr. M.V. Satish (DIN: 06393156), who retires by rotation and is eligible for re-appointment;

4) To appoint a Director in place of Mr. Shailendra Roy (DIN: 02144836), who retires by rotation and is eligible for re-appointment;

5) To appoint a Director in place of Mr. R. Shankar Raman (DIN: 00019798), who retires by rotation and is eligible for re-appointment;

6) To appoint a Director in place of Mr. J.D Patil (DIN: 01252184), who retires by rotation and is eligible for re-appointment;

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. M.M. Chitale (DIN: 00101004) who was appointed as an Independent Director of the Company for a term upto March 31, 2019 by the shareholders and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years with effect from April 1, 2019 to March 31, 2024."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and Regulation 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. M. Damodaran (DIN: 02106990) who was appointed as an Independent Director of the Company for a term upto March 31, 2019 by the shareholders and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years with effect from April 1, 2019 to March 31, 2024 and also continue as an Independent Director of the Company after he attains the age of 75 years."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Vikram Singh Mehta (DIN: 00041197) who was appointed as an Independent Director of the Company for a term upto March 31, 2019 by the shareholders and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years with effect from April 1, 2019 to March 31, 2024."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Adil Zainulbhai (DIN: 06646490) who was appointed as an Independent Director of the Company for a term upto May 29, 2019 by the shareholders and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years with effect from May 29, 2019 to May 28, 2024"

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

"**RESOLVED THAT** the scale of salary per month of Mr. S.N Subrahmanyan (DIN: 02255382), Chief Executive Officer and Managing Director of the Company approved by the Members at the Annual General Meeting held on August 22, 2017 be substituted with the following scale, with effect from April 1, 2020 and all other terms and conditions of appointment shall remain the same–

Salary: ₹ 23,20,000 - ₹ 1,60,000 - ₹ 24,80,000 with an annual increment due on April 1 every year."

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

"**RESOLVED THAT** the scale of salary per month of Mr. R. Shankar Raman (DIN: 00019798), Chief Financial Officer and Whole-time Director of the Company approved by the Members at the Annual General Meeting held on August 26, 2016 be substituted with the following scale with effect from April 1, 2020 and all other terms and conditions of appointment shall remain the same–

Salary: ₹ 16,25,000 - ₹ 1,00,000 - ₹ 17,25,000 with an annual increment due on April 1 every year."

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

"**RESOLVED THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014, (including any statutory modification or re-enactment(s) thereof for the time being in force) as amended from time to time, and subject to the approval of the Registrar of Companies, Maharashtra, Mumbai ("ROC") and/ or of any other statutory or regulatory authority, as may be necessary, Clause III (Objects Clause) of the Memorandum of Association of the Company, be and is hereby altered by inserting the following Clause (ee) after the existing Clause III(e)

'(ee) To carry on business of, designing, engineering, developing, converting, manufacturing, integrating, constructing, importing, exporting, trading, acting as agents / dealers, selling or otherwise disposing of, distributing, installing, commissioning, Through Life Support, of all kinds of defence, space and aerospace platforms,

embedded software solutions, systems, arms, sensors, goods, equipment, sub-systems, parts and components, consumables thereof, and / or infrastructure in connection therewith including upgradation, refit, retrofitment, refurbishment and renovation thereof and any other hardware or software in connection with the above; providing all ancillary and / or related life cycle services in connection therewith, including but not limited to, supervision, operation & maintenance, warranty services; to carry out all activities for or in connection therewith or related thereto;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, including agreeing to any change to the aforesaid Clause III(ee) of the Memorandum of Association of the Company, as may be required by the ROC and/or any statutory/regulatory authority."

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

"**RESOLVED THAT** in supersession of the resolution no. 11 passed by the Members at the 72nd Annual General Meeting of the Company held on August 22, 2017 in this regard and in accordance with the provisions of Sections 41, 42, 62 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) as amended from time to time, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI Regulations'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enabling provisions in the Memorandum and Articles of Association of the Company as also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactment(s) thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI), Government of India (GOI), Reserve Bank of India (RBI) and all other appropriate and/ or concerned authorities, or bodies and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ('Board') (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer, issue and allot in one or more tranches, to Investors whether Indian or Foreign, including Foreign Institutions, Foreign Institutional Investors, Foreign Portfolio Investors, Foreign Venture Capital Fund Investors, Venture Capital Funds, Non-resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not, through an issue of convertible bonds and/or equity shares through depository receipts, including by way of Qualified Institutions Placement ('QIP'), to Qualified Institutional Buyers ('QIB') in terms of Chapter VI of the SEBI Regulations, through one or more placements of Equity Shares (hereinafter collectively referred to as "Securities"), whether by way of private placement or otherwise as the Board may determine, where necessary in consultation with the Lead Managers, Underwriters, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Rating Agencies/ Advisors, Depositories, Custodians, Principal Paying/Transfer/Conversion agents, Listing agents, Registrars, Trustees, Auditors, Stabilizing agents and all other Agencies/Advisors so that the total amount raised through issue of the Securities shall not exceed INR 4000 Crore (Rupees Four Thousand Crore only) or US $600 Mn (US Dollars Six Hundred Million), if higher.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue/ conversion/ exercise/ redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/ or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of QIP issue it shall be completed within 12 months from the date of passing of this resolution.

RESOLVED FURTHER THAT in case of QIP issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be -

i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue

ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Equity Shares to be offered and allotted shall be in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board, be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deems fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Manager(s) in offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with Lead Manager(s) and to seek listing of such securities.

RESOLVED FURTHER THAT the Company do apply for listing of the new Equity Shares as may be issued with the BSE Limited and National Stock Exchange of India Limited or any other Stock Exchange(s).

RESOLVED FURTHER THAT the Company do apply to the National Securities Depository Limited and/ or Central Depository Services (India) Limited for admission of the Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create necessary charge on such of the assets and properties (whether present or future) of the Company in respect of Securities and to approve, accept, finalize and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and any of the documents and papers in connection with the issue of Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers in such manner as they may deem fit."

15) 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 the provisions of 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 ₹ 13.00 lakhs plus applicable taxes and out of pocket expenses at actuals for travelling and boarding/lodging for the financial year ending March 31, 2020 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 2019-20."

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

N. HARIHARAN
COMPANY SECRETARY
M.NO – A3471

Mumbai, May 10, 2019

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 15 set out above is 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 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, July 30, 2019**.

[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 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, July 26, 2019 to Thursday, August 1, 2019 (both days inclusive)**.

[e] Members are requested to furnish bank details, email address, change of address etc. to Karvy Fintech 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, July 25, 2019**, 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 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
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
89	23.08.2018	31.03.2018	28.09.2025

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 email 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 2018-19 transferred to the IEPF Authority all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years as on the due date of transfer i.e November 1, 2018. 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 website: www.iepf.gov.in.

[l] SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerlisation, members are advised to dematerialize shares that are held by them in physical form.

[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 Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Standard 2 of the Secretarial Standards on General Meetings and Regulation 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 venue of the AGM (remote e-voting) will be provided by Karvy Fintech 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, July 25, 2019** 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.

The members who 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, July 29, 2019 at 9.00 a.m. and ends on Wednesday, July 31, 2019 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 Thursday, July 25, 2019 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 Thursday, July 25, 2019, i.e. the commencement of the book closure date 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 Thursday, July 25, 2019 may approach the Company 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, (Membership No. 4206, COP No. 1774) or failing him Mrs. Aparna Gadgil, Practicing Company Secretary, (Membership No. 14713, 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 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 https://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) above in (A), 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 Regulation 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 has cast his vote by remote e-voting then he will not be eligible to vote at the Meeting.

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 https://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 Online Query Module to enable the Members to seek informations / clarifications pertaining to the Annual Report in advance. Members can post their queries related to the 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:**

Pursuant to Regulation 44(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

[q] **KPRISM- Mobile service application by Karvy**

Members are requested to note that Karvy has launched a new mobile application - KPRISM and website https://kprism.karvy.com for online service to shareholders. Shareholders can download the mobile application, register themselves (onetime) for availing host of services viz., consolidated portfolio view serviced by Karvy, Dividends status and send requests for change of Address, change / update Bank Mandate. Shareholders can also download Annual reports, standard forms and keep track of upcoming General Meetings , IPO allotment status and dividend disbursements.

The mobile application is available for download from the Android Play Store. Shareholders can also scan the below QR code or alternatively visit the link https://kprism.karvy.com/app/ to download the mobile application.

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 15 of the accompanying Notice dated **May 10, 2019**.

Item No. 7:

Mr. M.M Chitale (DIN: 00101004) was appointed as an Independent Director of the Company with effect from April 1, 2014 to March 31, 2019. Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

The Board of Directors at its meeting held on March 5, 2019 on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Chitale as Independent Director of the Company for a second and final term of five years with effect from April 1, 2019 to March 31, 2024 based on his skills, experience, knowledge and report of his performance evaluation. His re-appointment is subject to the approval of the shareholders at this Annual General Meeting by way of a Special Resolution.

The Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Chitale fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and LODR Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Mr. Chitale as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Chitale as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Chitale as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. M.M Chitale, being the 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:

Mr. M. Damodaran (DIN: 02106990) was appointed as an Independent Director of the Company with effect from April 1, 2014 to March 31, 2019. Pursuant to the provisions of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

The Board of Directors at its meeting held on March 5, 2019 on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Damodaran as Independent Director of the Company for a second and final term of five years with effect from April 1, 2019 to March 31, 2024 based on his skills, experience, knowledge and report of his performance evaluation. His re-appointment is subject to the approval of the shareholders at this Annual General Meeting by way of a Special Resolution.

The Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Damodaran fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and LODR Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Mr. Damodaran as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

Additionally, 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. Damodaran, aged 72 years, will complete 75 years during his current proposed term.

The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Damodaran as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Damodaran as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. M. Damodaran, being the 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. 8.

Item No. 9:

Mr. Vikram Singh Mehta (DIN: 00041197) was appointed as an Independent Director of the Company with effect from April 1, 2014 to March 31, 2019. Pursuant to the provisions of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

The Board of Directors at its meeting held on March 5, 2019 on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Mehta as Independent Director of the Company for a second and final term of five years with effect from April 1, 2019 to March 31, 2024 based on his skills, experience, knowledge and report of his performance evaluation. His re-appointment is subject to the approval

of the shareholders at this Annual General Meeting by way of a Special Resolution.

The Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Mehta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and LODR Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Mr. Mehta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Mehta as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Mehta as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Vikram Singh Mehta, being the 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. 9.

Item No. 10:

Mr. Adil Zainulbhai (DIN: 06646490) was appointed as an Independent Director of the Company with effect from May 30, 2014 to May 29, 2019. Pursuant to the provisions of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

The Board of Directors at its meeting held on March 5, 2019 on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Zainulbhai as Independent Director of the Company for a second and final term of five years with effect from May 29, 2019 to May 28, 2024 based on his skills, experience, knowledge and report of his performance evaluation. His re-appointment is subject to the approval of the shareholders at this Annual General Meeting by way of a Special Resolution.

The Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Zainulbhai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and LODR Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Mr. Zainulbhai as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Zainulbhai as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Zainulbhai as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Adil Zainulbhai, being the 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. 10.

Item No. 11:

At the Annual General Meeting of the Company held on August 22, 2017, the shareholders had approved payment of remuneration to Mr. S. N. Subrahmanyan (DIN: 02255382) as the Chief Executive Officer and Managing Director of the Company within the limits and subject to the terms and conditions set out in the resolution passed at that meeting read with the explanatory statement. The resolution had approved the following scale of salary payable to the Mr. S. N. Subrahmanyan –

₹ 18,40,000 (Rupees Eighteen Lakh Forty Thousand only) per month in the scale of ₹ 12,00,000 – ₹ 1,60,000 – ₹ 21,60,000 with annual increment due on April 1 every year.

Mr. S. N. Subrahmanyan's salary has reached the maximum limit of salary as per the above scale w.e.f April 1, 2019. Hence, it is proposed that the existing scale of salary payable to Mr. S. N. Subrahmanyan be revised with effect from April 1, 2020 as under –

₹ 23,20,000 in the scale of ₹ 23,20,000 – ₹ 1,60,000 – ₹ 24,80,000 with an annual increment due on April 1 every year.

Changes in the business environment particularly greater integration of the Indian economy with the global markets and easier migration of managerial resources from one part of the world to other has necessitated that the Company follows a contemporary and competent remuneration policy in order to retain and reward talent in line with the market. It is, therefore, necessary to do periodic revisions in the ceilings that have been contemplated in absolute sums of money.

The enhanced limits of salary will, however, continue to be subject to the condition that the total managerial remuneration payable shall not exceed the overall limit of 10% of the net profits of the Company as approved by the shareholders at their Meeting held on August 26, 2016.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective Meetings held on January 25, 2019 recommended the change in scale to the shareholders for approval. A copy of the draft agreement proposed to be entered into with Mr. S. N Subrahmanyan would be available for inspection without any fee by the members at the Registered Office of the Company.

The limits stipulated herein above are the maximum limits and the Board may, on the recommendation of the Nomination and Remuneration Committee, pay to Mr. S. N. Subrahmanyan appropriate remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.

The Board recommends this Resolution for approval of the Shareholders.

Except Mr. S. N. Subrahmanyan, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested in resolution no. 11.

Item No 12:

At the Annual General Meeting of the Company held on August 26, 2016, the shareholders had approved payment of remuneration to Mr. R. Shankar Raman (DIN: 00019798) as the Whole-time Director and Chief Financial Officer of the Company within the limits and subject to the terms and conditions set out in the resolution passed at that meeting read with the explanatory statement. The resolution had approved the following scale of salary payable to the Mr. R. Shankar Raman –

₹ 11,25,000 (Rupees Eleven Lakh Twenty Five Thousand only) per month in the scale of ₹ 6,50,000 – ₹ 75,000 – ₹ 10,25,000 – ₹ 1,00,000 – ₹ 15,25,000 with annual increment due on April 1 every year.'

Mr. R. Shankar Raman's salary has reached the maximum limit of salary as per the above scale w.e.f April 1, 2019. Hence, it is proposed that the existing scale of salary payable to Mr. R. Shankar Raman be revised upwards with effect from April 1, 2020 as under –

₹ 16,25,000 in the scale of ₹ 16,25,000 – ₹ 1,00,000 – ₹ 17,25,000 with an annual increment due on April 1 every year.

Changes in the business environment particularly greater integration of the Indian economy with the global markets and easier migration of managerial resources from one part of the world to other has necessitated that the Company follows a contemporary and competent remuneration policy in order to retain and reward talent in line with the market. It is, therefore, necessary to do periodic revisions in the ceilings that have been contemplated in absolute sums of money.

The enhanced limits of salary will, however, continue to be subject to the condition that the total managerial remuneration payable shall not exceed the overall limit of 10% of the net profits of the Company as approved by the shareholders at their Meeting held on August 26, 2016.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective Meetings held on January 25, 2019 recommended the change in scale to the shareholders for approval. A copy of the draft agreement proposed to be entered into with Mr. R. Shankar Raman would be available for inspection without any fee by the members at the Registered Office of the Company.

The limits stipulated herein above are the maximum limits and the Board may, on the recommendation of the Nomination and Remuneration Committee, pay to Mr. R. Shankar Raman appropriate remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.

The Board recommends this Resolution for approval of the Shareholders.

Except Mr. R. Shankar Raman, none of the Directors and /or Key Managerial Personnel of the Company and / or their relatives are concerned or interested in resolution no. 12.

Item No. 13:

As the shareholders of the Company are aware, the Company has been engaged in the manufacture

and supply of defence equipment and systems and aerospace systems and sub-systems. The Company provides indigenous, design-to-delivery backed by throughlifesupport solutions across the defence spectrum including defence platforms & systems, equipment, sensors & electronics as well as specialised turnkey defence construction solutions, structures, smart infrastructure and modernisation of existing facilities.

Defence manufacturing is covered under licensing under the Industrial Development and Regulation Act, 1951 ('IDRA/Act'), mentioned at Sr. No. 37 of the Schedule I of the Act and also included at Sr. No. 13 of Schedule II of Notification S.O. 477 (E) dated 25th July 1991 and further amended vide Notification S.O.11 (E) dated 3rd January 2002. Over the years, from 2002 when Defence production was opened up for the Private Sector, the Company obtained various industrial licences under the Act for the manufacture of defence goods.

Thereafter vide Notification S.O. 1636 (E) issued by Ministry of Home Affairs in May 2017, licenses for some of the above segments which were earlier issued under IDRA were required to be brought under the Arms Act 1959. The process / procedure for the same was awaited. The Government of India issued the Notification under the Arms Act, 1959 vide S.O. No. 6203(E) dated 14th December, 2018 as amended by vide S.O. No. 1501(E) dated 2nd April, 2019, authorising Secretary, Department for Industrial Policy and Promotion (DIPP) (Presently Department of Promotion of Industry and Internal Trade), in the Government of India in the Ministry of Commerce & Industry, to issue licenses under the Arms Act, 1959 in addition to DIPP's authority to issue licenses under the IDRA.

The Company's defence activities primarily fall within the scope of mechanical and electrical engineering and, in fact, prior to the internal restructuring of the Company's business activities, were carried on as part of the Company's 'heavy engineering' business. The Company has the specific authority to undertake engineering related activities in terms of Clause III(b) of its Memorandum of Association which reads as follows:

"To carry on business as civil, mechanical, electrical, chemical and agricultural engineers, as manufacturers, and as importers and exporters, commission agents (and merchants and as agents for ships and ship-owners and as agents) for foreign manufacturers and merchants"

The Company is also authorised to undertake business as manufacturers in respect of goods, merchandise and services of all kinds and as an export house in terms of Clause III(k)(10) of its Memorandum of Association which reads as follows:

"To carry on business as exporters, dealers, manufacturers or agents in respect of goods, merchandise and services of all kinds and as an export house."

The Company's Memorandum of Association also enables it to "carry on any other trade or business whatsoever as can in the opinion of the Company be advantageously or conveniently carried on by the Company by way of extension or in connection with any of the Company's business or as calculated directly or indirectly to develop any branch of the Company's business or to increase the value of or turn to account any of the Company's assets, property or rights" (Clause III(n)) of the Company's Memorandum of Association.

Post December, 2018 Notification as amended by the notification dated 02nd April, 2019, multiple of the Company's licenses for the defence business now come under the purview of the Arms Act, 1959 while the issuing authority remains under the Department for Promotion of Industry and Internal Trade (erstwhile DIPP). Ministry of Commerce & Industry has therefore advised the Company to include a specific clause with respect to defence goods in the Memorandum of Association, which is a requirement under the Arms Act, 1959 and its Rules.

Whilst the Company has adequate authority under its existing Memorandum of Association to manufacture and supply defence equipment, which is also evidenced by the fact that the Company has, in the past, been granted industrial licences under the IDRA for the manufacture of defence products, the Board of Directors is of the opinion that it would be beneficial to include a specific object clause in the Company's Memorandum of Association which expressly authorises the Company to undertake defence-related activities.

Defence is a focussed growth area of business for the Company and a separate reporting segment and therefore it is appropriate to amend the Memorandum of Association to include a specific clause with respect to defence goods of all types in the Object Clause of the Company's Memorandum of Association.

A draft copy of the Memorandum of Association will be available for inspection at the Registered Office of the Company.

The Board recommends this resolution for the approval of the shareholders.

None of the Directors and /or Key Managerial Personnel of the Company and /or their relatives are concerned or interested in resolution no. 13.

Item No. 14:

The Company requires adequate capital to meet the needs of growing business. While it is expected that the internal generation of funds would partially finance the need for capital, fund raising would be another source of funds and hence it is thought prudent for the Company to have enabling approvals to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or international markets.

The fund raising may be through a mix of equity/ equity-linked instruments, as may be appropriate. Members approval is sought for the issue of equity shares, securities linked to or convertible into Equity Shares or depository receipts of the Company. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also provide that the Company shall, in the first instance, offer all Securities for subscription pro-rata to the Shareholders unless the Shareholders in a general meeting decide otherwise. Members approval is sought for issuing any such instrument as the Company may deem appropriate to parties other than the existing shareholders. Whilst no specific instrument has been identified at this stage, in the event the Company issues any equity linked instrument, the issue will be structured in a manner such that the additional share capital that may be issued would not be more than 5% of the paid-up capital of the Company (as at the date when the Board recommended passing of the Special Resolution). The equity shares, if any, allotted on issue, conversion of securities shall rank in all respects pari passu with the existing Equity Shares of the Company.

The Company may also opt for issue of securities through Qualified Institutions Placement (QIP). A QIP of the shares of the Company would be less time consuming and more economical than other modes of raising capital.

Accordingly, the Company may issue securities by way of a QIP in terms of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI Regulations'). These securities will be allotted only to Qualified Institutional Buyers (QIBs) as per the SEBI Regulations and there will be no issue to retail individual investors and existing retail shareholders. The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities will be decided by the Board based on an analysis of the specific requirements after necessary consultations. Therefore, the proposal seeks to confer upon the Board the absolute discretion to determine the terms of issue in consultation with the Lead Managers to the Issue.

As per Chapter VI of the SEBI Regulations, an issue of securities on QIP basis shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the "relevant date." The Board may, at its absolute discretion, issue equity shares at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the SEBI Regulations, subject to Section 53 of the Companies Act, 2013.

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of shares to be issued. However, the same would be in accordance with the provisions of the SEBI Regulations, the Companies Act, 2013, or any other guidelines / regulations / consents as may be applicable or required.

In case of issue of convertible bonds and/or equity shares through depository receipts the price will be determined on the basis of the current market price and other relevant guidelines.

The "relevant date" for the above purpose, shall be -

i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue

ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

The Stock Exchange for the same purpose is BSE Limited / National Stock Exchange of India Limited.

The Shareholders through a resolution passed at their meeting held on August 22, 2017, had approved issue of Securities for an aggregate sum of up to US$ 600 Million (or its rupee equivalent) or INR 4000 Crore, if higher. The Company has not raised any funds under the said approval. However, Shareholders resolution for QIP issuance is valid for a period of 12 months from the date of passing of the resolution. Accordingly, the

Shareholders approval is sought for renewal of the approval.

The Board recommends this Resolution for approval of the Shareholders.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are concerned or interested, in the resolution set out at Item No. 14, except to the extent of their shareholding in the Company.

Item No. 15:

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 2019-20, at a remuneration of ₹ 13.00 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 Board recommends 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. 15.

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

N. HARIHARAN
COMPANY SECRETARY
M.NO – A3471

Mumbai, May 10, 2019

The route map for the venue of the Annual General Meeting of the Company is given on page 46 of this Annual Report 2018-19

(ANNEXURE TO NOTICE DATED MAY 10, 2019)

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. M. V. Satish	Mr. Shailendra Roy	Mr. R. Shankar Raman	Mr. J. D. Patil
Date of Birth	February 12, 1957	September 18, 1952	December 20, 1958	December 16, 1954
Date of Appointment on the Board	January 29, 2016	March 9, 2012	October 1, 2011	July 1, 2017
Qualifications	BE (Civil)	B. Tech	B.Com, ACA and ACMA	M. Tech (Mechanical Engineering)
Expertise	Vast experience in Construction, Business Development, Contracts Management and Property Development in India and GCC region	Vast experience in Thermal Power, Heavy Engineering, Defence & Aerospace Industry	Vast experience in the Finance, Taxation, Risk Management, Legal and Investor Relations	Vast Experience in Defence and Aerospace Industry
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. L&T Aviation Services Private Limited	1. L&T Power Development Limited 2. L&T-Sargent & Lundy Limited 3. Nabha Power Limited 4. L&T-MHPS Boilers Private Limited 5. L&T-MHPS Turbine Generators Private Limited 6. Raykal Aluminium Company Private Limited 7. L&T Special Steels and Heavy Forgings Private Limited 8. L&T Howden Private Limited 9. L&T Power Limited	1. L&T Infrastructure Development Projects Limited 2. L&T Finance Holdings Limited 3. L&T Investment Management Limited 4. Larsen & Toubro Infotech Limited 5. L&T Hydrocarbon Engineering Limited 6. L&T Seawoods Limited 7. L&T Realty Limited 8. L&T Metro Rail (Hyderabad) Limited	1. L&T Shipbuilding Limited 2. L&T MBDA Missile Systems Limited
Memberships/ Chairmanships of committees across all companies	Nil	**Member** **Nomination and Remuneration Committee** 1. L&T-MHPS Turbine Generators Private Limited 2. L&T-MHPS Boilers Private Limited 3. Nabha Power Limited 4. L&T Special Steels and Heavy Forgings Private Limited **Stakeholders Relationship Committee** Larsen & Toubro Limited **Corporate Social Responsibility Committee** L&T Power Development Limited	**Member** **Audit Committee** 1. L&T Finance Holdings Limited 2. L&T Infrastructure Development Projects Limited 3. L&T Metro Rail (Hyderabad) Limited **Nomination & Remuneration Committee** 1. L&T Infrastructure Development Projects Limited **Stakeholders Relationship Committee** L&T Finance Holdings Limited **Corporate Social Responsibility Committee** 1. Larsen & Toubro Limited 2. L&T Seawoods Limited 3. L&T Investment Management Limited	Nil

Name of the Director	Mr. M. V. Satish	Mr. Shailendra Roy	Mr. R. Shankar Raman	Mr. J. D. Patil
			4. L&T Infrastructure Development Projects Limited 5. L&T Realty Limited 6. L&T Finance Holdings Limited **Risk Management Committee** 1. L&T Finance Holdings Limited 2. Larsen & Toubro Limited	
Number of Meetings attended during the year	8 of 9	9 of 9	9 of 9	9 of 9
Shareholding of Non-Executive Directors	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Relationships between directors inter-se	Nil	Nil	Nil	Nil

Name of the Director	Mr. M. M. Chitale	Mr. M. Damodaran	Mr. Vikram Singh Mehta	Mr. Adil Zainulbhai
Date of Birth	November 16, 1949	May 4, 1947	October 30, 1952	December 18, 1953
Date of Appointment on the Board	July 6, 2004	October 22, 2012	October 22, 2012	May 30, 2014
Qualifications	B.Com, F.C.A.	IAS, B.A. (Eco.) and LLB	Graduate in Mathematics; Masters in Economics-Oxford University; IAS	Bachelor of Technology - B.Tech (Mechanical) 1977, Masters in Business Administration – Harvard Business School
Expertise	Vast experience in the field of Finance and Accounts	He has held a number of important positions in both the Central and State Governments and in India's Financial Sector. His areas of expertise include Financial Management, Securities Markets, Corporate Governance, Public Administration and Leadership. He is presently an independent consultant and corporate advisor, coach and mentor and sits on the Boards of several reputed companies.	He has served the Public Sector Oil Company "Oil India Limited" as its Advisor (Strategic Planning). He had been a member of the National Council of the Confederation of Indian Industry (CII) and Chairman of its Hydrocarbons committee.	Management Consultancy, Telecommunications, Infrastructure, High Tech, Financial Services
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. Larsen & Toubro Infotech Limited 2. ASREC (India) Limited 3. Essel Propack Limited 4. Atul Limited 5. Lodha Developers Limited 6. R R Kabel Limited 7. Bhageria Industries Limited	1. Biocon Limited 2. Crisil Limited 3. Hero Motocorp Limited 4. Tech Mahindra Limited 5. Interglobe Aviation Limited 6. Kerala Infrastructure Fund Management Limited	1. Mahindra & Mahindra Limited 2. L&T Hydrocarbon Engineering Limited 3. Colgate-Palmolive (India) Limited 4. Apollo Tyres Limited 5. HT Media Limited 6. Jubiliant Foodworks Limited	1. Reliance Industries Limited 2. Network18 Media & Investments Limited 3. Reliance Jio Infocomm Limited 4. Cipla Limited 5. Reliance Retail Ventures Limited 6. TV18 Broadcast Limited 7. Piramal Foundation

Name of the Director	Mr. M. M. Chitale	Mr. M. Damodaran	Mr. Vikram Singh Mehta	Mr. Adil Zainulbhai
Memberships/ Chairmanships of committees across all companies	**Chairman** **Audit Committee** 1. Larsen & Toubro Limited 2. Essel Propack Limited 3. Larsen & Toubro Infotech Limited 4. Lodha Developers Limited **Nomination and Remuneration Committee** 1. ASREC (India) Limited 2. Atul Limited **Member** **Audit Committee** 1. ASREC (India) Limited 2. Principal Asset Management Co. Private Limited 3. R R Kabel Limited 4. Atul Limited **Nomination and Remuneration Committee** 1. Principal Asset Management Company Private Limited 2. Essel propack Limited 3. Lodha Developers Limited 4. R R Kabel Limited **Corporate Social Responsibility Committee** 1. ASREC(India) Limited 2. Essel Propack limited	**Chairman** **Audit Committee** 1. CRISIL Limited 2. Interglobe Aviation Limited **Stakeholders Relationship Committee** 1. CRISIL Limited 2. Tech Mahindra Limited **Risk Management Committee** 1. Hero MotoCorp Limited **Member** **Audit Committee** 1. Hero MotoCorp Limited 2. Larsen & Toubro Limited 3. Biocon Limited 4. Tech Mahindra Limited **Nomination and Remuneration Committee** 1. CRISIL Limited 2. Interglobe Aviation Limited **Stakeholders Relationship Committee** 1. Hero MotoCorp Limited **Risk Management Committee** 1. Tech Mahindra Limited	**Chariman** **Corporate Social Responsibility Committee** 1. Larsen & Toubro Limited **Stakeholders Relationship Committee** 1. Jubiliant Foodworks Limited **Member** **Audit Committee** 1. Colgate-Palmolive (India) Limited 2. Jubiliant Foodworks Limited 3. HT Media Limited **Nomination and Remuneration Committee** 1. Colgate-Palmolive (India) Limited 2. Mahindra and Mahindra Limited 3. Jubiliant Foodworks Limited **Corporate Social Responsibility Committee** 1. Mahindra and Mahindra Limited 2. L&T Hydrocarbon Engineering Limited **Risk Management Committee** 1. Colgate-Palmolive (India) Limited	**Chairman** **Audit Committee** 1. Network18 Media & Investment Limited 2. Reliance Jio Infocomm Limited 3. Reliance Retail Ventures Limited 4. TV18 Broadcast Limited **Stakeholders Relationship Committee** Network18 Media & Investment Limited **Corporate Social Responsibility Committee** 1. Network18 Media & Investment Limited 2. Reliance Jio Infocomm Limited 3. Reliance Retail Ventures Limited 4. TV18 Broadcast Limited **Nomination and Remuneration Committee** 1. Reliance Industries Limited 2. Cipla Limited **Risk Management Committee** Reliance Industries Limited **Member** **Audit Committee** Reliance Industries Limited **Corporate Social Responsibility Committee** Cipla Limited **Nomination and Remuneration Committee** Larsen & Toubro Limited Reliance Retail Ventures Limited Reliance Jio Infocomm Limited Network18 Media & Investment Limited TV18 Broadcast Limited **Risk Management Committee** Cipla Limited
Number of Meetings attended during the year	9 of 9	8 of 9	8 of 9	9 of 9
Shareholding of Non-Executive Directors	2443 Shares	225 Shares	1327 Shares	150 shares
Relationships between directors inter-se	Nil	Nil	Nil	Nil

Board Report

Dear Members,

The Directors have pleasure in presenting their 74th Annual Report and Audited Financial Statements for the year ended 31st March 2019.

FINANCIAL RESULTS:

Particulars	2018-19 ₹ crore	*2017-18 ₹ crore*
Profit Before Depreciation, exceptional items & Tax	9811.19	7881.31
Less: Depreciation, amortization, impairment and obsolescence	1067.95	1049.46
Profit before exceptional items and tax	8743.24	6831.85
Add: Exceptional Items	474.93	430.53
Profit before tax	9218.17	7262.38
Less: Provision for tax	2540.47	1875.08
Profit for the period carried to Balance Sheet	6677.70	5387.30
Add: Balance brought forward from previous year	14250.01	11225.53
Less: Ind AS 115 transition adjustment	701.58	–
Less: Dividend paid during the previous year (Including dividend distribution tax)	2596.78	2278.69
Add: Gain/(Loss) on remeasurement of the net defined benefit plans	(20.36)	2.50
Add: Transfer under scheme of arrangement	–	15.55
Balance available for disposal (which the Directors appropriate as follows)	17608.99	14352.19
Less: Debenture Redemption Reserve	81.32	102.18
Balance to be carried forward	17527.67	14250.01

STATE OF COMPANY AFFAIRS:

The total income for the financial year under review was ₹ 89,757 crore as against ₹ 76,224 crore for the previous financial year registering an increase of 18%. The profit before tax from continuing operations including exceptional items was ₹ 9,218 crore for the financial year under review as against ₹ 7,262 crore for the previous financial year, registering an increase of 27%. The profit after tax from continuing operations including exceptional items was ₹ 6,678 crore for the financial year under review as against ₹ 5,387 crore for the previous financial year, registering an increase of 24%.

AMOUNT TO BE CARRIED TO GENERAL RESERVE:

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

DIVIDEND:

The Directors recommend payment of dividend of ₹ 18 (900%) per equity share of ₹ 2/- each on the share capital amounting to ₹ 2,759 crore (including DDT amounting to ₹ 234 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 provided 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.

CAPITAL & FINANCE:

During the year under review, the Company allotted 13,59,929 equity shares of ₹ 2/- each upon exercise of stock options by the eligible employees under the Employee Stock Option Schemes.

The Company repaid long-term borrowings of USD 233 million (approx. ₹ 1610 crore including secured debentures of ₹ 400 crore) during the year under review on scheduled due dates. On the other hand, the Company raised USD 100 million of foreign currency borrowings and ₹ 90 Crore of Rupee Term Loan as fresh unsecured long-term borrowings for meeting business requirements and certain capital expenditure.

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

The Company's borrowings are rated by CRISIL and ICRA. The details of the same are given on page 105 in Annexure 'B' - Report on Corporate Governance forming part of this Board Report and is also available on the website of the Company.

DIVESTMENT OF ELECTRICAL & AUTOMATION BUSINESS:

As disclosed in our previous Report, on 1st May 2018, the Company had 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 Company has been informed by Schneider Electric that it has received a communication dated 18th April 2019 from the Hon'ble Competition Commission of India (CCI) approving the proposed combination subject to the amendment filed by Schneider Electric. The Company is awaiting the detailed order of the CCI and the timelines for divestment cannot be ascertained as of now and are expected to be prolonged. In view of the above, the E&A business is disclosed as a continuing operation and has not been classified as discontinued operation as on March 31, 2019.

BUYBACK OF EQUITY SHARES:

The Company had proposed a buyback of up to 6,10,16,949 equity shares from its equity shareholders as on the record date, being October 15, 2018, on a proportionate basis by way of the tender offer route through the stock exchange mechanism at a price of ₹ 1,475 per equity share, aggregating up to ₹ 9,000 crore, in accordance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ('Buyback Regulations' and such buy back herein after referred to as 'Buyback'), inter alia, considering the debt-equity ratio requirement on the basis of **standalone** financial statements, post buyback.

Pursuant to the approval of the Buyback by the shareholders of the Company, a draft letter of offer ('DLOF') was submitted to the Securities and Exchange Board of India ('SEBI') in terms of Regulation 8(i)(a) of the Buyback Regulations, for their comments.

By way of a letter dated 18th January 2019, SEBI advised the Company not to proceed with the buyback offer since the ratio of the aggregate of secured and unsecured debts owed by the Company and its subsidiaries after buyback (assuming full acceptance) would be more than twice the paid-up capital and free reserves of the Company based on **consolidated** financial statements of the Company.

Accordingly, the Company decided not to proceed with the buyback.

CAPITAL EXPENDITURE:

As at 31st March 2019 the gross property, plant and equipment, investment property and other intangible assets including leased assets, stood at ₹ 12,174.29 crore and the net property, plant and equipment, investment property and other intangible assets, including leased assets, at ₹ 7,934.32 crore. Capital Expenditure during the year amounted to ₹ 1,571.41 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.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company would be complying with this requirement within the prescribed timelines.

DEPOSITORY SYSTEM:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March 2019, 98.47% of the Company's total paid up capital representing 138,13,25,258 shares are in dematerialized form.

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. 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. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

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 the Registrar to locate the shareholders who have not claimed their dues.

During the year, the Company has transferred a sum of ₹ 3,93,12,966 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 ₹ 24,34,13,796 as on 31st March 2019.

The Company has also sent communications to members whose dividends are unclaimed requesting them to provide/update bank details with 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) of the Companies Act, 2013 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 3,634 equity shares of ₹ 2 each (0.0003% of total number of shares) held by 257 shareholders (0.024 % 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 2010-11. 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 newspapers providing the details of the shares due for transfer so as to enable them to take 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 / associate / joint venture companies. These subsidiaries include companies in 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 Construction Machinery Limited	Equity	10,000
L&T Metro Rail (Hyderabad) Limited	Equity	22,01,98,631
L&T MBDA Missile Systems Limited	Equity	4,84,500
L&T Uttaranchal Hydropower Limited	Preference	24,94,00,000

The Company has entered into a share purchase agreement dated 18th March 2019 with Mr. V. G. Siddhartha, Coffee Day Trading Limited and Coffee Day Enterprises Limited ('Sellers') for acquisition of 3,33,60,229 equity shares of Mindtree Limited aggregating to 20.32% of the paid-up equity share capital of Mindtree Limited.

The Company proposed to acquire, subject to the regulatory approvals, additional equity shares upto 15% of the voting share capital from the stock exchanges and make an open offer aggregating to 31% of the voting share capital of Mindtree Limited, in accordance with the requirements of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. The Company has since received the approval from Competition Commission of India and Anti-trust authorities of US and Germany. Pursuant to the above, the Company has acquired 3,27,60,229 equity shares of Mindtree Limited from the Sellers on 30th April 2019. Further, 98,29,859 equity shares of Mindtree Limited have been acquired in the open market upto 9th May 2019.

Subsequent to the year under review, the Company has acquired entire stake held by Tamil Nadu Industrial Development Corporation (TIDCO) in L&T Shipbuilding Limited on 10th April 2019. With this acquisition, L&T Shipbuilding Limited is now a wholly owned subsidiary of the Company.

B) Equity shares sold / transferred / reduced during the year:

Name of the Company	Number of shares
Marine Infrastructure Developer Private Limited (Note 1)	38,80,00,000
L&T Technology Services Limited (Note 2)	87,71,569
Larsen & Toubro Infotech Limited (Note 2)	1,29,09,603
L&T Seawoods Limited (Note 3)	34,50,00,000

Note:

1. The Company has sold its entire stake in Marine Infrastructure Developer Private Limited, a subsidiary, to Adani Ports and Special Economic Zone Ltd.
2. The Company has sold shares of L&T Technology Services Limited and Larsen & Toubro Infotech Limited in the open market towards meeting its mandatory obligation to reduce promoter shareholding in these companies. With the above sale, the minimum public shareholding obligation in Larsen & Toubro Infotech Limited has been complied.
3. Pursuant to an order dated 13th December 2018 passed by the National Company Law Tribunal, Mumbai bench, the equity share capital of L&T Seawoods Limited, a wholly owned subsidiary, was reduced to the extent of 34.50 crore shares aggregating to ₹ 345 crore.

Subsequent to the year under review, the Company has divested its entire stake in L&T Kobelco Machinery Private Limited, a subsidiary, to Kobe Steel, Ltd. on 17th April 2019.

C) Companies Struck off:

Pursuant to the application made in the previous year, the following companies were struck off by Ministry of Corporate Affairs under the provisions of Companies Act, 2013 during the year under review:

Name of the Company	Date of Strike Off
Seawoods Retail Private Limited	26th June 2018
Seawoods Realty Private Limited	26th June 2018
L&T Trustee Company Private Limited	8th August 2018

D) Performance and Financial Position of 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 546 to 555 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, Regulation 34(3) and Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in Note 37 and Note 38 forming part of the financial statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy, signifying the threshold limits 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 2018-19 and estimated transactions for FY 2019-20.

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

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 stated elsewhere in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the 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, Directors of the Company. 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. The risk assessment includes review of geo-political developments, business environment, growth opportunities, geographical expansion, capability development, talent management, brand and reputation protection and enhancement, cyber security and risk minimization initiatives. The Committee periodically reviews the risk 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 296 to 298 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 as the Members. Mr. Vikram Singh Mehta is the Chairman of the Committee.

The CSR policy framework is available on the 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 pages 96 and 97 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. M.M Chitale, Mr. M. Damodaran and Mr. Vikram Singh Mehta were appointed as Independent Directors of the Company with effect from April 1, 2014 to March 31, 2019. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on March 5, 2019 has approved the re-appointment of Mr. M.M Chitale, Mr. M. Damodaran and Mr. Vikram Singh Mehta for a further term of five years from April 1, 2019 to March 31, 2024, subject to the approval of shareholders through special resolution.

Special resolution for continuation of Mr. M. Damodaran as an Independent Director, who would attain the age of 75 years during his current tenure forms part of the Notice being sent to the shareholders.

Mr. Adil Zainulbhai was appointed as Independent Director of the Company with effect from May 30, 2014 to May 29, 2019. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on March 5, 2019 has approved the re-appointment of Mr. Adil Zainulbhai for a further term of five years from May 29, 2019 to May 28, 2024, subject to the approval of shareholders through special resolution.

Based on their skills, experience, knowledge and report of their performance evaluation, the Board was of the opinion that their association would be of immense benefit to the Company and it would be desirable to avail their services as Independent Directors.

Mr. Subhodh Bhargava was re-appointed as Independent Director with effect from March 30, 2017 for a second term of five years which was approved by the shareholders through a special resolution. At the time of his re-appointment, he had attained the age of 75 years and accordingly he shall continue in his present term until March 29, 2022. His re-appointment is in compliance with regulation 17(1A) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which was effective from 9th May 2018.

Mr. R. Shankar Raman, Mr. Shailendra Roy, Mr. M.V Satish and Mr. J. D. Patil retire by rotation at the ensuing AGM and being eligible offer themselves for re-appointment.

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

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 82 and 83 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 88 to 90 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 90 to 94 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, 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 the Annual Return in Form MGT-9 is attached as Annexure 'F' to this Report.

The Annual Return of the Company will be available on its website www.larsentoubro.com.

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 controls 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 CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013. For the year ended 31st March 2019, 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, individual directors and the Chairman 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 suitably, based on the comments and suggestions received from Independent Directors. As in the previous years, an external consultant was engaged to receive the responses of the Directors and consolidate/ analyze the responses. 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 30th November 2018 and in the subsequent Meetings of Nomination and Remuneration Committee and the Board. The Group Chairman had a discussion with all the Independent Directors individually and the Chairman of Nomination and Remuneration Committee had a discussion with all the Executive Directors individually.

Most of the suggestions from the Board Evaluation exercise of FY 2017-18 have been suitably implemented such as meetings of Chairman of NRC with individual directors and Action Taken Report of Board decisions.

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 policy has been widely disseminated. The Company has constituted Internal Complaints Committees as per the above Act.

There were 4 complaints received during the F.Y. 2018-19. All the 4 complaints were investigated and appropriate action was taken.

Awareness workshops and training programs are conducted across the Company to sensitize employees to uphold the dignity of their colleagues at workplace 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, are provided in Annexure 'B' forming part of this Report.
- **Integrated Reporting:** Pursuant to SEBI Circular on Integrated Reporting, the Company is complying with the applicable requirements of the Integrated Reporting Framework. The Sustainability Report has been replaced by an Integrated Report which tracks the sustainability performance of the organization and its interconnectedness with the financial performance, showcasing how the Company is adding value to its stakeholders.

  The Integrated Report encompasses areas such as Corporate Governance, the IR & Sustainability Structure, Sustainability Roadmap 2021, Risks & Opportunities, enhancement of Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Natural Capital and Social & Relationship Capital and alignment to sustainable development goals. It also covers strategy, business model and resource allocation.

  The integrated Report for the year 2017-18 is available on the Company's website http://www.larsentoubro.com/corporate/sustainability/integrated-report/ and the report for the year 2018-19 shall be published shortly.
- **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 initiates sustainable activities.
- **MSME:** The Ministry of Micro, Small and Medium Enterprises vide their Notification dated 2nd November 2018 has instructed all the Companies registered under the Companies Act, 2013, with a turnover of more than Rupees Five Hundred crore to get themselves onboarded on the Trade Receivables Discounting system platform (TReDS), set up by the Reserve Bank of India. In compliance with this requirement, the Company is in the process of registering itself on TReDS through one of the service providers.

  The Company would be complying with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.

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 Companies Act, 2017. 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 policy also establishes adequate mechanism to enable employees report instances of leak of unpublished price sensitive information. 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 page 98 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 20 to 41).

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 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 the Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013.

AUDIT REPORT:

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 observation of the Secretarial Auditor is self-explanatory.

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 till the conclusion of 75th Annual General Meeting of the Company.

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 declaring 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 98 and 99 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 10th May, 2019, 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 2020 at a remuneration of ₹ 13 lakhs.

A proposal for ratification of remuneration of the Cost Auditor for the financial year 2019-20 is placed before the shareholders.

The Report of the Cost Auditors for the financial year ended 31st March 2019 is under finalization and shall be filed with the Ministry of Corporate Affairs within the prescribed period.

The provisions of Section 148(1) of the Companies Act, 2013 are applicable to the Company and accordingly the Company has maintained cost accounts and records in respect of the applicable products for the year ended 31st March 2019.

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 : 10th May 2019
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:

- Implementation of LED lights in HE-Hazira campus and other project sites and Solar Pipes in SG fabrication area.
- Installation and Usage of Grid Power network in place of DG sets in LSR/ISR Process.
- Pre-heating of circular Seam with energy efficient IR Burners.
- Procurement of renewable energy of approximately 54 Lacs KwH for HE East & West plants.
- Plate Fabrication Shop furnace automation control with PLC and HMI.
- Replacement of 22 Kw (2 no's) induction motor with new Yaskawa Drive on Gantry Yard Crane.
- Usage of Facing Lathe Chuck, Ravensberg Lathe Chuck and Cantilever crane LT.
- Interlocking of coolant pump with drilling operation on Kolb Machine to avoid the idle running of coolant motor ensuring optimal utilization of electrical energy.
- Built Operate and Transfer (BOT) project with ZERO Capital Expenditure (CapEx) and Operating Expenditure (OpEx) with Energy Service Companies (ESCO) in all bays for replacement of 264 nos. of Metal Halide Lamps.
- Retrofitting of Hydraulic Press with IE 2 class Energy efficient motor.
- Implementation of Smart Energy Saving function in SKODA FHB machine to sense idle operation and turn auxiliary motors off.
- Replacement of semitransparent FRP Roof sheets for Daylight harvesting in shops.
- Qualification of 15 kW small curing oven in place of 50 kW curing oven for smaller batch size
- Replacement of 150 W MH Street lights (Phase # 1) with 90 W LED fittings (12 nos.)
- Retrofitting of Slip Ring induction motor based EOT crane to Energy efficient Squirrel Cage motors.
- Identification of compressed air Leaks through Ultrasonic Leak detection system and arrest them in various shops.
- Implementation of Compressor leakage testing & reduction of use of compressor.
- Revision in heating rate in PFS shop for heat exchangers.
- Installation of transparent roof sheets in LEMF store.
- Reduction in natural gas consumption for LSR/ ISR furnace by sequential operation of furnace burners.
- IOT projects implementation for ESSC, SAW process to save energy and reduce cycle time at Hazira.
- Conversion of cycle into Induction heating & effective loading leading to energy saving in furnace.
- Usage of permanent flue gas analyzers for fix type furnaces.
- Installed Energy efficient burners for Furnaces and pre heating.
- Implementation of 100% PID based LSR/ISR.
- Development of Smart Energy Management System at VHEW for real time trend of Energy Intensive processes with Pareto charts, report and alerts.
- Development of Energy efficient screw chiller with BMS system for 120T AC plant.
- Implemented robots on MDU DMC molding machines by improving OEE; optimizing cycle time at Ahmednagar location.
- Implementation of Timers for Flow Lines, Battery Chargers, Water Coolers, Auto switching off shop floor lights at Mahape location.
- Installation of VFD at Scrubber and FDVS system of plating shop at Vadodara.

- Installation of censors in welding machines and batching plant to identify consumption of electricity in case machines are lying idle.
- Replacement of conventional light fittings with LED in Production/Utility areas at EWL Kancheepuram factory and Kansbahal works.
- Replacement of 33KV, 1250 KVA Transformer with Level II Energy efficient transformer due to failure of old transformer at EWL Kancheepuram factory.
- Periodically conduct "Tag-Your-Leak" survey at Kansbahal Works
- DE dusting line Replaced Cogged belt in Blower instead of V belt and maintained the rated RPM and avoided the V belt slippage in the pulley.
- Replaced vertical gland pump 5HP with AOD pump
- 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
- 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.
- Initiative has been taken for replacement of Air-Cooled Chiller with Water Cooled Chiller.
- Commissioned Air Compressor with Variable Speed Drive which reduced the air pressure from 5.5 to 6.5 bar to 5.2 bar constant pressure.
- Utilisation of Solar Lights for lighting around compound walls.

(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
- Solar Panels installed at project sites

(iii) Capital investment on energy conservation equipments:

NIL

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:

- Usage of Triple Blend concrete for the construction of the Extradosed Bridge at Barapullah, Delhi.
- Implementation of formwork having height of 10 metre for the first time in India at Medigadda Barrage, Telangana.
- Development of IOT based digital solution for concrete pour management at Medigadda Barrage, Telangana.
- Usage of Secant pile as a cost effective and technically viable alternative for Jet grouting Cut off at Medigadda Barrage, Telangana.
- Achieved better quality and faster erection time by usage of Large diameter Single stage Anchor Rod at Medigadda Barrage, Telangana.
- Development of IOT based digital solution for Boulder transportation management at Kundankulam Nuclear Power Plant Hydro Technical Structures Package.
- Innovative use of In-house designed Auger Cleaner, Rock Splitter and Rock buster to check noise and environment pollution for construction of under- ground sections at Mumbai Metro Project.
- Utilization of Floating barge for batching plant set up at Mumbai Trans Harbour Link Project.
- Adaptation of Reverse Circulation Drill (RCD) for Marine piling at Mumbai Trans Harbour Link Project.
- Launched 1500 Ton Truss structure by utilizing Push Launching at Hyderabad Metro Rail Project.
- Implementation of Pile Base Grouting in a Bridge Project at Khulna Mongla.
- Development of Insert Free Tetrapod lifting arrangement.
- Installed strand jack arrangement for skidding and lowering of objects in shipbuilding.

- Usage of Analytics tools such as BI Dashboard: 15/30, PROTON, CREMS and ConstZon.
- Utilization of smart stations, smart officer with 20+ applications, asset trackers in the factories.
- Initiated use of Drawing Automation, Advance Metrology, Advanced NDT and IEMQS-Operational under SMART processes.
- Implementation of Workmen Management System (Uberization), Smart Glass, Safety through VR under SMART service.
- Development of capabilities in High-end Finite Element Analysis including advanced non-linear FEA, Analysis of complex Heat Exchanger models etc.
- Development of capability for CFD simulation in areas such as Conjugate Heat Transfer analysis and analysis with Reaction kinetics.
- Technology for Simulation of Manufacturing processes such as multi-layer weld overlay, heat treatment and forming and its application for ongoing jobs.
- Designing of Synloop Boiler with conventional 'U' type configuration.
- Development of Phosphoric Acid Heaters with metallic tubes.
- Optimization of design of support arrangement in Heavy Reactors.
- Optimization of design for internals of Nuclear Steam Generator.
- Developed autonomous UnderWater Vehicle (AUV), AMOGH, meeting Indian Navy requirements for underwater surveillance.
- Technology absorption from National Institute of Ocean Technology, Chennai for Remote Operated Vehicles (ROV) for 500m to 6000m for unmanned underwater intervention & support like diver support, Submarine rescue, mine counter measure, etc
- Technology absorption from National Institute of Oceanography, Goa for Autonomous Underwater Vehicle (AUV) Maya- 200m configurable to meet military & civilian application.
- Implemented Integrated Life Support System – for Tejas Aircraft (Oxygen Generation System)
- Developed Chemical Warfare Agent Detection System
- Designed absorption of K9 armoured vehicle manufacturing technology from Korea
- Development of complete turn- key solution consisting of Search radar, Track radar & antiaircraft Gun
- Development of Manoeuvrable Expandable Aerial Target (MEAT) which includes Airframe design, Avionics development including in house Flight Control Computer.
- Development of Catapult Bungee Launcher.
- Developed Fire Control Radar which tracks radar for short range air defence application.
- Developing swarming algorithms and implementation with a cluster of UAVs.
- Development of fully mechanized remote weapon station for guns giving capability to fire without being exposed to enemy.
- Complete WaterJet Propulsion system developed in-house to benchmark performance against imported system for IBs.
- Developed High Power high efficiency DC-DC converters with critical technology for increasing the endurance for Air independent propulsion (AIP) systems.
- Development of design of Avionics LRUs with Standby Engine Instrument and Standby Instrumentation System for Helicopter Platforms
- Work in progress with IIT Delhi under IMPRINT program for real-time imaging sonar suitable for variety of applications like AUVs, ROVs, Divers, etc
- Development of System for underwater Acoustic Signal Monitoring
- Development of non-destructive Testing and geotechnical investigation of India's longest bridge (Dhola-Sadia Bridge) in Assam.
- Designing and construction of Geocell and Geogrid stabilized base layers for heavy duty pavements.
- Establishment of state of art testing facility for Geosynthetic materials used for various applications in construction projects.

- Establishment of state of art chemical testing facility for construction materials especially testing of potable water, industrial water and sewer waste water.
- Launch of the new R&D brochure highlighting the capabilities and achievements of the R&D centre.
- Development of in-house "Chloride Migration Test" set-up for qualification of concrete mixes for mega structures.
- Designing of high resilient modulus (in excess of 3000 MPa) dense bituminous macadam mixes for major highway project.
- Complete digitization of the testing activities at R&D laboratory with implementation of Laboratory Information Management Software (LIMS).
- Development of high flow concrete mix for (CFA)-Continuous flight auger system for pile casting
- Development of accelerated mix design method for concrete using PPC, OPC+Fly ash and OPC of high strength cement of 53 grade.
- Development of durability of concrete testing methods and correlations
- Evaluation of light gauge sections for formwork
- Development of pre-stressing strands relaxation test facility as per IS 14268 and ASTM A416
- Development of maturity curves for tetra mix concrete
- Determining the suitable anchor cone assembly for climbing formwork
- Evaluation of the proximity switches for nuclear projects under various environmental conditions
- Development of customized DBM mix designed at LTCRTC for extreme weather conditions were approved and adopted for construction at Bar Bilara Jodhpur Road Project, Rajasthan.
- Controlled low strength material-CLSM has been implemented at CSTI administrative block to fill the hollow portions below the tiles due to improper consolidation / settlement of soils
- Geo-concrete is placed for a ramp portion of heavy vehicle service station at Kanchipuram yard
- CFA pile casting using high flow concrete at NPCIL Project in Haryana through DFI.
- Quantitative data analytics on HSD rebar mechanical properties
- Introduced DG500 KVA AMF panel to turn on automatically the EB & DG and implementation of online monitoring system.
- Implemented online monitoring of Water meters & report generation automatically, energy meter readings and monitoring shop wise consumption at Formwork unit.
- Automation of RO plant and receipt of the running parameters by SMS such as pressure flow, reject water volume, total consumption, PH, TDS.
- Implemented online LPG consumption monitoring system in Paint shop for monitoring efficient gas consumption.
- Online seamless data transfer system implemented for water consumption monitoring.
- Monitoring LPG Leakage system implemented in LPG line to reduce the wastage at Formwork Factory, Puducherry.
- Development of P55 manual bending machine fixtures as per site requirement.
- Development of Robomaster Double Bender Sleeve for TL Projects 16mm short length hook job bending.
- Implementation of stirrup making machine magnet tray for coil iron dust collecting, to segregate iron dust and mud separately.
- Reduction in water consumption through arresting the leakage and replacement with new push type tap to all gardens and labour.
- Developed the Twinmaster 12S Machine Manual control device to minimize coil feeding and setting time for increasing the productivity.
- To develop the clamping system in P42 manual bending machine to minimize the man power (helper).
- 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
- Development of "Closed Door operation" feature in the domestic LV Switchboards.
- Development of GV3N range of Gas Insulated Switchgear (GIS) and 'SMART' RMUs to cater to requirements in Smart Cities and IPDS projects.
- Development of feeder pillar designs (Metallic/ Non-metallic).
- Development of Ethernet switches and Data concentrators to complement LV, MV product offerings.
- Development of Slip power recovery system using indigenous developed IGBT based Active front End (AFE) and inverter for large Motors.
- Introduction of advanced Smart Metering Infrastructure with RF based L&T make Smart Meters at Indore using public and private (Govt. Community Cloud) cloud infrastructure for hosting solution required for Smart Metering.
- Development of LTLK MCBs for submersible pumps, typically replacing traditional rewireable fuses in agricultural sector.
- Optimized the capacity of Laminar cooling water system for SAIL, RSP Hot Strip Mill Project.
- Development of High Rate Mill Scale filtration system design and manufactured indigenously for SAIL, RSP, Hot Strip Mill Project, with basic design for the Filters from Envirotherm GmbH, Germany.
- Development of design of Scale Pit & Settling Tank for SAIL RSP Hot Strip Mill.
- Developed capability to design Single Flight Pipe Conveyors for a diameter as high as 600 mm and upto a length of 8 km.
- Developed twin wagon loading system with cross transfer car & wagon positioner.
- Designed rotary silo extractor for coal handling of power plant for an export order.
- Installation of specialized fixed stacker with twin track arrangement for coal handling in Port Stockyard.
- Designed and manufactured track mounted mobile roll crusher (for Coal application).
- Developed skid mounted crushing plant with impactor to meet specific customer application.
- Development of higher capacity surface miner KSM404 and operational in coal application.
- Developed segmented roll design for better service life of Roll Crusher.
- Implementation of MIG welding in place of SMAW welding

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

- Usage of Analytics has resulted in Real time monitoring, Quick decision making, Multiple data source and Drill down available for BI dashboard.
- Usage of Smart factory has resulted in increase in productivity by 30%, reduction in cycle time, effective utilization of machine, cost control and easy and fast transaction/communication.
- Implementation of Smart process has resulted into additional engineering capacity, improved visualization and reduction in planning efforts.
- Initiation of Smart service has resulted into efficiency in communication, connecting workmen with messages, effective handling of site queries and immersive trainings for workmen.
- Entry in light weight AUV market with immediate business potential in South Asia
- Technology Enabler to develop variants for other Platforms and to Develop Products for High Altitude survival kits.
- Development of Remote Operated Gun Mount (ROGM) has resulted in unleashing the potential to be incorporated in various upcoming/ in-service armored vehicles in India

- Development of WaterJet Propulsion system has provided indigenous solution for propulsion of high speed boats & ships.
- Indigenous Sonar sensor solution for various underwater application
- The digitalization of testing activities at R&D centre will save precious time and manpower.
- Implementation of LIMS at the project sites enables us to build a comprehensive material performance data base and thus aide in improvement of quality of construction materials used at site.
- Development of high flow concrete mix for (CFA)-Continuous flight auger system for pile casting
- Development of accelerated mix design method for concrete using cement and cementitious materials
- Development of durability of concrete testing methods and correlations

(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 Desulphurization	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	2016	Implementing for the India's largest gravity channel UV disinfection system in 120 MLD Varanasi STP.
		2017	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	2016	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)	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.

S. No.	Technology Imported	Year of Import	Status of absorption & reasons for non-absorption, if any
e)	Magnetic Field Analysis for Underground 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.
f)	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.
g)	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

	2018-19
Capital	47.95
Recurring (Includes customer funded ₹ 0.52 crore)	168.75
Total	**216.70**
Total R&D expenditure as a percentage of total turnover	0.25%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ crore

	2018-19
Foreign Exchange earned	20211.96
Foreign Exchange used	20212.38

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 shareholder 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 companywide 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 consolidated financials including working capital, cash flow, capital structure, etc.
- Review of Monthly / Quarterly / Yearly financial performance
- Review of Revenue, Capital & Manpower Budget and performance there against
- Review and discuss strategic issues which impact the entire organization, viz.,
  i. International business expansion
  ii. IC synergies
  iii. HR Update/ Talent Management / Service contract extensions for senior management personnel
  iv. Digitalization & Analytics initiatives
- Approval of common policies
- Sharing of best practices, etc.
- Strategic plans and business portfolio reviews

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):

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.

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.

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 2019, the Board comprises 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, including one Independent Woman Director. The composition of the Board, as on 31st March 2019, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations').

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 also if 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, 9 meetings were held on 5th April 2018, 28th May 2018, 25th July 2018, 23rd August 2018, 31st October 2018, 25th January 2019, 5th March 2019, 25th March 2019 and 26th March 2019.

The Independent Directors met on 30th November 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 discussions 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 and dated by the Chairman of the Board at the next meeting.

The following is the composition of the Board of Directors as on 31st March 2019. 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	9	9	YES
Mr. S. N. Subrahmanyan	CEO & MD	9	8	YES
Mr. R. Shankar Raman	ED	9	9	YES
Mr. Shailendra Roy	ED	9	9	YES
Mr. D. K. Sen	ED	9	9	YES
Mr. M. V. Satish	ED	9	8	YES
Mr. J. D. Patil	ED	9	9	YES
Mr. M. M. Chitale	ID	9	9	YES
Mr. Subodh Bhargava	ID	9	9	YES
Mr. M. Damodaran	ID	9	8	YES
Mr. Vikram Singh Mehta	ID	9	8	YES
Mr. Sushobhan Sarker (Note 1) $	NED	1	1	–
Mr. Adil Zainulbhai	ID	9	9	YES
Mr. Akhilesh Gupta	ID	9	9	YES
Mrs. Sunita Sharma (Note 1)	NED	9	2	NO
Mr. Thomas Mathew T.	ID	9	9	YES

Name of Director	Category	Meetings held during the year	No. of Board Meetings attended	Attendance at last AGM
Mr. Ajay Shankar	ID	9	9	YES
Mr. Subramanian Sarma	NED	9	9	YES
Ms. Naina Lal Kidwai	ID	9	9	NO
Mr. Sanjeev Aga	ID	9	8	YES
Mr. Narayanan Kumar	ID	9	9	YES
Mr. Arvind Gupta (Note 2)	NED	9	8	YES
Mr. Hemant Bhargava (Note 1) *	NED	7	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
$ - Ceased to be a Director w.e.f. 2nd May 2018
* - Appointed as a Director w.e.f. 28th 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 17A of the SEBI LODR Regulations.

The names of the listed entities (whose equities and debt securities are listed) wherein the Director holds directorships as on 31st March 2019 are as follows:

Name of Director	Names of Listed entities where he holds Directorship	Category of Directorship
Mr. A. M. Naik	Larsen & Toubro Limited	Group Chairman
	Larsen & Toubro Infotech Limited	Non-Executive Chairman
	L&T Technology Services Limited	Non-Executive Chairman
Mr. S. N. Subrahmanyan	Larsen & Toubro Limited	Chief Executive Officer and Managing Director
	Larsen & Toubro Infotech Limited	Vice- Chairman
	L&T Technology Services Limited	Vice- Chairman
	L&T Metro Rail (Hyderabad) Limited	Chairman
Mr. R. Shankar Raman	Larsen & Toubro Limited	Whole-time Director and Chief Financial Officer
	Larsen & Toubro Infotech Limited	Non-Executive Director
	L&T Finance Holdings Limited	Non-Executive Director
	L&T Infrastructure Development Projects Limited	Non-Executive Director
	L&T Metro Rail (Hyderabad) Limited	Non-Executive Director
Mr. Shailendra Roy	Larsen & Toubro Limited	Whole-time Director
	Nabha Power Limited	Non-Executive Director
Mr. D. K. Sen	Larsen & Toubro Limited	Whole-time Director
Mr. M. V. Satish	Larsen & Toubro Limited	Whole-time Director
Mr. J. D. Patil	Larsen & Toubro Limited	Whole-time Director

Name of Director	Names of Listed entities where he holds Directorship	Category of Directorship
Mr. M. M. Chitale	Larsen & Toubro Limited	Independent Director
	Essel Propack Limited	Independent Director
	Atul Limited	Independent Director
	Larsen & Toubro Infotech Limited	Independent Director
	Lodha Developers Limited	Independent Director
	Bhageria Industries Limited	Independent Director
Mr. Subodh Bhargava	Larsen & Toubro Limited	Independent Director
	Batliboi Limited	Independent Director
	Nicco Parks & Resorts Limited	Independent Director
Mr. M. Damodaran	Larsen & Toubro Limited	Independent Director
	Crisil Limited	Independent Director
	Hero Motocorp Limited	Independent Director
	Tech Mahindra Limited	Independent Director
	Biocon Limited	Independent Director
	Interglobe Aviation Limited	Chairman- Independent Director
Mr. Vikram Singh Mehta	Larsen & Toubro Limited	Independent Director
	Colgate-Palmolive (India) Limited	Independent Director
	HT Media Limited	Independent Director
	Apollo Tyres Limited	Independent Director
	Mahindra & Mahindra Limited	Independent Director
	Jubiliant Foodworks Limited	Independent Director
Mr. Adil Zainulbhai	Larsen & Toubro Limited	Independent Director
	Reliance Industries Limited	Independent Director
	Network18 Media & Investment Limited	Chairman- Independent Director
	Reliance Jio Infocomm Limited	Independent Director
	Cipla Limited	Independent Director
	TV18 Broadcast Limited	Chairman - Independent Director
Mr. Akhilesh Gupta	Larsen & Toubro Limited	Independent Director
Mrs. Sunita Sharma	Larsen & Toubro Limited	Nominee Director
Mr. Thomas Mathew T.	Larsen & Toubro Limited	Independent Director
	L&T Finance Holdings Limited	Independent Director
	L&T Infra Debt Fund Limited	Independent Director
	L&T Infrastructure Finance Company Limited	Independent Director
Mr. Ajay Shankar	Larsen & Toubro Limited	Independent Director
Mr. Subramanian Sarma	Larsen & Toubro Limited	Non- Executive Director
Ms. Naina Lal Kidwai	Larsen & Toubro Limited	Independent Director
	Cipla Limited	Independent Director
	Max Financial Services Limited	Independent Director
	Altico Capital India Ltd	Chairperson
	Nayara Energy Limited	Non-Executive Director

Name of Director	Names of Listed entities where he holds Directorship	Category of Directorship
Mr. Sanjeev Aga	Larsen & Toubro Limited	Independent Director
	Larsen & Toubro Infotech Limited	Independent Director
	UFO Moviez India Limited	Chairman and Independent Director
	Pidilite Industries Limited	Independent Director
	Mahindra Holidays & Resorts India Limited	Independent Director
Mr. Narayanan Kumar	Larsen & Toubro Limited	Independent Director
	L&T Technology Services Limited	Independent Director
	MRF Limited	Independent Director
	Mphasis Limited	Independent Director
	Take Solutions Limited	Chairman - Independent Director
	Entertainment Network (India) Limited	Independent Director
	Bharti Infratel Limited	Independent Director
Mr. Arvind Gupta	Larsen & Toubro Limited	Nominee Director
	The State Trading Corporation of India Limited	Independent Director
Mr. Hemant Bhargava	Larsen & Toubro Limited	Nominee Director
	The Tata Power Company Limited	Nominee Director
	Voltas Limited	Non-Executive Director
	ITC Limited	Non- Executive Director
	LIC Housing Finance Limited	Chairman

As on 31st March 2019, 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
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	2	0	0
Mr. M. M. Chitale	7	3	4
Mr. Subodh Bhargava	2	1	0
Mr. M. Damodaran	6	5	4
Mr. Vikram Singh Mehta	6	2	1
Mr. Adil Zainulbhai	6	1	5
Mr. Akhilesh Gupta	0	0	0
Mrs. Sunita Sharma	1	0	1
Mr. Thomas Mathew T.	4	2	2

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee
Mr. Ajay Shankar	1	2	0
Mr. Subramanian Sarma	1	0	0
Ms. Naina Lal Kidwai	4	5	0
Mr. Sanjeev Aga	4	3	2
Mr. Narayanan Kumar	9	3	4
Mr. Arvind Gupta	2	0	0
Mr. Hemant Bhargava	8	1	0

- Other Company Directorships includes directorships in all entities whose securities are listed. However, it excludes private limited companies, foreign companies and Section 8 companies.
- The details of Committee Chairmanships / Memberships are disclosed as per Regulation 26 of the SEBI LODR Regulations.

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 or sale of investments, subsidiaries, assets 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/industrial relations
- 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
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

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.

e. Board Skill Matrix:

The matrix setting out the skills / expertise/competence of the Board of Directors is given below:

Sr. No	Experience / Expertise / Attribute	Comments
1	Leadership	Ability to envision the future and prescribe a strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction. Be a thought leader for the Company and be a role model in good governance and ethical conduct of business, while encouraging the organisation to maximise shareholder value. Should have had hands on experience of leading an entity at the highest level of management practices.
2	Industry knowledge and experience	Should possess domain knowledge in businesses in which the Company participates viz. Infrastructure, Power, Heavy Engineering, Defence, Hydrocarbon, Financial Services, Information Technology and Technology Services. Must have the ability to leverage the developments in the areas of engineering and technology and other areas as appropriate for betterment of Company's business.
3	Experience and Exposure in policy shaping and industry advocacy	Should possess ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company business.
4	Governance including legal compliance	Commitment, belief and experience in setting corporate governance practices to support the Company's robust legal compliance systems and governance policies/practices.
5	Expertise/Experience in Finance & Accounts / Audit / Risk Management areas	Ability to understand financial policies, accounting statements and disclosure practices and contribute to the financial/risk management policies/practices of the Company across its business lines and geography of operations
6	Global Experience / International Exposure	Ability to have access and understand business models of global corporations, relate to the developments with respect to leading global corporations and assist the Company to adapt to the local environment, understand the geo political dynamics and its relations to the Company's strategies and business prospects and have a network of contacts in global corporations and industry worldwide.

The above list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively, are available with 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 in compliance with the provisions of the Companies Act, 2013, SEBI LODR Regulations and are also 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 (except Risk Management 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.
- Reviewing the utilization of loans and/ or advances from/investment in the subsidiary companies exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / 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, when necessary.

ii) Composition:

As on 31st March 2019, the Audit Committee comprised of four Independent Directors.

iii) Meetings:

During the year ended 31st March 2019, 8 meetings of the Audit Committee were held on 27th April 2018, 27th May 2018, 24th July 2018, 23rd August 2018, 30th October 2018, 13th December 2018, 24th January 2019 and 27th February 2019.

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	1	1
Mr. Sanjeev Aga	Member	8	8
Mr. Narayanan Kumar #	Member	6	6
Meetings held during the year are expressed as number of meetings eligible to attend. @ ceased to be a member w.e.f. 2nd May 2018 # appointed as a member w.e.f 28th May 2018			

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.

The Corporate Audit Services team of the Company also covers the internal audit of all ICs and Subsidiary Companies. An in-depth audit is conducted by the team. The major deviations are highlighted and discussed with the concerned IC and / or subsidiary company Boards and the report highlighting the variations and the suggested corrective actions are also placed before the Audit Committee of the Company. Some subsidiaries have engaged external firms for conducting internal audit.

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);

- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

ii) Composition:

As at 31st March 2019, the Committee comprised of 3 Independent Directors and the Group Chairman.

iii) Meetings:

During the year ended 31st March 2019, 7 meetings of the Nomination & Remuneration Committee were held on 5th April 2018, 28th May 2018, 25th July 2018, 31st October 2018, 25th January 2019, 22nd February 2019 and 25th March 2019.

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	7	7
Mr. A. M. Naik	Member	7	7
Mr. Adil Zainulbhai	Member	7	7
Mr. Thomas Mathew T.	Member	7	7

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

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 all the applicable regulations of the SEBI LODR Regulations. 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 the SEBI LODR Regulations.

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 LODR Regulations.

The Board has taken on record the declaration and confirmation submitted by the Independent Directors and after assessing the veracity of the same, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the SEBI LODR Regulations and are independent of the management.

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 ₹ 1,00,000/- per meeting of the Board and ₹ 50,000/- for Audit Committee and Nomination and Remuneration Committee meetings and ₹ 35,000/- 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 provides 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 LODR Regulations, 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 Independent Directors:

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, assessment of their independence, 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 interacts with all the Non-Executive Directors & Independent Directors on a one-to-one basis. The NRC Chairman also interacts with the Executive Directors.

Members are also requested to refer to page 70 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 exist 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 behavioral 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 2019:

(a) Executive Directors:

The details of remuneration paid / payable to the Executive Directors for 2018-19 is as follows:

₹ crore

Names	Salary	Perquisites	Perquisites related to ESOPs*	Retirement Benefits	Commission	Total
Mr. S. N. Subrahmanyan	2.400	0.272	21.508	5.671	18.603	48.454
Mr. R. Shankar Raman	1.710	0.198	7.270	3.743	12.154	25.075
Mr. Shailendra N. Roy	1.590	0.520	2.630	2.332	7.049	14.121
Mr. D. K. Sen	1.230	0.120	-	1.462	4.186	6.998
Mr. M. V. Satish	1.230	0.220	-	1.948	5.985	9.383
Mr. J. D. Patil	1.050	0.180	-	1.710	5.283	8.223

*Represents the 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.

- Notice period for termination of appointment of Chief Executive Officer & 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.
- Apart from ESOPs of the Company, Mr. S. N. Subrahmanyan has also been vested 40,000 stock options in Larsen & Toubro Infotech Limited and L&T Technology Services Limited each and he has exercised the same. Similarly, Mr. R. Shankar Raman has been vested 20,000 stock options in Larsen & Toubro Infotech Limited and he has exercised the same. The perquisite amount on exercise of these options is 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 2018-19 is as follows:

₹ crore

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Others	Total
Mr. A. M. Naik	0.088	0.034	5.000	3.033*	8.155**
Mr. M. M. Chitale	0.088	0.038	0.381	NIL	0.507
Mr. Subodh Bhargava	0.088	0.034	0.531	NIL	0.653
Mr. M. Damodaran	0.078	0.028	0.383	NIL	0.489
Mr. Vikram Singh Mehta	0.078	0.017	0.349	NIL	0.444
Mr. Sushobhan Sarker $	0.008	0.004	0.047#	NIL	0.059
Mr. Adil Zainulbhai	0.088	0.034	0.354	NIL	0.476
Mr. Akhilesh Gupta	0.088	NIL	0.174	NIL	0.262
Mrs. Sunita Sharma #	0.020	NIL	0.013	NIL	0.033
Mr. Thomas Mathew T.	0.088	0.034	0.308	NIL	0.430
Mr. Ajay Shankar	0.088	0.014	0.280	NIL	0.382
Mr. Subramanian Sarma	NIL	NIL	NIL	NIL	NIL
Ms. Naina Lal Kidwai	0.088	NIL	0.174	NIL	0.262
Mr. Sanjeev Aga	0.078	0.038	0.260	NIL	0.376
Mr. Narayanan Kumar	0.088	0.030	0.279	NIL	0.397
Mr. Arvind Gupta #	0.078	NIL	0.155	NIL	0.233
Mr. Hemant Bhargava @ #	0.020	NIL	0.017	NIL	0.037

* Others include pension of ₹ 3 crore and perquisite value of housing and medical ₹ 0.033 crore

** Does not include the perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by Larsen & Toubro Infotech Limited and L&T Technology Services Limited of ₹ 213.39 crore.

@ Appointed as a Director w.e.f. 28th May 2018

$ Ceased to be a Director w.e.f. 2nd May 2018

Payable to respective Institutions they represent.

Mr. A. M. Naik has exercised 5,49,375 & 10,40,000 vested outstanding stock options which were granted in Larsen & Toubro Infotech Limited and L&T Technology Services Limited respectively. The perquisite amount on exercise of these options are ₹ 213.39 crore.

Details of shares and convertible instruments held by the Non-Executive Directors as on 31st March 2019 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. Adil Zainulbhai	150
Mr. Akhilesh Gupta	7,680
Mr. Sanjeev Aga	4,500
Mr. Thomas Mathew T.	150
Mr. Subramanian Sarma	94,650
Mr. Narayanan Kumar	1,500
Mrs. Sunita Sharma *	150
Mr. Ajay Shankar	150
Ms. Naina Lal Kidwai	150
Mr. Arvind Gupta *	100
Mr. Hemant Bhargava *	100
Mr. Hemant Bhargava	90

* 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:

- Resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.

ii) Composition:

As on 31st March 2019 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 2019, 4 meetings of the Stakeholders' Relationship Committee were held on 28th May 2018, 25th July 2018, 31st October 2018 and 25th January 2019.

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

Meetings held during the year are expressed as number of meetings eligible to attend. The meetings were chaired by Mr. Ajay Shankar in the absence of Ms. Sunita Sharma.

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	3	135	122	16
Shareholder Queries:				
Dividend Related	44	10057	9601	500
Transmission / Transfer	62	3007	2905	164
Demat / Remat	7	1969	1844	132

* Investor complaints / queries shown outstanding as on 31st March 2019 have been subsequently resolved to the complete satisfaction of the investors. 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 40 meetings during the year and approved the transfer of shares lodged with the Company. Pursuant to SEBI press release dated 3rd December 2018, requests for effecting physical transfer of securities subsequent to 1st April 2019, shall not be approved by the Share Transfer Committee.

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 2019, the CSR Committee comprised of 1 Independent Director and 2 Executive Directors.

iii) Meetings:

During the year ended 31st March 2019, 5 meetings of the CSR Committee were held on 21st May 2018, 4th July 2018, 8th August 2018, 1st November 2018 and 14th March 2019.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. Vikram Singh Mehta	Chairman	5	5
Mr. R. Shankar Raman	Member	5	5
Mr. D. K. Sen	Member	5	5

iv) CSR Activities & Impact Assessment:

The Company, through its CSR Committee, is committed to improve the social infrastructure of the country. 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 more than 6.5 lakh individuals through our CSR Programs in 2018-19.

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 115 to 120 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 of 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 of the operational risks including client quality, manpower availability, logistics and other aspects which impact the Company and the group.
- Review of the cyber security risks.

ii) Composition:

As on 31st March 2019, the Apex Risk Management Committee comprised of 2 Executive Directors and 1 Non-Executive Director.

iii) Meetings:

During the year ended 31st March 2019, 5 meetings of the Apex Risk Management Committee were held on 6th April 2018, 25th May 2018, 5th July 2018, 21st November 2018 and 15th January 2019.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. S. N. Subrahmanyan	Chairman	5	5
Mr. R. Shankar Raman	Member	5	4
Mr. Subramanian Sarma	Member	5	4

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 68 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 and instances of leak of unpublished price sensitive information. 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 refer to page 71 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 286,000 people with revenues over $43 billion. Deloitte India has more than 10,000 professionals operating out of 13 cities – Ahmedabad, Bangalore, Vadodara, 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 2,500+ professionals in Audit, 2,350 + in Tax, 1,900+ in Consulting, and 1000+ in Financial Advisory.

For the financial year 2018-19, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, Statutory Auditor and all entities in the network firm/network entity of which the statutory auditors are a part thereof for all the services provided by them is ₹ 10.95 crore.

Also refer to page 72 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 and Senior Management Personnel.

S. N. Subrahmanyan
Chief Executive Officer & Managing Director

Date: 10th May 2019
Place: Mumbai

f) General Body Meetings:

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

Financial Year	Date	Venue	Time
2017-2018	23rd August 2018	Birla Matushri Sabhagar	3.00 p.m.
2016-2017	22nd August 2017	St. Andrews Auditorium	3.00 p.m.
2015-2016	26th August 2016	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 23rd August 2018:

- To appoint Mr. A.M. Naik as a Non-Executive Director of the Company with effect from 1st October 2017 who has attained the age of 75 years.
- To approve the payment of remuneration to Mr. A.M. Naik, being in excess of fifty percent of the total annual remuneration payable to all the Non-Executive Directors.
- To approve raising of finances through issue of debentures upto ₹ 6000 crore.

Annual General Meeting held on 22nd August 2017:

- To re-appoint Mr. Subodh Bhargava as an Independent Director of the Company for a five 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.

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

g) Approval of Members through Postal Ballot:

The members approved a Special Resolution under Section 110 of the Companies Act, 2013 read with the Rule 22 of the Companies (Management and Administration) Rules, 2014 on 1st October 2018 permitting the Company to buyback six crore Equity Shares or higher of the Company from all the equity shareholders on a proportionate basis through the Tender Offer Mechanism for acquisition of shares through stock exchange under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 at a maximum price of ₹ 1,500 per equity share aggregating to ₹ 9,000 crore. 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	35,59,085	91,21,15,907	91,56,74,992	99.85
Against the resolution	86,531	12,87,614	13,74,145	0.15
TOTAL	**36,45,616**	**91,34,03,521**	**91,70,49,137**	**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 along with Postal Ballot Notice and Ballot Form. The calendar of events containing the activity chart is filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. 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 No. 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 are provided to the Stock

Exchanges and 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. The policies for determining material subsidiaries and related party transactions are available on our website http://investors.larsentoubro.com/Listing-Compliance.aspx.
7. 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 296 to 298 of this Annual Report.
8. As required under the provisions of SEBI LODR Regulations, a certificate confirming that none of the Directors on the Board have been debarred or disqualified by the Board/Ministry of Corporate Affairs or any such statutory authority obtained from M/s S. N. Ananthasubramanian & Co., Company Secretaries is a part of the Corporate Governance report.
9. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 form a part of the Board Report. Please refer to page 70 of this Annual Report.

i) Means of communication:

Financial Results and other Communications	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. Advertisements relating to IEPF, E-Voting, AGM related compliances, etc. are published in The Financial Express & Loksatta
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 would 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 last three Annual General Meeting in co-ordination with NSDL/Karvy. The Company will continue to provide webcast facility in future. The Company suitably responds to the queries, if any, 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 informed to the Stock Exchanges and also 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 LODR Regulations, 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 year 2010-11. The details are given in the Board Report. Please refer to page 66 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, 1st August 2019 at Birla Matushri Sabhagar, New Marine Lines, Mumbai – 400020 at 3.00 p.m.

b) Financial calendar:

1. Annual Results of 2018-19	10th May 2019
2. Mailing of Annual Reports	First week of July 2019
3. First Quarter Results	During the last week of July 2019 *
4. Annual General Meeting	1st August 2019
5. Payment of Dividend	5th August 2019
6. Second Quarter results	During third week of October 2019 *
7. Third Quarter results	During third week of January 2020 *

* Tentative

c) Book Closure:

The dates of Book Closure are from Friday, 26th July 2019 to Thursday, 1st August 2019 (both days inclusive) to determine the members entitled to the dividend for financial year 2018-2019.

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 admitted for trading on London Stock Exchange.

e) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2019-2020 to BSE and NSE. Fees to London Stock Exchange and Luxembourg Stock Exchange will be paid on receipt of the bill.

f) Custodial Fees to Depositories:

The Company has paid custodial fees for the year 2019-2020 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:

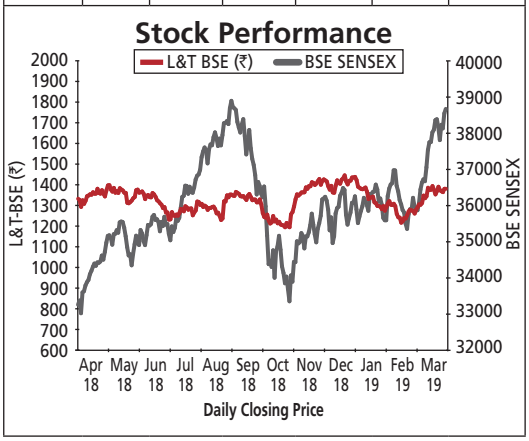
The Company's equity shares / GDRs are listed on the following Stock Exchanges and admitted for trading in London Stock Exchange:

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

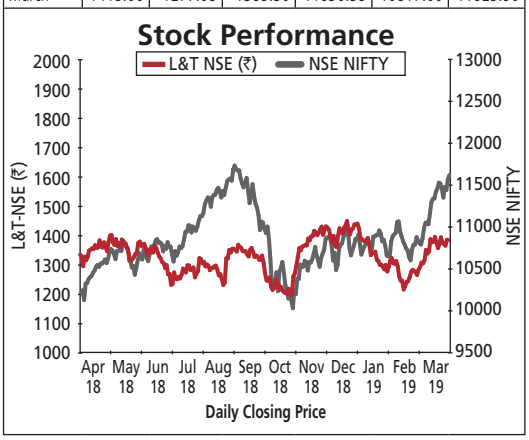
The Company's shares constitute a part of BSE 30 Index of the BSE Limited as well as NIFTY Index of the National Stock Exchange of India Limited.

h) Stock market data for the year 2018-19:

Month	L&T BSE Price (₹)			BSE SENSEX		
2018	High	Low	Month Close	High	Low	Month Close
April	1405.00	1291.80	1400.60	35213.30	32972.56	35160.36
May	1424.50	1311.00	1367.60	35993.53	34302.89	35322.38
June	1395.95	1205.60	1271.30	35877.41	34784.68	35423.48
July	1346.80	1243.50	1302.60	37644.59	35106.57	37606.58
August	1373.90	1226.05	1369.10	38989.65	37128.99	38645.07
September	1389.00	1250.00	1266.65	38934.35	35985.63	36227.14
October	1303.00	1183.40	1298.35	36616.64	33291.58	34442.05
November	1435.00	1321.95	1429.65	36389.22	34303.38	36194.30
December	1459.10	1344.50	1438.50	36554.99	34426.29	36068.33
2019						
January	1449.00	1268.00	1313.40	36701.03	35375.51	36256.69
February	1334.50	1202.30	1294.50	37172.18	35287.16	35867.44
March	1414.95	1276.35	1384.05	38748.54	35926.94	38672.91



Month	L&T NSE Price (₹)			NIFTY		
2018	High	Low	Month Close	High	Low	Month Close
April	1405.00	1290.20	1400.90	10759.00	10111.30	10739.35
May	1424.95	1311.00	1370.40	10929.20	10417.80	10736.15
June	1396.00	1206.00	1275.10	10893.25	10550.90	10714.30
July	1346.90	1242.90	1302.30	11366.00	10604.65	11356.50
August	1374.00	1226.00	1369.55	11760.20	11234.95	11680.50
September	1390.00	1250.15	1272.10	11751.80	10850.30	10930.45
October	1304.00	1182.50	1297.50	11035.65	10004.55	10386.60
November	1438.15	1321.60	1432.50	10922.45	10341.90	10876.75
December	1459.70	1343.65	1437.55	10985.15	10333.85	10862.55
2019						
January	1445.00	1268.20	1314.30	10987.45	10583.65	10830.95
February	1334.55	1201.10	1292.95	11118.10	10585.65	10792.50
March	1415.00	1277.05	1385.30	11630.35	10817.00	11623.90



i) Registrar and Share Transfer Agents (RTA):

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

j) Share Transfer System:

Pursuant to SEBI press releases dated 3rd December 2018 and 27th March, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities subsequent to 1st April 2019, shall not be processed by the Company unless the securities are held in the dematerialized form with a depository. 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 LODR Regulations, 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 2019:

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	9,73,313	90.84	8,75,23,827	6.24
501 – 1000	47,445	4.43	3,48,50,397	2.48
1001 – 2000	27,037	2.52	3,75,10,498	2.67
2001 – 3000	9,235	0.86	2,24,84,508	1.60
3001 – 4000	3,840	0.36	1,33,18,394	0.95
4001 – 5000	2,558	0.24	1,14,86,494	0.82
5001 – 10000	4,210	0.39	2,92,59,587	2.09
10001 & ABOVE	3,851	0.36	116,62,95,680	83.14
TOTAL	**10,71,489**	**100.00**	**140,27,29,385**	**100.00**

l) Categories of Shareholders is as under:

Category	31.03.2019		31.03.2018	
	No. of Shares	%	No. of Shares	%
Financial Institutions	30,15,15,029	21.49	33,25,25,270	23.73
Foreign Institutional Investors	26,22,44,271	18.70	25,81,41,851	18.42
Shares underlying GDRs	2,28,26,592	1.63	2,96,43,045	2.12
Mutual Funds	22,89,29,940	16.32	20,23,45,408	14.44
Bodies Corporate	9,01,82,021	6.43	8,99,08,301	6.42
Directors & Relatives	15,76,870	0.11	14,21,965	0.10
L&T Employees Welfare Foundation	17,21,28,421	12.27	17,21,28,421	12.28
General Public	32,33,26,241	23.05	31,52,55,195	22.49
TOTAL	**140,27,29,385**	**100.00**	**140,13,69,456**	**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 as on 31st March 2019 is as under:

	No. of shares	% of total capital issued
Held in dematerialized form in NSDL	131,63,58,855	93.84
Held in dematerialized form in CDSL	6,49,66,403	4.63
Physical	2,14,04,127	1.53
Total	**140,27,29,385**	**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 2019:

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 2019	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) 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) Credit Rating:

Rating Agency	Type of Instrument	Rating
CRISIL Limited	Non-Convertible Debentures	'CRISIL AAA/Stable'
	Inflation-linked Capital- Indexed Non-Convertible Debentures	'CRISIL AAA/Stable'
	Commercial Paper	'CRISIL A1+'
ICRA Limited	Non-Convertible Debentures Programme	'[ICRA] AAA (stable)'
	Commercial Paper	'[ICRA] A1+'

r) 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.

s) 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 Fintech 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.karvyfintech.com
2. Karvy Fintech 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

t) Investor Grievances:

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

u) Securities Dealing Code:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), the Company had 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. 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 PIT Regulations / Code. Pursuant to the enactment of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has suitably modified the provisions of the Code and formulated requisite policies which are effective from 1st April 2019.

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.

v) 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 assessment, 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.

w) 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 PIT 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.

x) ISO 9001:2015 Certification:

The Company's Secretarial Department which provides secretarial services and investor services for the Company and its Subsidiaries and Associates is ISO 9001:2015 certified.

y) 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.

z) 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.

Pursuant to the SEBI circular no. CIR/CFD/CMD1/27/2019 dated 8th February 2019, the Company has obtained an annual secretarial compliance report from M/s. S. N. Ananthasubramanian & Co., Company Secretaries and shall submit the same to the Stock Exchanges within the prescribed timelines.

aa) 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) as well as an external consultant 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. The review is placed before the Board of the respective IC / 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.

bb) Group Governance Policy:

Vide its circular dated 10th May 2018, SEBI has introduced the concept of Group Governance Unit. The circular expects listed companies to monitor their governance through a Governance Committee and establishment of a strong and effective group governance policy.

"Corporate Governance" in the Company and its subsidiaries broadly includes strategic supervision by the Board and its Committees, compliance of Code of Conduct, Statutory Compliance including compliance of Companies Act / applicable SEBI Regulations, avoiding conflict of interest, Risk Management, Internal Controls and Audit.

The Company has three listed entities within the group. Each of these entities have their own Board and Board Committees in compliance with the Companies Act 2013 & SEBI LODR Regulations. The oversight of their subsidiaries (34 subsidiaries) is as per Companies Act 2013 & SEBI LODR Regulations. The Board Report and the annexures of these listed companies contains various disclosures dealing with subsidiary companies.

Each of these listed entities has one Executive Director and one Independent Director of the Company on its Board. Any financial assistance to the above companies or purchase/sale by the Company of their shares, is dealt with by the Company's Board.

These listed entities publish their independent Auditors' certificate on Corporate Governance, secretarial audit report of Practising Company Secretary and CEO/CFO's certificate for internal controls for financial reporting.

Responsibility of the Company's corporate team in the areas of statutory compliance (including corporate laws), Risk Management, Internal Controls and Internal Audit, covers all unlisted subsidiaries. The three listed entities have their own teams to carry out these functions.

The Company has a multi –tier governance system, where major business divisions operate

as Independent Companies (ICs). These ICs are not legal entities, however, have their own CEO's, Functional Heads and Independent Boards, including external independent members from the respective business sectors, Executive Directors of the Company and Senior Executives from the IC's. All IC's have independent directors of the Company as their Board Members.

The ICs have separate internal teams to oversee their legal and compliance functions. All Subsidiary Companies associated with the respective ICs are reviewed by their respective IC Boards.

The subsidiary companies also function independently and have separate Boards which consists of representatives of the Company who are senior executives of the Company, representatives of Joint Venture partners, representative of the Company's Board as well as Independent Directors as required by law. As per law, these companies, wherever required, also have Audit Committee, Nomination & Remuneration Committee and CSR Committee.

Major subsidiary companies have some Executive Directors and Independent Directors of the Company on their Board. The Key Managerial Personnel of subsidiary companies like Chief Executives, Chief Financial Officers and Company Secretaries are mostly employees of the Company or are nominated by the Company as per the terms of the Joint Venture Agreement. The subsidiary companies' performance is also reviewed by the Company's Board periodically (included in quarterly results presented to the Company's L&T Board). F&A heads of some of the subsidiary companies are functionally reporting to senior executives in the Company.

Thus, the overall functioning of these Subsidiary companies is monitored by the Group directly or through their respective IC's.

A voluntary Secretarial Audit is conducted for all subsidiary companies, including foreign companies and companies which are not covered under the purview of Companies Act, 2013. Thus, there is a complete audit of the compliance of applicable statutory provisions and adherence to good corporate practices.

The Company's Code of Conduct (Code) is required to be adhered by all group companies covering employees, directors, suppliers, contractors, etc. In addition to this, the subsidiaries set up their own vigil mechanism, if they meet the thresholds given in the Companies Act. The Audit Committee / Board of these companies monitor this mechanism. The Vigil Mechanism Framework to report breach of code is a structured process, which encourages and facilitates all covered, to report without fear, wrongdoings or any unethical or improper practice which may adversely impact the image, credibility and/or the financials of the company, through an appropriate forum.

The Secretarial Department of the Company has qualified Company Secretaries (CS) with vast experience in the field of compliance and law. It consists of fulltime professionals dedicated to performing corporate secretarial and subsidiary governance duties. Qualified CS in secretarial department monitor the compliance related to subsidiaries under Companies Act / Rules. The Company's Secretarial Department develops a broad Governance policy for the Company and its group of subsidiaries.

The Company's Secretarial Department is involved in all major corporate actions of subsidiaries like IPO's, raising of capital, restructuring, major financial assistance to subsidiaries etc.

Appropriate disclosures related to subsidiaries are made in financial statements / directors' report of the Company as well as its subsidiaries as per Companies Act 2013 / applicable SEBI Regulations and applicable Accounting Standards. All companies are subject to Statutory Audit and applicable Secretarial Audit.

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 dated September 29, 2018.
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, 2019, 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 from time to time.

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, 2019.
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 10, 2019

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 29, 2018.

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. 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, 2019 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. Implementation of the Schemes in accordance with the provisions of the Regulations and Resolutions and compilation of the relevant information for financial reporting is the responsibility of the Management of the Company. This includes the design, implementation and maintenance of internal control necessary to ensure accurate compilation of information necessary of the purpose and maintenance of all accounting and other relevant supporting records and documents and applying an appropriate basis of preparation of the relevant information for financial reporting; and making estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

4. It is our responsibility to certify whether the Company has complied with the applicable provisions of the Regulations and Resolutions during the year ended March 31, 2019, in implementing the Schemes on the basis of information compiled or collated by Management and the accounting and other relevant supporting records and documents provided to us for our examination.

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 Schemes;
   b) the Regulations;
   c) the Resolutions; and
   d) Written representation provided by the Management.

OPINION

8. Based on our examination of the accounting and other relevant supporting records and documents maintained by the Company as aforesaid, and according to the information and explanations given to us, in our opinion, the Company has complied with the applicable provisions of the Regulations and Resolutions in implementing the Schemes during the year ended March 31, 2019.

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. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 10, 2019

CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined the following documents:

i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');

ii) Disclosure of concern or interests as required under Section 184 of the Act;
(hereinafter referred to as 'relevant documents'),

As submitted by the Directors of **Larsen and Toubro Limited** ('the Company') bearing **CIN: L99999MH1946PLC004768** and having its registered office at L & T House, Ballard Estate, Mumbai 400001, to the Board of Directors of the Company ('the Board') for the Financial Year 2019-20. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and to the extent possible, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)
01	Mr. Anilkumar Manibhai Naik	00001514
02	Mr. Sekharipuram Narayanan Subrahmanyan	02255382
03	Mr. Ramamurthi Shankar Raman	00019798
04	Mr. Shailendra Narain Roy	02144836
05	Mr. Dip Kishore Sen	03554707
06	Mr. M. V. Satish	06393156
07	Mr. Jayant Damodar Patil	01252184
08	Mr. Mukund Manohar Chitale	00101004
09	Mr. Subodh Kumar Bhargava	00035672
10	Mr. Meleveetil Damodaran	02106990
11	Mr. Vikram Singh Mehta	00041197
12	Mr. Adil Siraj Zainulbhai	06646490
13	Mr. Akhilesh Krishna Gupta	00359325
14	Mrs. Sunita Sharma	02949529
15	Mr. Thomas Mathew T.	00130282
16	Mr. Ajay Shankar	01800443
17	Mr. Subramanian Sarma	00554221

Sr. No.	Name of Director	Director Identification Number (DIN)
18	Mrs. Naina Lal Kidwai	00017806
19	Mr. Sanjeev Aga	00022065
20	Mr. N. Kumar	00007848
21	Mr. Arvind Gupta	00090360
22	Mr. Hemant Bhargava	01922717

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2019.

For S. N. Ananthasubramanian & Co.
Company Secretaries
Firm Registration No. P1991MH040400

S. N. Ananthasubramanian
Partner
FCS : 4206
COP No. : 1774

Thane, May 2, 2019

To the Board of Directors of Larsen & Toubro Limited

Dear Sirs,

Sub: CEO / CFO Certificate

{Issue 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 31st March 2019 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 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 proposed 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 except as disclosed in note I(i) and note 65 to the consolidated financial statements; and

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

Yours sincerely,

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

S. N. Subrahmanyan
Chief Executive Officer & Managing Director

Place: Mumbai
Date: May 10, 2019

Annexure 'C' to the Board Report

CSR ACTIVITIES FOR 2018-19

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. Vikram Singh Mehta	Chairman
2.	Mr. R. Shankar Raman	Member
3.	Mr D. K. Sen	Member

   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 ₹ 6073.54 Cr.

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

   The Company is required to spend an amount of ₹ 121.47 Cr. as CSR expenditure during the financial year 2018-19.

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 ₹ 121.47 Cr during the financial year 2018-19. As against this mandate, the Company spent ₹ 121.68 Cr towards various activities for the benefit of the community. This exceeds the required spend by ₹ 0.21 Cr. The CSR spend for FY 2018-19 is 2.003% 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**
Chief Executive Officer & Managing Director	Chairman – CSR Committee
DIN: 02255382	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 (teachers training, play way methods, support for English and Mathematics, capacity building, promoting extra curricular activities)	Education	Gujarat (Hazira, Ahmedabad, Ranoli), Karnataka (Bangalore, Mysore), Maharashtra (Powai, Mumbai), New Delhi, Orissa (Raigada, Bhubaneswar), Rajasthan (Jaipur), Tamil Nadu (Coimbatore, Chennai), West Bengal (Kolkata)	251.182	234.830	11.701	246.531	Implementing agency
2	Community based programmes- Study Centres/ balwadis/anganwadis run for developing pre school foundation, promoting healthy and hygienic environment for education, developing the learning levels of children at par with their mainstream grades and providing nutritional supplements	Education	Karnataka (Mysore), Maharashtra (Powai, Mumbai, Mahape), Tamil Nadu (Chennai, Coimbatore)	300.600	283.600	14.131	297.731	Implementing agency
3	Providing infrastructure support for education (drinking water and sanitation facilities, renovation of classrooms, water proofing of school buildings, providing furniture and light fittings, donation of computers, up gradation of libraries, playground development, distribution of solar lamps)	Education	Andhra Pradesh (Hyderabad, Nagarnar, Vizag), Assam (Guwahati), Bihar (Bettiah, Muzaffarpur), Chandigarh, Goa (Mandovi), Gujarat (Ahmedabad, Botad, Dahod, Hazira, Mehsana, Sarodi, Surat, Unchamala, Vadodara), Himachal Pradesh (Lahaul), Jharkhand (Jamshedpur), Karnataka (Bangalore, Mysore, Nandawadagi), Kerala (Thrissur), Madhya Pradesh (Alirajpur, Bhopal, Kalisindh, Khargone, Malwa), Maharashtra (Ahmednagar, Aurangabad, Mumbai, Nagpur, Talegaon, Thane), New Delhi, Orissa (Berhampur, Kalahandi, Kalampur, Koksara, Raigada, Rourkela, Sundergarh), Puducherry, Punjab (Mohali), Rajasthan (Banswara, Ganganagar, Gangapur, Jhunjhunu, Nagaur, Ratangarh), Tamil Nadu (Chennai, Dindigul, Erode, Kalpakkam, Kanchipuram), Telangana (Hyderabad, Karimnagar, Khammam), Uttar Pradesh (Ghazipur, Hirapur), West Bengal (Kolkata, Purulia, Rampurhat)	1,300.970	1,209.948	60.291	1,270.239	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
4	Providing infrastructure support for education (drinking water and sanitation facilities, renovation of classrooms, water proofing of school buildings, providing furniture and light fittings, donation of computers, up gradation of libraries, playground development, distribution of solar lamps)	Education	Gujarat (Chondha, Hazira), Haryana (Faridabad), Karnataka (Mysore), Maharashtra (Mahape, Mumbai), New Delhi, Orissa (Kansbahal), Tamil Nadu (Chennai, Coimbatore)	933.680	876.722	43.686	920.408	Implementing agency
5	Providing educational aids to children- books, stationary, sports equipment, uniforms, school bags, shoes, woolen clothes, raincoats etc.	Education	Gujarat (Hazira, Vadodara), Haryana (Faridabad), Himachal Pradesh (Kasauli), Maharashtra (Mahape, Pune, Talegaon), Rajasthan (Kota), Tamil Nadu (Chennai)	157.614	148.393	7.394	155.787	Direct
6	Awareness programmes (health and hygiene, road safety, career guidance, personality development)	Education	Gujarat (Hazira), Maharashtra (Pune)	36.794	34.867	1.737	36.604	Direct
7	Community Health Centres (running multi-specialty center offering diagnostic services including family planning, gynecological, pediatric, immunization, chest & TB, ophthalmic consultation, dialysis services, HIV/ AIDS awareness, detection, treatment, counseling services at free / nominal cost to the community)	Health	Gujarat (Surat), Maharashtra (Mumbai, Thane, Ahmednagar)	682.520	622.933	31.040	653.973	Direct
8	Health Camps (general, eye, dental, vaccinations) and health awareness	Health	Andhra Pradesh (Vizag), Chhattisgarh (Raipur), Gujarat (Vadodara), Maharashtra (Nagpur), Orissa (Bhubaneswar, Raigada), Rajasthan (Jaipur)	122.452	114.403	5.700	120.103	Direct
9	Health Camps (general, eye, dental, vaccinations) and health awareness	Health	Andhra Pradesh (Vizag), Gujarat (Hazira), Kerala (Kannur), New Delhi, Tamil Nadu (Dindigul)	48.505	46.121	2.298	48.419	Implementing agency
10	Blood donation camps	Health	Chhattisgarh (Raipur), Gujarat (Ahmedabad, Vadodara), Jharkhand (Jamshedpur), Karnataka (Bangalore), Kerala (Kochi), Madhya Pradesh (Bhopal), Maharashtra (Pune), New Delhi, Orissa (Bhubaneswar), Rajasthan (Jaipur), Tamil Nadu (Chennai, Coimbatore), Telangana (Hyderabad), Uttar Pradesh (Lucknow), West Bengal (Kolkata)	10.622	9.560	0.476	10.036	Implementing agency

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
11	Infrastructure support to medical centres	Health	Orissa (Raigada), Tamil Nadu (Chennai, Vanur), Telangana (Mahadevpur), Uttar Pradesh (Lucknow), Uttarakhand (Rudraprayag)	38.649	22.135	1.102	23.237	Direct
12	Infrastructure support to medical centres	Health	Gujarat (Hazira), Haryana (Faridabad), Maharashtra (Mumbai), Tamil Nadu (Chennai, Kanchipuram), West Bengal (Kolkata)	547.470	519.831	25.903	545.734	Implementing agency
13	Construction Skill Training Institute - CSTI	Skill Building	Andhra Pradesh (Amaravati), Gujarat (Ahmedabad), Karnataka (Bangalore), Maharashtra (Panvel, Nagpur), Orissa (Cuttack), Tamil Nadu (Kanchipuram, Pulicat), Telangana (Hyderabad, Jadcherla), Uttar Pradesh (Pilkhuwa), West Bengal (Kolkata)	3,945.874	3,751.983	186.960	3,938.943	Direct
14	Vocational and Computer training for youth	Skill Building	Gujarat (Hazira), Maharashtra (Nagpur), Uttar Pradesh (Lucknow), West Bengal (Kolkata)	35.217	33.483	1.668	35.151	Direct
15	Vocational Training	Skill Building	Andhra Pradesh (Vizag), Gujarat (Vadodara), Madhya Pradesh (Bhopal, Malwa), Maharashtra (Pune), Orissa (Raigada), Rajasthan (Chhabra, Jaipur), Tamil Nadu (Kanchipuram)	244.363	232.160	11.568	243.728	Direct
16	Vocational Training	Skill Building	Maharashtra (Ahmednagar, Pune), New Delhi, West Bengal (Kolkata)	98.600	93.727	4.670	98.397	Implementing agency
17	Women empowerment through vocational training	Skill Building	Gujarat (Hazira, Ahmedabad), Orissa (Raigada), West Bengal (Kolkata)	42.856	39.939	1.990	41.929	Direct
18	Skill building for differently abled (Neev)	Skill Building	Andhra Pradesh (Vizag), Jharkhand (Jamshedpur), Kerala (Kochi), Maharashtra (Nagpur, Pune), Tamil Nadu (Chennai, Coimbatore), Telangana (Hyderabad), West Bengal (Kolkata)	181.853	156.080	7.777	163.857	Implementing agency
19	Basic infrastructure support in the community (Water, Health, Sanitation, Solar lights, roads etc.)	Community Development	Andhra Pradesh (Vizag), Bihar (Madhepura, Patna), Gujarat (Gandhinagar), Jharkhand (Ranchi), Maharashtra (Mumbai), Rajasthan (Hindaun City), Uttar Pradesh (Varanasi)	372.537	348.136	17.347	365.483	Direct
20	Integrated Community Development Programme	Water & Sanitation, Health, Education, Skill Building	Maharashtra (Ahmednagar), Rajasthan (Rajsamand), Tamil Nadu (Coimbatore, Vellore)	2,589.480	2,335.884	131.028	2,466.912	Implementing agency
21	Development of gardens and maintenance of public spaces	Environment	Gujarat (Vadodara), Maharashtra (Mahape, Mumbai, Nashik, Powai, Talegaon), New Delhi	217.658	183.370	9.137	192.507	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
22	Tree plantation and environment protection	Environment	Andhra Pradesh (Vizag), Chandigarh, Gujarat (Hazira), Jharkhand (Jamshedpur), Madhya Pradesh (Bhopal), Maharashtra (Talegaon), Rajasthan (Jaipur), Tamil Nadu (Chennai, Coimbatore)	115.164	108.383	5.400	113.783	Direct
23	Awareness programmes - environment, energy conservation,road safety	Environment	Andhra Pradesh (Vizag), Gujarat (Vadodara), Maharashtra (Ahmednagar), Tamil Nadu (Chennai, Nagapattinam)	64.768	61.684	3.073	64.757	Implementing agency
24	Employee Volunteering	Employee volunteers	Andhra Pradesh (Vizag), Gujarat (Hazira, Ranoli, Vadodara), Karnataka (Mysore), Maharashtra (Mumbai), New Delhi, Tamil Nadu (Chennai, Coimbatore)	122.245	108.632	5.413	114.045	Direct
			Total	**12,461.673**	**11,576.804**	**591.490**	**12,168.294**	

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 2018-19, the percentage increase in remuneration of each Director & Company Secretary during the financial year 2018-19 and comparison of the remuneration of each of the Key Managerial Personnel against the performance of the company:

₹ crore

Name of the Director/ KMP	2018-19			
	Designation	Total Remuneration	Ratio of remuneration of director to the median remuneration $	Percentage increase in Remuneration
A. M. Naik	Group Chairman	8.155*	100.52	101.93
S. N. Subrahmanyan	Chief Executive Officer & Managing Director	48.454	597.28	52.36
R. Shankar Raman	Whole-time Director & Chief Financial Officer	25.075	309.10	45.59
Shailendra Roy	Whole-time Director & Senior Executive Vice President (Power, Heavy Engineering & Defence)	14.121	174.08	16.95
D. K. Sen	Whole-time Director & Senior Executive Vice President (Infrastructure)	6.998	86.26	(13.19)
M. V. Satish	Whole-time Director & Senior Executive Vice President (Buildings, Minerals & Metals)	9.383	115.65	27.11
J. D. Patil	Whole-time Director & Senior Executive Vice President (Defence)	8.223	101.37	108.16
M. M. Chitale	Independent Director	0.507	6.24	24.45
Subodh Bhargava	Independent Director	0.653	8.04	30.50
M. Damodaran	Independent Director	0.489	6.03	63.08
Vikram Singh Mehta	Independent Director	0.444	5.46	60.10
Sushobhan Sarker ^@	Nominee of Life Insurance Corporate of India	0.059	8.15	(82.92)
Adil Zainulbhai	Independent Director	0.476	5.86	50.95
Akhilesh Gupta	Independent Director	0.262	3.22	34.10
Sunita Sharma^	Nominee of Life Insurance Corporate of India	0.033	0.41	(45.17)
Thomas Mathew T.	Independent Director	0.430	5.30	25.49
Ajay Shankar	Independent Director	0.382	4.70	13.88
Subramanian Sarma	Non- Executive Director	NIL	-	-

₹ crore

Name of the Director/ KMP	2018-19			
	Designation	**Total Remuneration**	**Ratio of remuneration of director to the median remuneration $**	**Percentage increase in Remuneration**
Naina Lal Kidwai	Independent Director	0.262	3.22	34.10
Sanjeev Aga	Independent Director	0.376	4.63	18.36
Narayanan Kumar	Independent Director	0.397	4.89	103.33
Arvind Gupta ^	Nominee of SUUTI	0.233	2.86	380.75
Hemant Bhargava #^	Nominee of Life Insurance Corporate of India	0.037	0.53	**
N. Hariharan	Company Secretary	1.228	15.14	4.03

$ 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 2018-19.

* Does not include the perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by Larsen & Toubro Infotech Limited and L&T Technology Services Limited of ₹ 213.39 crore.

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

** Details not given as Mr. Hemant Bhargava was a director only from 28th May 2018

@ Ceased to be a Director w.e.f. 2nd May 2018

Appointed as a Director w.e.f. 28th May 2018

B. Percentage increase in the median remuneration of all employees in the financial year 2018-19:

The median remuneration of employees of the Company during the financial year was ₹ 8.11 lakh. In the financial year, there was an increase of 2% in the median remuneration of employees.

C. Number of permanent employees on the rolls of Company as on 31st March 2019:

There were 44,332 permanent employees on the rolls of Company as on 31st March 2019.

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 2018-19 was 5.45% whereas there is decline in the managerial remuneration by 16.20% because managerial remuneration in financial year 2017-18 included perquisite value of ₹ 47.98 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 2017-18 by a Key Managerial Personnel. Adjusted for the above, the increase in managerial remuneration works out to 23.34% which is in line with growth of 23.95% in Profit after Tax for the year 2018-19 as the variable component of managerial remuneration is linked to growth in Profit after Tax.

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

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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 2019**, 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, 2019** 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 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018) - **Not Applicable as there was no reportable event during the financial year under review**;

   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 during the financial year under review**;

   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 (up to 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018).

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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR Regulations) and Listing Agreements entered into by the Company with 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 except the following:

The Company had at its Board Meeting held on 26th March, 2019 enabled a proposal for raising additional long term borrowings through issue of secured / unsecured debentures / bonds / terms loans including hybrid instruments that do not dilute shareholders voting rights up to an amount not exceeding ₹ 7,000 crore (or USD 1 billion, which is higher), in respect of which applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have not been duly complied with, as there was an inadvertent delay in intimating the stock exchanges.

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 and Agenda & detailed notes on agenda were sent at least seven days in advance except for the meetings where consent of the Directors was obtained for receiving notice and agenda and notes to agenda less than seven days before the meeting;
- There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting 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 above referred laws, rules, regulations, guidelines, standards etc:

- Redeemed Non-Convertible debentures aggregating to ₹ 400 crore on 7th January 2019;
- The Members have pursuant to Section 68 of the Act and applicable SEBI Regulations approved by way of Special Resolution on 1st October 2018 through postal ballot, a proposal to buyback equity shares of the Company of up to 25% of aggregate of paid up capital and free reserves of the Company, by utilizing an amount not exceeding ₹ 9000 crore. SEBI vide its letter SEBI/HO/CFD/DCR1/OW/P/2019/2008/1 dated 18th January 2019 advised the Company not to proceed with the aforesaid proposal of buyback of shares.
- The Company entered into a Share Purchase Agreement to acquire 20.15% of voting share capital of Mindtree Limited (target Company) and an order to acquire up to 15% of voting share capital of the target Company was placed with the broker on 18th March, 2019 thereby triggering compliance with SEBI

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Consequently, the Company has filed Draft Open Offer letter dated 2nd April 2019 with SEBI to acquire further 31% of the voting share capital of the target company, such that the Company holds up to 66.15% of the voting share capital of the target company.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & CO.**
Company Secretaries
Firm Registration No P1991MH040400

S. N. ANANTHASUBRAMANIAN
Partner
FCS : 4206
COP No. : 1774

Date : May 2, 2019
Place : Thane

Annexure-'A'

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, 2019, 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 : 4206
COP No. : 1774

Date : May 2, 2019
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, 2019

[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 and Transfer Agent, if any	Karvy Fintech 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	14.78
2	Construction of Roads and Railways	421	28.15
3	Construction of Utility Projects	422	37.12

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	AHMEDABAD-MALIYA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069211	SUBSIDIARY	97.45	Section 2(87)(ii)
2	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)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
3	CHENNAI VISION DEVELOPERS PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U70101TN2008PTC068877	SUBSIDIARY	100.00	Section 2(87)(ii)
4	DEVIHALLI HASSAN TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC075491	SUBSIDIARY	97.45	Section 2(87)(ii)
5	ESENCIA TECHNOLOGIES INC	2350 MISSION COLLEGE BLVD SUITE 490, SANTA CLARA, CA 95054, USA	0479598-9	SUBSIDIARY	78.88	Section 2(87)(ii)
6	ESENCIA TECHNOLOGIES INDIA PRIVATE LIMITED	3RD FLOOR, 26TH, 5TH BLOCK, 5TH CROSS, KORAMANAGALA, BANGALORE 560095	U74140KA2011PTC061480	SUBSIDIARY	78.88	Section 2(87)(ii)
7	GRAPHENE SEMICONDUCTORS SERVICES PRIVATE LIMITED	#1154, 10TH B CROSS , YELAHANKA NEW TOWN , BANGALORE, KARNATAKA -560064	U74900KA2013PTC068574	SUBSIDIARY	78.88	Section 2(87)(ii)
8	GRAPHENE SOLUTIONS PTE LTD	30 CECIL STREET, #19-08, PRUDENTIAL TOWER, SINGAPORE	201524512K	SUBSIDIARY	78.88	Section 2(87)(ii)
9	GRAPHENE SOLUTIONS SDN.BHD	C-2-20, SME1, SME TECHNOPRENEUR CENTRE, 2270, JALAN USAHAWAN 2, CYBER 6 , 63000 CYBERJAYA, SELANGOR, MALAYSIA	1231163-D	SUBSIDIARY	78.88	Section 2(87)(ii)
10	GRAPHENE SOLUTIONS TAIWAN LTD.	6F, NO. 378, CHANGCHUN ROAD, ZHONGSHAN DISTRICT, TAIPEI CITY 104, TAIWAN (R.O.C)	50787314	SUBSIDIARY	78.88	Section 2(87)(ii)
11	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)
12	HI-TECH ROCK PRODUCTS & AGGREGATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U14290TN2008PLC065900	SUBSIDIARY	100.00	Section 2(87)(ii)
13	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)
14	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)
15	KRISHNAGIRI THOPUR TOLL ROAD LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC057930	SUBSIDIARY	97.45	Section 2(87)(ii)
16	KUDGI TRANSMISSION LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U40106TN2012GOI111122	SUBSIDIARY	97.45	Section 2(87)(ii)
17	L&T - GULF PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74140MH2008PTC177765	SUBSIDIARY	50.0002	Section 2(87)(ii)
18	L&T ARUNACHAL HYDROPOWER LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40300MH2010PLC204778	SUBSIDIARY	100.00	Section 2(87)(ii)
19	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)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
20	L&T BPP TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2011PLC080786	SUBSIDIARY	97.45	Section 2(87)(ii)
21	L&T CAPITAL COMPANY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U67190MH2000PLC125653	SUBSIDIARY	100.00	Section 2(87)(ii)
22	L&T CAPITAL MARKETS LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U67190MH2013PLC240261	SUBSIDIARY	63.91	Section 2(87)(ii)
23	L&T CAPITAL MARKETS(MIDDLE EAST) LIMITED	501,502, LEVEL 5, LIBERTY HOUSE, DUBAI INTERNATIONAL FINANCIAL CENTRE, DUBAI - 506895 UAE	2908	SUBSIDIARY	63.91	Section 2(87)(ii)
24	L&T CASSIDIAN LIMITED#	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29253MH2011PLC216258	SUBSIDIARY	100.00	Section 2(87)(ii)
25	L&T CHENNAI TADA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45309TN2008PLC066938	SUBSIDIARY	97.45	Section 2(87)(ii)
26	L&T CONSTRUCTION EQUIPMENT LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29119MH1997PLC109700	SUBSIDIARY	100.00	Section 2(87)(ii)
27	L&T CONSTRUCTION MACHINERY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U29248MH2018PLC318481	SUBSIDIARY	100.00	Section 2(87)(ii)
28	L&T DECCAN TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2011PLC083661	SUBSIDIARY	97.45	Section 2(87)(ii)
29	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)
30	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)
31	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)
32	L&T FINANCE HOLDINGS LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	L67120MH2008PLC181833	SUBSIDIARY	63.91	Section 2(87)(ii)
33	L&T FINANCE LIMITED	TECHNOPOLICE, 7TH FLOOR, A WING, PLOT NO. 4, BLOCK-BP, SECTOR- V, SALT LAKE, KOLKATA -700091	U65910WB1993FLC060810	SUBSIDIARY	63.91	Section 2(87)(ii)
34	L&T FINANCIAL CONSULTANTS LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U65100MH2011PLC299024	SUBSIDIARY	63.91	Section 2(87)(ii)
35	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)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
36	L&T HALOL-SHAMLAJI TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069210	SUBSIDIARY	47.75	Section 2(87)(ii)
37	L&T HIMACHAL HYDROPOWER LIMITED	RAMA COTTAGE, KANLOG, SHIMLA-171001	U40102HP2010PLC031697	SUBSIDIARY	100.00	Section 2(87)(ii)
38	L&T HOUSING FINANCE LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U45200MH1994PLC259630	SUBSIDIARY	63.91	Section 2(87)(ii)
39	L&T HOWDEN PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U31401MH2010PTC204403	SUBSIDIARY	50.10	Section 2(87)(ii)
40	L&T HYDROCARBON CASPIAN LLC	AGHA NEMATULLA STREET 224, NARIMANOV DISTRICT BAKU CITY, ALGERIA	1503665631	SUBSIDIARY	50.00	Section 2(87)(ii)
41	L&T HYDROCARBON ENGINEERING LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U11200MH2009PLC191426	SUBSIDIARY	100.00	Section 2(87)(ii)
42	L&T HYDROCARBON INTERNATIONAL FZE	WAREHOUSE NO. LV 38-B, HAMRIYAH FREE ZONE, SHARJAH, UAE	17744	SUBSIDIARY	100.00	Section 2(87)(ii)
43	L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.	ROOM 1100, BUILDING 2, NO.1388, XINGXIAN ROAD, JIADING DISTRICT, SHANGHAI	310000400714060 (JIADING)	SUBSIDIARY	74.80	Section 2(87)(ii)
44	L&T INFORMATION TECHNOLOGY SPAIN SOCIEDAD LIMITADA	PASEO DE LA CASTELLANA 81 STREET, FLOOR 11, 28046, MADRID, SPAIN	Tome 34332	SUBSIDIARY	74.80	Section 2(87)(ii)
45	L&T INFOTECH FINANCIAL SERVICES TECHNOLOGIES INC	2810, MATHESON BLVD EAST SUITE 500, MISSISSAUGA, ONL4W 4X7 CANADA	770556-5	SUBSIDIARY	74.80	Section 2(87)(ii)
46	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	74.80	Section 2(87)(ii)
47	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)
48	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	63.91	Section 2(87)(ii)
49	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	63.91	Section 2(87)(ii)
50	L&T INFRA INVESTMENT PARTNERS TRUSTEE PRIVATE LIMITED	PLOT NO. 177, VIDYANAGARI MARG, C.S.T. ROAD, KALINA,SANTACRUZ (EAST), MUMBAI - 400098	U65900MH2011PTC220896	SUBSIDIARY	63.91	Section 2(87)(ii)
51	L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U65993TN2001PLC046691	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
52	L&T INFRASTRUCTURE ENGINEERING LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U74140TN1998PLC039864	SUBSIDIARY	100.00	Section 2(87)(ii)
53	L&T INFRASTRUCTURE FINANCE COMPANY LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U67190TN2006PLC059527	SUBSIDIARY	63.91	Section 2(87)(ii)
54	L&T INTERSTATE ROAD CORRIDOR LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2006PLC058735	SUBSIDIARY	97.45	Section 2(87)(ii)
55	L&T INVESTMENT MANAGEMENT LIMITED	BRINDAVAN, PLOT NO. 177, C.S.T. ROAD, KALINA,SANTACRUZ (EAST),MUMBAI - 400 098, MAHARASHTRA, INDIA.	U65991MH1996PLC229572	SUBSIDIARY	63.91	Section 2(87)(ii)
56	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)
57	L&T KRISHNAGIRI WALAJAHPET TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC075446	SUBSIDIARY	97.45	Section 2(87)(ii)
58	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) & 2(87)(ii)
59	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)
60	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)
61	L&T MUTUAL FUND TRUSTEE LIMITED	L&T HOUSE BALLARD ESTATE, P.O. BOX 278, MUMBAI 400001	U65993MH1996PLC211198	SUBSIDIARY	63.91	Section 2(87)(ii)
62	L&T OVERSEAS PROJECTS NIGERIA LIMITED	252E, MURI OKUNOLA STREET, VICTORIA ISLAND, LAGOS, NIGERIA	601723	SUBSIDIARY	100.00	Section 2(87)(ii)
63	L&T POWER DEVELOPMENT LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40101MH2007PLC174071	SUBSIDIARY	100.00	Section 2(87)(ii)
64	L&T POWER LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U40100MH2006PLC160413	SUBSIDIARY	99.99	Section 2(87)(ii)
65	L&T RAJKOT-VADINAR TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069184	SUBSIDIARY	97.45	Section 2(87)(ii)
66	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)
67	L&T REALTY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74200MH2007PLC176358	SUBSIDIARY	100.00	Section 2(87)(ii)
68	L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC074501	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
69	L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U45206TN2013PLC093395	SUBSIDIARY	97.45	Section 2(87)(ii)
70	L&T SAPURA OFFSHORE PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO. 979, MANAPAKKAM, CHENNAI - 600089	U11200TN2010PTC077214	SUBSIDIARY	60.00	Section 2(87)(ii)
71	L&T SAPURA SHIPPING PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U61100TN2010PTC077217	SUBSIDIARY	60.00	Section 2(87)(ii)
72	L&T SEAWOODS LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U45203MH2008PLC180029	SUBSIDIARY	100.00	Section 2(87)(ii)
73	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)
74	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)
75	L&T TECHNOLOGY SERVICES LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	L72900MH2012PLC232169	SUBSIDIARY	78.88	Section 2(87)(ii)
76	L&T TECHNOLOGY SERVICES LLC	200, WEST ADAMS STREET, CHICAGO, ILLINOIS-60606	0479598-9	SUBSIDIARY	78.88	Section 2(87)(ii)
77	L&T THALES TECHNOLOGY SERVICES PRIVATE LIMITED	RR V TOWER, 6TH FLOOR, 33A, DEVELOPED PLOTS, SIDCO INDUSTRIAL ESTATE, GUINDY, CHENNAI-600032	U72200TN2006PTC059421	SUBSIDIARY	58.37	Section 2(87)(ii)
78	L&T TRANSPORTATION INFRASTRUCTURE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN1997PLC039102	SUBSIDIARY	98.12	Section 2(87)(ii)
79	L&T UTTARANCHAL HYDROPOWER LIMITED	VILLAGE BEDUBAGAR P.O AUGUSTMUNI RUDRAPRAYAG RUDRA PRAYAG UR 246421	U31401UR2006PLC032329	SUBSIDIARY	100.00	Section 2(87)(ii)
80	L&T VALVES LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74999MH1961PLC012188	SUBSIDIARY	100.00	Section 2(87)(ii)
81	L&T VISION VENTURES LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U74210TN2006PLC061845	SUBSIDIARY	68.00	Section 2(87)(ii)
82	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)
83	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)
84	L&T-SARGENT & LUNDY LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U74210MH1995PLC088099	SUBSIDIARY	50.0001	Section 2(87)(ii)
85	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)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
86	LARSEN & TOUBRO ATCO SAUDIA LLC	AL-TURKI BUILDING, KING KHALED STREET, P.O. BOX 91, DAMMAM	2050055625	SUBSIDIARY	100.00	Section 2(87)(ii)
87	LARSEN & TOUBRO ELECTROMECH LLC	P.O. BOX 1999, RUWI, POSTAL CODE 112, MUSCAT	1/04445/1	SUBSIDIARY	70.00	Section 2(87)(ii)
88	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)
89	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)
90	LARSEN & TOUBRO INFOTECH AUSTRIA GMBH	C/O, OBERHAMMER, RECHTSANWALTE GMBH, KARLSPLATZ, 3/1, VIENNA	FN435491D	SUBSIDIARY	74.80	Section 2(87)(ii)
91	LARSEN & TOUBRO INFOTECH CANADA LIMITED	2810, MATHESON BLVD EAST SUITE 500, MISSISSAUGA, ONL4W 4X7 CANADA	1415026	SUBSIDIARY	74.80	Section 2(87)(ii)
92	LARSEN & TOUBRO INFOTECH GMBH	EURO-ASIA BUSINESS CENTRE, MESSE-ALLEE 2, D-04356, LEIPZIG, GERMANY	HRB15958	SUBSIDIARY	74.80	Section 2(87)(ii)
93	LARSEN & TOUBRO INFOTECH LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	L72900MH1996PLC104693	SUBSIDIARY	74.80	Section 2(87)(ii)
94	LARSEN & TOUBRO INFOTECH LLC	1220, N. MARKET ST., SUITE 806, WILMINGTON, DE 19801, USA	270596763	SUBSIDIARY	74.80	Section 2(87)(ii)
95	LARSEN & TOUBRO INFOTECH NORGE AS	MARTIN LINGES VEI 25, 1364 FORNEBU, 0219 BAERUM, NORWAY	921 974 248	SUBSIDIARY	74.80	Section 2(87)(ii)
96	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)
97	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)
98	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)
99	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)
100	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)
101	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)
102	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)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
103	LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LIMITED	6TH FLOOR, 119 HERTZOG BOULEVARD, FORESHORE, CAPETOWN, SOUTH AFRICA 8001	2011/007226/07	SUBSIDIARY	56.03	Section 2(87)(ii)
104	LARSEN TOUBRO ARABIA LLC	ALMADA TOWER, PRINCE TURKI STREET, AL KHOBAR, SAUDI ARABIA	2051049523	SUBSIDIARY	75.00	Section 2(87)(ii)
105	LTH MILCOM PRIVATE LIMITED	L & T HOUSE, BALLARD ESTATE, MUMBAI 400001	U74999MH2015PTC267502	SUBSIDIARY	56.67	Section 2(87)(ii)
106	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)
107	LTR SSM PRIVATE LIMITED	L&T HOUSE, BALLARD ESTATE, N M MARG, MUMBAI, MAHARASHTRA - 400001	U70109MH2018PTC314632	SUBSIDIARY	99.00	Section 2(87)(ii)
108	MUDIT CEMENT PRIVATE LIMITED	5TH FLOOR, DCM BUILDING, 16, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI - 110001	U26942DL1990PTC041941	SUBSIDIARY	63.91	Section 2(87)(ii)
109	NABHA POWER LIMITED	PO BOX NO-28, NEAR VILLAGE NALASH, RAJPURA, PATIALA, PUNJAB-140401	U40102PB2007PLC031039	SUBSIDIARY	100.00	Section 2(87)(ii)
110	Neilsen+Partner Unternehmensberater GMBH	GROSSER BURSTAH 45, 20457 HAMBURG, GERMANY	HRB 60455	SUBSIDIARY	74.80	Section 2(87)(ii)
111	NIELSEN&PARTNER Co., Ltd.	12 A FLOOR UNIT B1, B2 SIAM PIWAT TOWER, 989 RAMA 1 ROAD, PATHUMWAN, BANGKOK 10330, THAILAND	0105561057293	SUBSIDIARY	74.80	Section 2(87)(ii)
112	NIELSEN&PARTNER Pty Ltd	52 MARTIN PLACE, LEVEL 23, SYDNEY NSW 2000	ACN 624 699 627	SUBSIDIARY	74.80	Section 2(87)(ii)
113	NIELSEN+ PARTNER S.A.	51, BOULEVARD GRANDE DUCHESSE CHARLOTTE, L - 1330 LUXEMBOURG	R.C.S. Luxembourg B213716	SUBSIDIARY	74.80	Section 2(87)(ii)
114	NIELSEN+PARTNER Pte Ltd.	11 COLLYER QUAY #09-09 THE ARCADE, SINGAPORE 049317	RCB Reg. No. 201306219M	SUBSIDIARY	74.80	Section 2(87)(ii)
115	NIELSEN+PARTNER Unternehmensberater AG	STAMPFENBACHSTRASSE 52, CH-8006 ZÜRICH, SWITZERLAND	UID: CHE-113.683.377	SUBSIDIARY	74.80	Section 2(87)(ii)
116	PANIPAT ELEVATED CORRIDOR LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC056999	SUBSIDIARY	97.45	Section 2(87)(ii)
117	PNG TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO.979, MANAPAKKAM, CHENNAI - 600089	U45203TN2009PLC070741	SUBSIDIARY	72.77	Section 2(87)(ii)
118	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)
119	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)
120	RAYKAL ALUMINIUM COMPANY PRIVATE LIMITED	ANNAPURNA COMPLEX, 559, LEWIS ROAD, BHUBANESWAR, KHORDHA-751014	U13203OR1999PTC005673	SUBSIDIARY	75.50	Section 2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
121	RULETRONICS LIMITED, UK	271 US HIGHWAY 46, SUITE C104, NJ 7004	7946822	SUBSIDIARY	74.80	Section 2(87)(ii)
122	RULETRONICS SYSTEMS INC	43 FARNSWORTH COURT, WEST PARKSIDE, LONDON SE10 0QG	0450075646	SUBSIDIARY	74.80	Section 2(87)(ii)
123	RULETRONICS SYSTEMS PRIVATE LIMITED	24A-1611/2,46965,DWARAKA, APARTMENTS 401, ALLASANI, PEDDANNA STREET, ELURU, ANDHRA PRADESH	U72200AP2014PTC094911	SUBSIDIARY	74.80	Section 2(87)(ii)
124	SAHIBGANJ GANGES BRIDGE-COMPANY PRIVATE LIMITED #	L&T HOUSE BALLARD ESTATE MUMBAI 400001	U45309MH2016PTC283661	SUBSIDIARY	100.00	Section 2(87)(ii)
125	SEASTAR LABS PRIVATE LIMITED	501, SARKAR-1, OPP. GANDHIGRAM RAILWAY STATION, ASHRAM ROAD, AHMEDABAD - 380 009	U72900GJ2015PTC083374	SUBSIDIARY	78.88	Section 2(87)(ii)
126	SERVOWATCH SYSTEMS LIMITED	THE WOODROPE BUILDING, WOODROLFE ROAD, TOLLESBURY, MALDONESSEX CM9 8SE, UNITED KINGDOM	2159287	SUBSIDIARY	100.00	Section 2(87)(ii)
127	SYNCORDIS FRANCE SARL	8, RUE, PAUL BELMONDO, PARIS, FRANCE - 75012	514135862	SUBSIDIARY	74.80	Section 2(87)(ii)
128	SYNCORDIS LIMITED	BEACON HOUSE, 15 CHRISTCHURCH ROAD, BOURNEMOUTH, DORSET, ENGLAND, UK -BH13LB	10045506	SUBSIDIARY	74.80	Section 2(87)(ii)
129	SYNCORDIS PSF S.A.	105, ROUTE D'ARLON, L-8009, STRASSEN, LUXEMBOURG	B217963	SUBSIDIARY	74.80	Section 2(87)(ii)
130	SYNCORDIS S.A. LUXEMBOURG	105 ROUTE D'ARLON, L-8009 STRASSEN RCS LUXEMBOURG B NUM'ERO 105331	B105331	SUBSIDIARY	74.80	Section 2(87)(ii)
131	SYNCORDIS SOFTWARE SERVICES INDIA PRIVATE LIMITED	4TH FLOOR, ROOP EMERALD, NO.45, NORTH USMAN ROAD T. NAGAR 600017	U72900TN2015FTC101675	SUBSIDIARY	74.80	Section 2(87)(ii)
132	TAMCO ELECTRICAL INDUSTRIES AUSTRALIA PTY LTD	31, KITCHEN ROAD, DANDENONG, VICTORIA 3175, AUSTRALIA	ACN006140512	SUBSIDIARY	100.00	Section 2(87)(ii)
133	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)
134	THALEST LIMITED	ENDEAVOUR HOUSE, BENTALLS INDUSTRIAL ESTATE, HOLLOWAY ROAD, MALDON, ESSEX, C9 4ER, UNITED KINGDOM	01201246	SUBSIDIARY	100.00	Section 2(87)(ii)
135	VADODARA BHARUCH TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC058417	SUBSIDIARY	97.45	Section 2(87)(ii)
136	WESTERN ANDHRA TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC057931	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
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)

@@ The Company is under Liquidation # Under Process of Strike Off

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**

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	
B Public Shareholding									
1. Institutions									
a) MutualFunds	202,331,530	13,878	202,345,408	14.44	228,916,062	13,878	228,929,940	16.32	1.88
b) Banks / FI	36,983,534	46,100	37,029,634	2.64	7,652,527	45,887	7,698,414	0.55	-2.09
c) Central Govt	3,077,602	0	3,077,602	0.22	3,590,744	0	3,590,744	0.26	0.04
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	297,215,504	675	297,216,179	21.21	294,374,166	675	294,374,841	20.99	-0.22
i) FIIs	962,363	52,558	1,014,921	0.07	848,582	52,558	901,140	0.06	-0.01
j) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**540,570,533**	**113,211**	**540,683,744**	**38.58**	**535,382,081**	**112,998**	**535,495,079**	**38.18**	**-0.41**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	92,102,289	411,087	92,513,376	6.60	91,182,843	411,168	91,594,011	6.53	0.00
ii) Overseas	40,666	3,260	43,926	0.00	39,713	3,260	42,973	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	239,795,903	24,053,909	263,849,812	18.83	249,613,337	20,377,228	269,990,565	19.25	0.42
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	29,385,457	0	29,385,457	2.10	31,436,696	5	31,436,701	2.24	0.14
c) Others (specify)									
i) Directors & Relatives	1,421,590	375	1,421,965	0.10	1,576,520	350	1,576,870	0.11	0.01
ii) Foreign Nationals	547,173	21,705	568,878	0.04	547,173	21,705	568,878	0.04	0.00
iii) Foreign Portfolio Investors	257,126,930	0	257,126,930	18.35	261,343,131	0	261,343,131	18.63	0.28
iv) Non-Residents	12,173,050	540,579	12,713,629	0.91	12,841,446	477,413	13,318,859	0.95	0.04
v) Trust	172,101,772	26,649	172,128,421	12.28	172,128,421	0	172,128,421	12.27	-0.01
vi) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
vii) IEPF	1,288,543	0	1,288,543	0.09	1,292,037	0	1,292,037	0.09	0.00
viii) Alternate Investment Funds	1,730	0	1,730	0.00	1,115,268	0	1,115,268	0.08	0.08
Sub-total (B)(2):-	**805,985,103**	**25,057,564**	**831,042,667**	**59.30**	**823,116,585**	**21,291,129**	**844,407,714**	**60.20**	**0.90**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,346,555,636**	**25,170,775**	**1,371,726,411**	**97.88**	**1,358,498,666**	**21,404,127**	**1,379,902,793**	**98.37**	**0.49**
C. Shares held byCustodian for GDRs & ADRs	**29,643,045**	**0**	**29,643,045**	**2.12**	**22,826,592**	**0**	**22,826,592**	**1.63**	**-0.49**
Grand Total (A+B+C)	**1,376,198,681**	**25,170,775**	**1,401,369,456**	**100.00**	**1,381,325,258**	**21,404,127**	**1,402,729,385**	**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			256589578	18.31
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	13/07/2018	-125	Transfer	256589453	18.31
		27/07/2018	100	Transfer	256589553	18.30
		27/07/2018	-100	Transfer	256589453	18.30
		07/09/2018	1925	Transfer	256591378	18.30
		07/09/2018	-1800	Transfer	256589578	18.30
		31/12/2018	-5968339	Transfer	250621239	17.87
		08/03/2019	-970666	Transfer	249650573	17.80
		15/03/2019	-3156652	Transfer	246493921	17.57
		22/03/2019	-3167862	Transfer	243326059	17.35
		29/03/2019	4762654	Transfer	248088713	17.69
		29/03/2019	-1411581	Transfer	246677132	17.59
		30/03/2019	-450	Transfer	246676682	17.59
		At the end of the year			246676682	17.59

					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**
2	**L&T EMPLOYEES WELFARE FOUNDATION**	Shareholding at the beginning of the Year			172128421	12.28
		At the end of the year			172128421	12.27
3	**HDFC TRUSTEE CO LTD A/C HDFC EQUITY FUND**	Shareholding at the beginning of the Year			56649372	4.04
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	01/04/2018	5968	Transfer	56655340	4.04
		06/04/2018	-278	Transfer	56655062	4.04
		06/04/2018	1560	Transfer	56656622	4.04
		13/04/2018	-7498	Transfer	56649124	4.04
		13/04/2018	383	Transfer	56649507	4.04
		20/04/2018	1003	Transfer	56650510	4.04
		27/04/2018	-3000	Transfer	56647510	4.04
		27/04/2018	775	Transfer	56648285	4.04
		04/05/2018	-233608	Transfer	56414677	4.03
		04/05/2018	1047	Transfer	56415724	4.03
		11/05/2018	-105376	Transfer	56310348	4.02
		11/05/2018	2203	Transfer	56312551	4.02
		18/05/2018	-428934	Transfer	55883617	3.99
		18/05/2018	54515	Transfer	55938132	3.99
		25/05/2018	-582788	Transfer	55355344	3.95
		25/05/2018	6070	Transfer	55361414	3.95
		01/06/2018	-323200	Transfer	55038214	3.93
		01/06/2018	4842952	Transfer	59881166	4.27
		08/06/2018	-5881000	Transfer	54000166	3.85
		08/06/2018	4302	Transfer	54004468	3.85
		15/06/2018	-306000	Transfer	53698468	3.83
		15/06/2018	853	Transfer	53699321	3.83
		22/06/2018	-1180	Transfer	53698141	3.83
		22/06/2018	30968	Transfer	53729109	3.83
		29/06/2018	-2658	Transfer	53726451	3.83
		29/06/2018	2191	Transfer	53728642	3.83
		06/07/2018	-30122	Transfer	53698520	3.83
		06/07/2018	1268	Transfer	53699788	3.83
		13/07/2018	101624	Transfer	53801412	3.84
		20/07/2018	-25000	Transfer	53776412	3.84
		20/07/2018	245	Transfer	53776657	3.84
		27/07/2018	-5237	Transfer	53771420	3.84
		27/07/2018	287608	Transfer	54059028	3.86

					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.)	03/08/2018	-50000	Transfer	54009028	3.85
		03/08/2018	1199	Transfer	54010227	3.85
		10/08/2018	-100016	Transfer	53910211	3.85
		10/08/2018	2235	Transfer	53912446	3.85
		17/08/2018	-40000	Transfer	53872446	3.84
		17/08/2018	1690	Transfer	53874136	3.84
		24/08/2018	-170000	Transfer	53704136	3.83
		24/08/2018	634	Transfer	53704770	3.83
		31/08/2018	-109844	Transfer	53594926	3.82
		31/08/2018	4508	Transfer	53599434	3.82
		07/09/2018	-142600	Transfer	53456834	3.81
		07/09/2018	734	Transfer	53457568	3.81
		14/09/2018	-302441	Transfer	53155127	3.79
		14/09/2018	2656	Transfer	53157783	3.79
		21/09/2018	-25000	Transfer	53132783	3.79
		21/09/2018	5987	Transfer	53138770	3.79
		28/09/2018	-275385	Transfer	52863385	3.77
		28/09/2018	623751	Transfer	53487136	3.81
		05/10/2018	-410000	Transfer	53077136	3.79
		05/10/2018	388091	Transfer	53465227	3.81
		12/10/2018	-40000	Transfer	53425227	3.81
		12/10/2018	9533	Transfer	53434760	3.81
		19/10/2018	4372	Transfer	53439132	3.81
		26/10/2018	12839	Transfer	53451971	3.81
		02/11/2018	-30118	Transfer	53421853	3.81
		02/11/2018	1332	Transfer	53423185	3.81
		09/11/2018	1468	Transfer	53424653	3.81
		16/11/2018	1541	Transfer	53426194	3.81
		23/11/2018	-225000	Transfer	53201194	3.79
		23/11/2018	6770	Transfer	53207964	3.79
		30/11/2018	-130000	Transfer	53077964	3.79
		30/11/2018	1702	Transfer	53079666	3.79
		07/12/2018	25636	Transfer	53105302	3.79
		14/12/2018	507987	Transfer	53613289	3.82
		21/12/2018	-25000	Transfer	53588289	3.82
		21/12/2018	2528	Transfer	53590817	3.82
		28/12/2018	-1965	Transfer	53588852	3.82
		28/12/2018	2642	Transfer	53591494	3.82

					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.)	31/12/2018	201222	Transfer	53792716	3.84
		04/01/2019	-75128	Transfer	53717588	3.83
		04/01/2019	12285	Transfer	53729873	3.83
		11/01/2019	-100000	Transfer	53629873	3.82
		11/01/2019	88631	Transfer	53718504	3.83
		18/01/2019	2358	Transfer	53720862	3.83
		25/01/2019	-50000	Transfer	53670862	3.83
		25/01/2019	195625	Transfer	53866487	3.84
		01/02/2019	-35625	Transfer	53830862	3.84
		01/02/2019	3329	Transfer	53834191	3.84
		08/02/2019	-118	Transfer	53834073	3.84
		08/02/2019	3769	Transfer	53837842	3.84
		15/02/2019	-1504	Transfer	53836338	3.84
		15/02/2019	1020483	Transfer	54856821	3.91
		22/02/2019	5607	Transfer	54862428	3.91
		01/03/2019	201483	Transfer	55063911	3.93
		08/03/2019	-1052	Transfer	55062859	3.93
		08/03/2019	3463	Transfer	55066322	3.93
		15/03/2019	-750	Transfer	55065572	3.93
		15/03/2019	5649	Transfer	55071221	3.93
		22/03/2019	-3577	Transfer	55067644	3.93
		22/03/2019	16774	Transfer	55084418	3.93
		29/03/2019	-2862	Transfer	55081556	3.93
		At the end of the year			55081556	3.93
4	**ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA**	Shareholding at the beginning of the Year			35257393	2.52
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	06/04/2018	100	Transfer	35257493	2.52
		06/04/2018	-150	Transfer	35257343	2.52
		20/04/2018	50	Transfer	35257393	2.52
		15/06/2018	-11621555	Transfer	23635838	1.69
		06/07/2018	1205458	Transfer	24841296	1.77
		22/02/2019	-17702702	Transfer	7138594	0.51
		31/03/2019	-100	Transfer	7138494	0.51

					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**
5	**ICICI PRUDENTIAL CAPITAL PROTECTION ORIENTED FUND**	Shareholding at the beginning of the Year			28612818	2.04
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	06/04/2018	394557	Transfer	29007375	2.07
		06/04/2018	-1816468	Transfer	27190907	1.94
		13/04/2018	290	Transfer	27191197	1.94
		13/04/2018	-768442	Transfer	26422755	1.89
		20/04/2018	-603009	Transfer	25819746	1.84
		27/04/2018	22	Transfer	25819768	1.84
		27/04/2018	-872861	Transfer	24946907	1.78
		04/05/2018	366	Transfer	24947273	1.78
		04/05/2018	-102641	Transfer	24844632	1.77
		11/05/2018	2510	Transfer	24847142	1.77
		11/05/2018	-154812	Transfer	24692330	1.76
		18/05/2018	2298	Transfer	24694628	1.76
		18/05/2018	-670298	Transfer	24024330	1.71
		25/05/2018	423	Transfer	24024753	1.71
		25/05/2018	-167988	Transfer	23856765	1.70
		01/06/2018	805	Transfer	23857570	1.70
		01/06/2018	-304201	Transfer	23553369	1.68
		08/06/2018	4281	Transfer	23557650	1.68
		08/06/2018	-512790	Transfer	23044860	1.64
		15/06/2018	2306	Transfer	23047166	1.64
		15/06/2018	-10352	Transfer	23036814	1.64
		22/06/2018	7005	Transfer	23043819	1.64
		22/06/2018	-489438	Transfer	22554381	1.61
		29/06/2018	10395601	Transfer	32949982	2.35
		29/06/2018	-275250	Transfer	32674732	2.33
		06/07/2018	2258730	Transfer	34933462	2.49
		06/07/2018	-3283938	Transfer	31649524	2.26
		13/07/2018	951526	Transfer	32601050	2.33
		13/07/2018	-1466390	Transfer	31134660	2.22
		20/07/2018	598730	Transfer	31733390	2.26
		20/07/2018	-801923	Transfer	30931467	2.21
		27/07/2018	85789	Transfer	31017256	2.21
		27/07/2018	-1957396	Transfer	29059860	2.07
		03/08/2018	66888	Transfer	29126748	2.08
		03/08/2018	-2815768	Transfer	26310980	1.88
		10/08/2018	622	Transfer	26311602	1.88

					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.)	10/08/2018	-172561	Transfer	26139041	1.86
		17/08/2018	576	Transfer	26139617	1.86
		17/08/2018	-237596	Transfer	25902021	1.85
		24/08/2018	364619	Transfer	26266640	1.87
		24/08/2018	-366218	Transfer	25900422	1.85
		31/08/2018	1492	Transfer	25901914	1.85
		31/08/2018	-1112624	Transfer	24789290	1.77
		07/09/2018	1243	Transfer	24790533	1.77
		07/09/2018	-121574	Transfer	24668959	1.76
		14/09/2018	48688	Transfer	24717647	1.76
		14/09/2018	-93375	Transfer	24624272	1.76
		21/09/2018	106189	Transfer	24730461	1.76
		21/09/2018	-6030	Transfer	24724431	1.76
		28/09/2018	571671	Transfer	25296102	1.80
		28/09/2018	-26189	Transfer	25269913	1.80
		05/10/2018	233144	Transfer	25503057	1.82
		05/10/2018	-313777	Transfer	25189280	1.80
		12/10/2018	2467	Transfer	25191747	1.80
		12/10/2018	-450	Transfer	25191297	1.80
		19/10/2018	413671	Transfer	25604968	1.83
		19/10/2018	-206250	Transfer	25398718	1.81
		26/10/2018	706201	Transfer	26104919	1.86
		26/10/2018	-809340	Transfer	25295579	1.80
		02/11/2018	2992	Transfer	25298571	1.80
		02/11/2018	-734217	Transfer	24564354	1.75
		09/11/2018	885	Transfer	24565239	1.75
		09/11/2018	-227298	Transfer	24337941	1.74
		16/11/2018	1773	Transfer	24339714	1.74
		16/11/2018	-699136	Transfer	23640578	1.69
		23/11/2018	13359	Transfer	23653937	1.69
		23/11/2018	-71502	Transfer	23582435	1.68
		30/11/2018	305852	Transfer	23888287	1.70
		30/11/2018	-494024	Transfer	23394263	1.67
		07/12/2018	8603	Transfer	23402866	1.67
		07/12/2018	-10234	Transfer	23392632	1.67
		14/12/2018	3893	Transfer	23396525	1.67
		14/12/2018	-336664	Transfer	23059861	1.64
		21/12/2018	2328	Transfer	23062189	1.64

					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.)	21/12/2018	-46408	Transfer	23015781	1.64
		28/12/2018	135405	Transfer	23151186	1.65
		28/12/2018	-95007	Transfer	23056179	1.64
		31/12/2018	533	Transfer	23056712	1.64
		31/12/2018	-4570	Transfer	23052142	1.64
		04/01/2019	1896	Transfer	23054038	1.64
		04/01/2019	-3438	Transfer	23050600	1.64
		11/01/2019	1111	Transfer	23051711	1.64
		11/01/2019	-4994	Transfer	23046717	1.64
		18/01/2019	458538	Transfer	23505255	1.68
		25/01/2019	35829	Transfer	23541084	1.68
		25/01/2019	-34220	Transfer	23506864	1.68
		01/02/2019	2798	Transfer	23509662	1.68
		01/02/2019	-1226382	Transfer	22283280	1.59
		08/02/2019	1991	Transfer	22285271	1.59
		08/02/2019	-373282	Transfer	21911989	1.56
		15/02/2019	225021	Transfer	22137010	1.58
		15/02/2019	-273961	Transfer	21863049	1.56
		22/02/2019	17692189	Transfer	39555238	2.82
		22/02/2019	-6720	Transfer	39548518	2.82
		01/03/2019	3011204	Transfer	42559722	3.03
		01/03/2019	-11545250	Transfer	31014472	2.21
		08/03/2019	4326497	Transfer	35340969	2.52
		08/03/2019	-545533	Transfer	34795436	2.48
		15/03/2019	1920	Transfer	34797356	2.48
		15/03/2019	-1311973	Transfer	33485383	2.39
		22/03/2019	10232	Transfer	33495615	2.39
		22/03/2019	-1438021	Transfer	32057594	2.29
		29/03/2019	422765	Transfer	32480359	2.32
		29/03/2019	-127676	Transfer	32352683	2.31
		At the end of the year			32321704	2.30
6	**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**	Shareholding at the beginning of the Year			25773363	1.84
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	06/04/2018	308760	Transfer	26082123	1.86
		13/04/2018	96947	Transfer	26179070	1.87
		20/04/2018	-24835	Transfer	26154235	1.87
		27/04/2018	8994	Transfer	26163229	1.87
		27/04/2018	-142580	Transfer	26020649	1.86

					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.)	04/05/2018	-19068	Transfer	26001581	1.86
		11/05/2018	-499160	Transfer	25502421	1.82
		18/05/2018	-222434	Transfer	25279987	1.80
		25/05/2018	-509598	Transfer	24770389	1.77
		01/06/2018	189742	Transfer	24960131	1.78
		01/06/2018	-35189	Transfer	24924942	1.78
		08/06/2018	-77974	Transfer	24846968	1.77
		15/06/2018	248338	Transfer	25095306	1.79
		22/06/2018	-293855	Transfer	24801451	1.77
		29/06/2018	-79529	Transfer	24721922	1.76
		06/07/2018	450741	Transfer	25172663	1.80
		13/07/2018	391713	Transfer	25564376	1.82
		20/07/2018	97681	Transfer	25662057	1.83
		27/07/2018	185046	Transfer	25847103	1.84
		03/08/2018	245584	Transfer	26092687	1.86
		03/08/2018	-83848	Transfer	26008839	1.86
		10/08/2018	-186592	Transfer	25822247	1.84
		17/08/2018	-24160	Transfer	25798087	1.84
		24/08/2018	-1274521	Transfer	24523566	1.75
		31/08/2018	217008	Transfer	24740574	1.76
		31/08/2018	-207851	Transfer	24532723	1.75
		07/09/2018	-144535	Transfer	24388188	1.74
		14/09/2018	-233481	Transfer	24154707	1.72
		21/09/2018	-68326	Transfer	24086381	1.72
		28/09/2018	89491	Transfer	24175872	1.72
		28/09/2018	-1921	Transfer	24173951	1.72
		05/10/2018	916421	Transfer	25090372	1.79
		12/10/2018	1813815	Transfer	26904187	1.92
		12/10/2018	-1343335	Transfer	25560852	1.82
		19/10/2018	252528	Transfer	25813380	1.84
		26/10/2018	-9927	Transfer	25803453	1.84
		02/11/2018	1179585	Transfer	26983038	1.92
		02/11/2018	-1047765	Transfer	25935273	1.85
		09/11/2018	144637	Transfer	26079910	1.86
		16/11/2018	-54896	Transfer	26025014	1.86
		23/11/2018	-36126	Transfer	25988888	1.85
		30/11/2018	17967	Transfer	26006855	1.85
		30/11/2018	-15024	Transfer	25991831	1.85

					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.)	07/12/2018	540765	Transfer	26532596	1.89
		14/12/2018	566	Transfer	26533162	1.89
		21/12/2018	-377775	Transfer	26155387	1.87
		28/12/2018	228051	Transfer	26383438	1.88
		31/12/2018	8955	Transfer	26392393	1.88
		04/01/2019	-612385	Transfer	25780008	1.84
		11/01/2019	55321	Transfer	25835329	1.84
		18/01/2019	-224797	Transfer	25610532	1.83
		25/01/2019	214082	Transfer	25824614	1.84
		01/02/2019	732818	Transfer	26557432	1.89
		08/02/2019	420151	Transfer	26977583	1.92
		15/02/2019	34022	Transfer	27011605	1.93
		22/02/2019	-133053	Transfer	26878552	1.92
		01/03/2019	329275	Transfer	27207827	1.94
		08/03/2019	-1489240	Transfer	25718587	1.83
		15/03/2019	-695458	Transfer	25023129	1.78
		22/03/2019	32141	Transfer	25055270	1.79
		29/03/2019	22146	Transfer	25077416	1.79
		At the end of the year			25077416	1.79
7	**GENERAL INSURANCE CORPORATION OF INDIA**	Shareholding at the beginning of the Year			24700000	1.76
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	06/04/2018	-10000	Transfer	24690000	1.76
		18/05/2018	-5055	Transfer	24684945	1.76
		13/07/2018	25000	Transfer	24709945	1.76
		27/07/2018	2918	Transfer	24712863	1.76
		10/08/2018	25213	Transfer	24738076	1.76
		17/08/2018	20000	Transfer	24758076	1.77
		24/08/2018	30000	Transfer	24788076	1.77
		12/10/2018	5000	Transfer	24793076	1.77
		19/10/2018	25000	Transfer	24818076	1.77
		26/10/2018	60000	Transfer	24878076	1.77
		02/11/2018	27463	Transfer	24905539	1.78
		30/11/2018	-305539	Transfer	24600000	1.75
		07/12/2018	-155000	Transfer	24445000	1.74
		14/12/2018	-10000	Transfer	24435000	1.74
		21/12/2018	-135000	Transfer	24300000	1.73
		08/02/2019	100000	Transfer	24400000	1.74
		At the end of the year			24400000	1.74

					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**
8	**SBI - ETF SENSEX**	Shareholding at the beginning of the Year			20499688	1.46
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	06/04/2018	134030	Transfer	20633718	1.47
		06/04/2018	-2979	Transfer	20630739	1.47
		13/04/2018	1028656	Transfer	21659395	1.55
		20/04/2018	309199	Transfer	21968594	1.57
		20/04/2018	-9900	Transfer	21958694	1.57
		27/04/2018	132040	Transfer	22090734	1.58
		04/05/2018	96004	Transfer	22186738	1.58
		11/05/2018	158200	Transfer	22344938	1.59
		18/05/2018	129974	Transfer	22474912	1.60
		25/05/2018	86034	Transfer	22560946	1.61
		01/06/2018	95095	Transfer	22656041	1.62
		08/06/2018	160502	Transfer	22816543	1.63
		15/06/2018	81149	Transfer	22897692	1.63
		22/06/2018	346851	Transfer	23244543	1.66
		22/06/2018	-50541	Transfer	23194002	1.65
		29/06/2018	56921	Transfer	23250923	1.66
		29/06/2018	-70108	Transfer	23180815	1.65
		06/07/2018	99892	Transfer	23280707	1.66
		13/07/2018	100148	Transfer	23380855	1.67
		13/07/2018	-1471	Transfer	23379384	1.67
		20/07/2018	83293	Transfer	23462677	1.67
		27/07/2018	109883	Transfer	23572560	1.68
		27/07/2018	-168	Transfer	23572392	1.68
		03/08/2018	255919	Transfer	23828311	1.70
		03/08/2018	-15344	Transfer	23812967	1.70
		10/08/2018	117685	Transfer	23930652	1.71
		10/08/2018	-4	Transfer	23930648	1.71
		17/08/2018	40351	Transfer	23970999	1.71
		24/08/2018	108278	Transfer	24079277	1.72
		31/08/2018	201011	Transfer	24280288	1.73
		31/08/2018	-1107	Transfer	24279181	1.73
		07/09/2018	161822	Transfer	24441003	1.74
		07/09/2018	-133	Transfer	24440870	1.74
		14/09/2018	145943	Transfer	24586813	1.75
		14/09/2018	-3468	Transfer	24583345	1.75
		21/09/2018	120331	Transfer	24703676	1.76

					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**
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	28/09/2018	2828	Transfer	24706504	1.76
		28/09/2018	-21653	Transfer	24684851	1.76
		05/10/2018	89332	Transfer	24774183	1.77
		12/10/2018	2163979	Transfer	26938162	1.92
		19/10/2018	63501	Transfer	27001663	1.93
		26/10/2018	120362	Transfer	27122025	1.93
		02/11/2018	53684	Transfer	27175709	1.94
		02/11/2018	-20002	Transfer	27155707	1.94
		09/11/2018	77711	Transfer	27233418	1.94
		16/11/2018	135537	Transfer	27368955	1.95
		16/11/2018	-41779	Transfer	27327176	1.95
		23/11/2018	217940	Transfer	27545116	1.96
		30/11/2018	274699	Transfer	27819815	1.98
		07/12/2018	244363	Transfer	28064178	2.00
		07/12/2018	-18004	Transfer	28046174	2.00
		14/12/2018	21588	Transfer	28067762	2.00
		14/12/2018	-69999	Transfer	27997763	2.00
		21/12/2018	87012	Transfer	28084775	2.00
		28/12/2018	49178	Transfer	28133953	2.01
		28/12/2018	-26272	Transfer	28107681	2.00
		31/12/2018	30027	Transfer	28137708	2.01
		04/01/2019	179946	Transfer	28317654	2.02
		11/01/2019	232627	Transfer	28550281	2.04
		18/01/2019	159234	Transfer	28709515	2.05
		18/01/2019	-418	Transfer	28709097	2.05
		25/01/2019	172860	Transfer	28881957	2.06
		25/01/2019	-157	Transfer	28881800	2.06
		01/02/2019	183860	Transfer	29065660	2.07
		01/02/2019	-26625	Transfer	29039035	2.07
		08/02/2019	160106	Transfer	29199141	2.08
		08/02/2019	-2050	Transfer	29197091	2.08
		15/02/2019	28442	Transfer	29225533	2.08
		15/02/2019	-635646	Transfer	28589887	2.04
		22/02/2019	600002	Transfer	29189889	2.08
		01/03/2019	264523	Transfer	29454412	2.10
		01/03/2019	-34767	Transfer	29419645	2.10
		08/03/2019	723837	Transfer	30143482	2.15
		08/03/2019	-5618	Transfer	30137864	2.15

					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.)	15/03/2019	1635337	Transfer	31773201	2.27
		22/03/2019	333988	Transfer	32107189	2.29
		22/03/2019	-266	Transfer	32106923	2.29
		29/03/2019	170309	Transfer	32277232	2.30
		At the end of the year			32277232	2.30
9	**NPS TRUST- A/C KOTAK PENSION FUND SCHEME E - TIER**	Shareholding at the beginning of the Year			12005742	0.86
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	06/04/2018	95745	Transfer	12101487	0.86
		13/04/2018	33974	Transfer	12135461	0.87
		20/04/2018	5850	Transfer	12141311	0.87
		27/04/2018	17064	Transfer	12158375	0.87
		04/05/2018	30825	Transfer	12189200	0.87
		11/05/2018	38357	Transfer	12227557	0.87
		18/05/2018	9175	Transfer	12236732	0.87
		01/06/2018	512	Transfer	12237244	0.87
		08/06/2018	18049	Transfer	12255293	0.87
		15/06/2018	38328	Transfer	12293621	0.88
		22/06/2018	12300	Transfer	12305921	0.88
		29/06/2018	104277	Transfer	12410198	0.89
		06/07/2018	10282	Transfer	12420480	0.89
		13/07/2018	44343	Transfer	12464823	0.89
		20/07/2018	73092	Transfer	12537915	0.89
		27/07/2018	32995	Transfer	12570910	0.90
		03/08/2018	5755	Transfer	12576665	0.90
		10/08/2018	154086	Transfer	12730751	0.91
		17/08/2018	46386	Transfer	12777137	0.91
		24/08/2018	66318	Transfer	12843455	0.92
		24/08/2018	-1000	Transfer	12842455	0.92
		31/08/2018	37653	Transfer	12880108	0.92
		07/09/2018	60838	Transfer	12940946	0.92
		14/09/2018	28672	Transfer	12969618	0.93
		21/09/2018	13365	Transfer	12982983	0.93
		28/09/2018	28252	Transfer	13011235	0.93
		05/10/2018	211218	Transfer	13222453	0.94
		12/10/2018	193356	Transfer	13415809	0.96
		19/10/2018	160800	Transfer	13576609	0.97
		26/10/2018	105156	Transfer	13681765	0.98

					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.)	02/11/2018	109941	Transfer	13791706	0.98
		16/11/2018	5100	Transfer	13796806	0.98
		16/11/2018	-10779	Transfer	13786027	0.98
		30/11/2018	1211	Transfer	13787238	0.98
		30/11/2018	-5250	Transfer	13781988	0.98
		07/12/2018	-3150	Transfer	13778838	0.98
		14/12/2018	80231	Transfer	13859069	0.99
		14/12/2018	-140	Transfer	13858929	0.99
		21/12/2018	79586	Transfer	13938515	0.99
		28/12/2018	128450	Transfer	14066965	1.00
		28/12/2018	-65000	Transfer	14001965	1.00
		31/12/2018	63350	Transfer	14065315	1.00
		31/12/2018	-584	Transfer	14064731	1.00
		04/01/2019	27000	Transfer	14091731	1.00
		04/01/2019	-2000	Transfer	14089731	1.00
		11/01/2019	98380	Transfer	14188111	1.01
		18/01/2019	53860	Transfer	14241971	1.02
		25/01/2019	228152	Transfer	14470123	1.03
		01/02/2019	76600	Transfer	14546723	1.04
		08/02/2019	27412	Transfer	14574135	1.04
		15/02/2019	146773	Transfer	14720908	1.05
		22/02/2019	93135	Transfer	14814043	1.06
		01/03/2019	32600	Transfer	14846643	1.06
		08/03/2019	108592	Transfer	14955235	1.07
		15/03/2019	24840	Transfer	14980075	1.07
		22/03/2019	90306	Transfer	15070381	1.07
		29/03/2019	40959	Transfer	15111340	1.08
		At the end of the year			15111340	1.08
10	**RELIANCE CAPITAL TRUSTEE CO LTD**	Shareholding at the beginning of the Year			14776397	1.05
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	06/04/2018	29745	Transfer	14806142	1.06
		06/04/2018	-843	Transfer	14805299	1.06
		13/04/2018	165486	Transfer	14970785	1.07
		13/04/2018	-340000	Transfer	14630785	1.04
		20/04/2018	18000	Transfer	14648785	1.05
		20/04/2018	-44404	Transfer	14604381	1.04
		27/04/2018	217000	Transfer	14821381	1.06
		27/04/2018	-64368	Transfer	14757013	1.05

					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.)	04/05/2018	701767	Transfer	15458780	1.10
		04/05/2018	-581523	Transfer	14877257	1.06
		11/05/2018	205167	Transfer	15082424	1.08
		11/05/2018	-46372	Transfer	15036052	1.07
		18/05/2018	69492	Transfer	15105544	1.08
		18/05/2018	-45668	Transfer	15059876	1.07
		25/05/2018	309632	Transfer	15369508	1.10
		25/05/2018	-606	Transfer	15368902	1.10
		01/06/2018	207073	Transfer	15575975	1.11
		01/06/2018	-62000	Transfer	15513975	1.11
		08/06/2018	345031	Transfer	15859006	1.13
		08/06/2018	-446448	Transfer	15412558	1.10
		15/06/2018	98840	Transfer	15511398	1.11
		15/06/2018	-354868	Transfer	15156530	1.08
		22/06/2018	197369	Transfer	15353899	1.10
		22/06/2018	-385157	Transfer	14968742	1.07
		29/06/2018	262823	Transfer	15231565	1.09
		29/06/2018	-80051	Transfer	15151514	1.08
		06/07/2018	288501	Transfer	15440015	1.10
		06/07/2018	-287831	Transfer	15152184	1.08
		13/07/2018	8496	Transfer	15160680	1.08
		13/07/2018	-143567	Transfer	15017113	1.07
		20/07/2018	92100	Transfer	15109213	1.08
		20/07/2018	-7495	Transfer	15101718	1.08
		27/07/2018	424630	Transfer	15526348	1.11
		27/07/2018	-421	Transfer	15525927	1.11
		03/08/2018	371783	Transfer	15897710	1.13
		03/08/2018	-3143	Transfer	15894567	1.13
		10/08/2018	1649	Transfer	15896216	1.13
		10/08/2018	-14030	Transfer	15882186	1.13
		17/08/2018	4245	Transfer	15886431	1.13
		24/08/2018	775144	Transfer	16661575	1.19
		24/08/2018	-313132	Transfer	16348443	1.17
		31/08/2018	378260	Transfer	16726703	1.19
		31/08/2018	-380152	Transfer	16346551	1.17
		07/09/2018	8008	Transfer	16354559	1.17
		07/09/2018	-3081	Transfer	16351478	1.17
		14/09/2018	9316	Transfer	16360794	1.17

					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.)	14/09/2018	-282	Transfer	16360512	1.17
		21/09/2018	1341	Transfer	16361853	1.17
		21/09/2018	-105046	Transfer	16256807	1.16
		28/09/2018	267198	Transfer	16524005	1.18
		28/09/2018	-505324	Transfer	16018681	1.14
		05/10/2018	59126	Transfer	16077807	1.15
		05/10/2018	-227706	Transfer	15850101	1.13
		12/10/2018	65614	Transfer	15915715	1.14
		12/10/2018	-126402	Transfer	15789313	1.13
		19/10/2018	579218	Transfer	16368531	1.17
		19/10/2018	-2765	Transfer	16365766	1.17
		26/10/2018	433025	Transfer	16798791	1.20
		26/10/2018	-413	Transfer	16798378	1.20
		02/11/2018	1043310	Transfer	17841688	1.27
		02/11/2018	-27	Transfer	17841661	1.27
		09/11/2018	347402	Transfer	18189063	1.30
		09/11/2018	-112	Transfer	18188951	1.30
		16/11/2018	15561	Transfer	18204512	1.30
		16/11/2018	-85258	Transfer	18119254	1.29
		23/11/2018	111	Transfer	18119365	1.29
		23/11/2018	-132502	Transfer	17986863	1.28
		30/11/2018	215191	Transfer	18202054	1.30
		30/11/2018	-236726	Transfer	17965328	1.28
		07/12/2018	73031	Transfer	18038359	1.29
		07/12/2018	-91062	Transfer	17947297	1.28
		14/12/2018	218733	Transfer	18166030	1.30
		14/12/2018	-281375	Transfer	17884655	1.28
		21/12/2018	45771	Transfer	17930426	1.28
		21/12/2018	-263772	Transfer	17666654	1.26
		28/12/2018	43941	Transfer	17710595	1.26
		28/12/2018	-734	Transfer	17709861	1.26
		31/12/2018	8952	Transfer	17718813	1.26
		31/12/2018	-534	Transfer	17718279	1.26
		04/01/2019	271901	Transfer	17990180	1.28
		04/01/2019	-21369	Transfer	17968811	1.28
		11/01/2019	389485	Transfer	18358296	1.31
		11/01/2019	-312758	Transfer	18045538	1.29
		18/01/2019	30	Transfer	18045568	1.29

					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.)	18/01/2019	-17549	Transfer	18028019	1.29
		25/01/2019	7939	Transfer	18035958	1.29
		01/02/2019	20117	Transfer	18056075	1.29
		01/02/2019	-351633	Transfer	17704442	1.26
		08/02/2019	8372	Transfer	17712814	1.26
		08/02/2019	-661396	Transfer	17051418	1.22
		15/02/2019	414242	Transfer	17465660	1.25
		15/02/2019	-270655	Transfer	17195005	1.23
		22/02/2019	245252	Transfer	17440257	1.24
		22/02/2019	-12719	Transfer	17427538	1.24
		01/03/2019	61697	Transfer	17489235	1.25
		01/03/2019	-90	Transfer	17489145	1.25
		08/03/2019	464991	Transfer	17954136	1.28
		08/03/2019	-223	Transfer	17953913	1.28
		15/03/2019	950	Transfer	17954863	1.28
		15/03/2019	-113336	Transfer	17841527	1.27
		22/03/2019	317598	Transfer	18159125	1.29
		22/03/2019	-145225	Transfer	18013900	1.28
		29/03/2019	1721273	Transfer	19735173	1.41
		29/03/2019	-5059	Transfer	19730114	1.41
		At the end of the year			19730114	1.41
11	**NOMURA INDIA INVESTMENT FUND MOTHER FUND**	Shareholding at the beginning of the Year			14377891	1.03
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	08/03/2019	-150103	Transfer	14227788	1.01
		15/03/2019	-810725	Transfer	13417063	0.96
		22/03/2019	-90000	Transfer	13327063	0.95
		29/03/2019	-250000	Transfer	13077063	0.93
		At the end of the year			13077063	0.93
12	**THE NEW INDIA ASSURANCE COMPANY LIMITED**	Shareholding at the beginning of the Year			13596609	0.97
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase and decrease (e.g. allotment/ transfer/bonus/sweat etc.)	20/04/2018	-36000	Transfer	13560609	0.97
		27/04/2018	-64000	Transfer	13496609	0.96
		01/06/2018	-69006	Transfer	13427603	0.96
		08/06/2018	-30000	Transfer	13397603	0.96
		22/06/2018	-3000	Transfer	13394603	0.96
		24/08/2018	-9000	Transfer	13385603	0.95
		31/08/2018	-8000	Transfer	13377603	0.95
		25/01/2019	-59294	Transfer	13318309	0.95

Sl. No.	Name of the Share Holder	Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
					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.)	01/02/2019	-15706	Transfer	13302603	0.95
		08/02/2019	-153800	Transfer	13148803	0.94
		22/02/2019	-100000	Transfer	13048803	0.93
		01/03/2019	-200000	Transfer	12848803	0.92
		08/03/2019	-124000	Transfer	12724803	0.91
		15/03/2019	-51525	Transfer	12673278	0.90
		22/03/2019	-40000	Transfer	12633278	0.90
		29/03/2019	-185000	Transfer	12448278	0.89
		At the end of the year			12448278	0.89

(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	424,958	0.03		
	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);					
		At the end of the year			424,958	0.03
2	**S. N. SUBRAHMANYAN**	At the beginning of the year	213,084	0.02		
	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):	11-Aug-18	52,500	ESOP exercise		
		At the End of the year			265,584	0.02
3	**R. SHANKAR RAMAN**	At the beginning of the year	306,000	0.02		
	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):	11-Aug-18	22,500	ESOP exercise		
		At the End of the year			328,500	0.02

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**
4	**SHAILENDRA N. ROY**	At the beginning of the year	75,125	0.01		
	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):	11-Aug-18	15,000	ESOP exercise		
		At the End of the year			90,125	0.01
5	**D. K. SEN**	At the beginning of the year	46,054	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):					
		At the End of the year			46,054	0.00
6	**M. V. SATISH**	At the beginning of the year	64,312	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):					
		At the End of the year			64,312	0.00
7	**J. D. PATIL**	As on the date of appointment as director	172,260	0.01		
	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):					
		11-Sep-18	500	Market Purchase		
		24-Sep-18	500	Market Purchase		
		08-Oct-18	340	Market Purchase		
		23-Oct-18	500	Market Purchase		
		At the End of the year			174,100	0.01
8	**M. M. CHITALE**	At the beginning of the year	2,443	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):					
		At the End of the year			2,443	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
9	**SUBODH BHARGAVA**	At the beginning of the year	1,125	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):					
		At the End of the year			1,125	0.00
10	**M. DAMODARAN**	At the beginning of the year	225	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):					
		At the End of the year			225	0.00
11	**VIKRAM SINGH MEHTA**	At the beginning of the year	1,327	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):					
		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	225	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):	02-May-18	-225	Ceased as Director		
		At the End of the year			–	–
13	**ADIL ZAINULBHAI**	At the beginning of the year	150	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):				-	
		At the End of the year			150	0.00
14	**AKHILESH GUPTA**	At the beginning of the year	7,680	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):				–	
		At the End of the year			7,680	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**
15	**NARAYANAN KUMAR**	At the beginning of the year	1,500	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):					
		At the End of the year			1,500	0.00
16	**SANJEEV AGA**	At the beginning of the year	4,500	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):					
		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	150	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):					
		At the End of the year			150	0.00
18	**THOMAS MATHEW T.**	At the beginning of the year	150	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):					
		At the End of the year			150	0.00
19	**AJAY SHANKAR**	At the beginning of the year	150	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):					
		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
20	SUBRAMANIAN SARMA	At the beginning of the year	31,650	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):					
		05-Apr-18	31,500	ESOP exercise		
		25-Jan-19	31,500	ESOP exercise		
		At the End of the year			94,650	0.01
21	NAINA LAL KIDWAI	At the beginning of the year	150	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):					
		At the End of the year			150	0.00
22	ARVIND GUPTA jointly with ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA	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):					
		At the End of the year			100	0.00
23	HEMANT BHARGAVA jointly with LIFE INSURANCE CORPORATION OF INDIA	As on 28th May 2018	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):					
		At the End of the year			100	0.00
24	HEMANT BHARGAVA	As on 28th May 2018	90	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):					
		At the End of the year			90	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**
25	**N. HARIHARAN**	At the beginning of the year	34,710	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):					
		At the End of the year			34,710	0.00

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding /accrued but not due for payment as on 31st March 2019

₹ crore

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning 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**
Change in Indebtedness during the financial year				
Addition^	4741.36	15111.71	–	19853.07
Reduction	(5247.89)	(15345.60)	–	(20593.49)
Exchange gain / (loss)	5.90	365.09	–	370.99
Interest accrued but not due	–	–	–	–
Net change	**(500.63)**	**131.20**	**–**	**(369.43)**
Indebtedness at the end of the financial year				
i) Principal Amount*	24.54	10167.03	–	10191.57
ii) Interest due but not paid*	–	–	–	–
iii) Interest accrued but not due*	–	–	–	–
Total (i+ii+iii)	**24.54**	**10167.03**	**–**	**10191.57**

*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
		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	2.400	1.710	1.590	1.230	1.230	1.050	9.210
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21.780	7.468	3.150	0.120	0.220	0.180	32.918
	(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	18.603	12.154	7.049	4.186	5.985	5.283	53.260
	- others, specify…							–
5	Others (Contribution to Provident Fund & Superannuation Fund)	5.671	3.743	2.332	1.462	1.948	1.710	16.866
	Total (A)	**48.454**	**25.075**	**14.121**	**6.998**	**9.383**	**8.223**	**112.254**
	Ceiling as per the Act							**877.50**

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*	Hemant Bhargava*	
1	Independent Directors																		
	Fee for attending board / committee meetings		0.126	0.122	0.106	0.095		0.122	0.088		0.122	0.102		0.088	0.116	0.118			1.205
	Commission		0.381	0.531	0.383	0.349		0.354	0.174		0.308	0.280		0.174	0.260	0.279			3.473
	Others, please specify																		–
	Total (1)		**0.507**	**0.653**	**0.489**	**0.444**		**0.476**	**0.262**		**0.430**	**0.382**		**0.262**	**0.376**	**0.397**			**4.678**
2	Other Non-Executive Directors																		
	Fee for attending board / committee meetings	0.122					0.012			0.020							0.078	0.020	0.252
	Commission	5.000					0.047 *			0.013							0.155	0.017	5.232
	Others, please specify - @	3.033																	3.033
	Total (2)	**8.155**					**0.059**			**0.033**							**0.233**	**0.037**	**8.517**
	Total (B)=(1+2)	**8.155**	**0.507**	**0.653**	**0.489**	**0.444**	**0.059**	**0.476**	**0.262**	**0.033**	**0.430**	**0.382**	**–**	**0.262**	**0.376**	**0.397**	**0.233**	**0.037**	**13.195**
	Total Managerial Remuneration (A) + (B)																		**125.449**
	Overall Ceiling as per the Act																		**965.25**

@ Others includes pension of ₹ 3 crore and perquisite value of housing and medical ₹ 0.033 crore

* Paid to the institutions they represent

\# Does not include the perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by Larsen & Toubro Infotech Limited and L&T Technology Services Limited of ₹ 213.39 crore.

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	1.136	Not Applicable	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.004		
	(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)		0.088		
	Total		1.228		

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/or 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. Presently, persons in Sr. Vice President grade and F&A heads of Independent Companies reporting to Whole-time Directors will be covered as Senior Management Personnel.

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 ₹ 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 Chairman 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 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 Executive Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

MANAGEMENT DISCUSSION AND ANALYSIS



Indian Economy

The year 2018-19 saw the Indian economy yielding the benefits of structural reforms, viz Goods & Service Tax (GST), Demonetisation and Insolvency & Bankruptcy Code (IBC). The year witnessed a pick-up in project awards, improved clearances and fund allocation, resulting in a pick-up in execution momentum in the domestic market.

The domestic economy continues to be driven by public sector investments, mainly in areas of water supply, irrigation, urban transportation, crude exploration and refining, roads allied infrastructure and rural electrification. The domestic investment momentum was healthy despite the multiple challenges on the economic front, with volatile crude oil prices, currency swings, pressure on fiscal and current account deficits, sharp temporary contraction in liquidity and the general elections held in Q1 of FY2019-20.

The Government's 'Make in India' initiative for the Defence sector continues to progress slowly due to bureaucratic inertia and complex procurement procedures.

Investment by private sector saw significant traction, with pick up in award of large value contracts in airport expansion and health sector. Also some momentum was seen in private sector capacity expansion. However, the overhang of bad debt, rising policy uncertainties and low-capacity utilization continue to impact the Indian industry capex. The power and manufacturing sectors remained the worst affected. Surplus inventory in the residential sector and limited pick-up in requirement of new construction led to lower investments.

The general elections held in Q1 of FY 2019-20 could result in volatility in the domestic market and slowdown in Government machinery, although the effects will be transitory in nature.

Global Economy

In the year 2018-19, the global economy saw significant volatility. The US economy has accelerated at its finest pace in last four years due to monetary stimulus and tax cuts during the current year. The biggest risk facing economies is the growing evidence that global growth and trade are weakening. The slowing of the Chinese economy, along with growing evidence of European growth under pressure, cast a big cloud of uncertainty.

Unsettled trade tensions and developments around Brexit may continue to impact the cross- border trades, while oil-price volatility may impart a further downside risk to the outlook in the investment climate in the Middle East markets.

The Company has identified certain thrust areas and strategies, viz. leveraging ongoing digitalisation efforts, operational efficiencies, reducing working capital levels, unlocking business values, forays into new geographies,



innovating business, inorganic growth and continuing ROE enhancement.

DIGITALISATION AND IT INITIATIVES

As part of the Lakshya 2016-21 plan, Digital was identified as one of the major initiatives for the Company. In February 2016, a team was constituted to implement digital solutions with a focus on operational effectiveness, facilitating timely completion and cost savings.

The initial concentration of digital solutions has been mainly in the Construction business, the largest segment of the Company. The digital solutions aim to improve utilization of equipment, increased productivity, savings in fuel, reduction in material wastage and real-time visibility of all aspects of operations, thereby enabling better monitoring and effective data-based decision making to remove bottlenecks and improve timely completion.

Digital journey

The Company has established a young, talented and spirited team responsible for creating digital solutions and driving their implementation.

The team operates through a Hub and Spoke model with a central team at the Divisional Corporate Office level. This team defines the digital strategy, the technology and architecture choices, the vendor selection and development, solution design and development.

The Digital Officers and their small teams at the business level seek requirements from the businesses and also take charge of the roll outs. Every project site has an identified Digital Champion who helps implement, monitor and spur usage at the sites.

Over the years, the Company's digitalisation journey has come a long way and a very large number of solutions have been developed and deployed at scale across hundreds of the project sites.

Remote Monitoring of Equipment at Project Sites

The usage of a variety of Plant and Equipment at project sites helps greatly in ensuring faster construction and better quality. L&T has a large fleet of equipment of various makes and models and of different vintages, sourced from various OEMs.

The Company's digital solution 'Asset Insight' remotely monitors various performance parameters of the equipment using the Internet of Things (IOT) technology. Installing multiple sensors and an intelligent gateway on the equipment, enables the business to obtain real-time operational, production and condition data on the equipment, without human intervention.

Some of these data points are location, movement, switch on and switch off time, idling time and work done,

number of hours worked, pressure, temperature and fuel consumption and many other variables, depending on the type of equipment.

Out of the 12000 equipment identified, currently about 9500 equipment at project sites are connected and streaming data in real time for monitoring.

All the data is analysed and insights shown to the end users and managers through user-friendly dashboards to enable them to take action to optimise usage, improve utilization, redeploy where necessary and realize benefits.

Workmen Availability and Productivity

Workmen are key to a project site and their availability and productivity have a major role in completing a project in time. Digital solutions are implemented for mobilizing workmen, on-boarding workmen and monitoring productivity of workmen. These solutions use technologies like mobility, wearables and RFID suitably tailored to meet specific needs.

Workmen Safety

The safety of workmen is paramount. Digitalisation can play an important role in improving the safety levels of the workmen and the following solutions have been implemented to achieve the same:

a. **Safety Processes Digitalisation –** All safety checklists and processes have been digitalized by putting them on a mobile App. This ensures better compliance and also saves time required for approvals and corrections.

b. **Safety Inspections** are also recorded on an App for all kinds of assets, tools and tackles, harnesses and slings, etc. This ensures that inspections are carried out with rigour and at the right periodicity to ensure safety.

c. **Safety Training – Using Virtual Reality (VR) & Augmented Reality (AR)**
The Company has developed Immersive Virtual Reality and Augmented Reality films demonstrating the correct safety practices covering a number of scenarios like working at a height, material handling, heavy vehicle management, working at an excavation site, working with HT lines, safety barricading, work permits and working in a marine environment. These films, translated in multiple Indian languages, are deployed on headgear at the sites and are administered to all the workmen. They help create a vivid immersive experience and imprint the rules of safety firmly in the minds of the workmen

Geospatial Solutions

A variety of data acquisition technologies are used, ranging from GNSS (Global Navigational Satellite systems) to aerial vehicles (piloted and unmanned), drones, mobile vehicles on land and terrestrial total stations. These capture data through optics, Laser technology (LIDAR), radio waves (RADAR) and thermal imaging.

These images are processed using complex geospatial engineering techniques and powerful data processing software. These results are communicated to end users and design engineers through user-friendly web pages and integrated with other data and applications as required.

Geospatial technologies thus enable the business to perform pre-bid surveys essential for bid making much faster and with a much higher degree of accuracy and thus can make engineering estimations more accurate.

Materials Tracking Solutions

A number of generic and project-specific solutions have been deployed to track materials from issue to consumption for a variety of materials and also to establish traceability and for reconciliation of materials. These solutions use technology such as GPS, RFID, Barcode and QR codes, combined with mobility solutions and web portals.

Analytics

The Company has established a Big Data Analytics platform called 'Alchemy'. The data from all the digital solutions deployed are pumped into this platform and a number of analytics operations are performed to gain insights on aggregated data and combinations of data from different systems across the value chain. Descriptive analytics is being performed and the company is also moving into predictive and prescriptive analytics.

All these insights from running the algorithms and performing analytics are presented to the users in a rich visualisation platform as user-friendly dashboards, facilitating quick action for realising benefits.

Digital Initiatives in Manufacturing:

The focus of digitalisation in businesses like Heavy Engineering, Defence, Power, Hydrocarbon and Electrical & Automation has been on manufacturing. Industry 4.0 processes are adapted to increase automation in manufacturing and connected machines ensuring visibility across the manufacturing cycle. The large welding machines at the Company's Hazira factory have not only been connected but also automated to ensure significantly

higher outputs and consistent quality. Advanced technologies like 3D scanning, laser marking and mapping are used to ensure accuracy in the manufacturing and fabrication processes. A number of industrial robots have also been installed at various factories to speed up the cycles and ensure precision at all times.

The success of such an initiative is also determined by effective change management, which is addressed through the top management clearly articulating the necessity and importance of digitalisation and its benefits at every forum. Digital has been incorporated into the curriculum of all the important training programmes in the Company and sessions are being held regularly.

Special newsletters on digital initiatives have been published and dissemination of information to all the staff is being done regularly through various employee engagement solutions.

A Digital Council consisting Chief Digital Officers from all the businesses has been formed in order to share best practices, inspire each other and build synergies.

CORPORATE HR INITIATIVES

L&T is rapidly evolving. The Company's current growth strategy is in line with the perspective plan to augment its presence in platforms and services to future-proof its portfolio. L&T ranked #22 on Forbes Global 2000 – Worlds Best Employers list. This was possible by developing and nurturing a powerful and preferred employer brand. Various HR initiatives have been curated and implemented with consistency to build this brand. HR practices at L&T are developed to address diverse needs of both millennials and veterans. Diversity has been a touchstone at L&T, keeping with the multicultural plurality of the nation.

L&T's Leadership Development Academy (LDA) at Lonavala is a crucible for ideas and learning. It is a sought-after destination for all kinds of learning interventions, with its sprawling green campus and state-of-the-art facilities.

L&T has digitalised its learning delivery. An AI-driven digitalised platform, called ATLNext, caters to the myriad learning needs of a widely distributed and young on-the-go workforce.

The Institute for Project Management (IPM) was set up by L&T at Vadodara and Chennai. This is a unique institution with its own Dean and Faculty. It has collaborations with leading universities for imparting project execution skills to L&T-ites. There is also an academy called Centre for Technology & Engineering Application (CTEA), with campuses in Mysuru and Madh. CTEA develops and conducts technical, functional and business-specific training programs.

L&T is a pioneer in running Development Centres (DCs). Over 16,000 assessments have been conducted to identify and develop leadership behaviour at all levels. This is critical for succession planning. The DC process uses the expertise of high quality external assessors, with systematic interventions and a culture of constructive feedback.

A robust 7-step leadership pipeline development model has been institutionalised at L&T for over a decade. Each step is curated and delivered by eminent faculty, suited to L&T's dynamic business needs. The Company has partnered with world-renowned domestic and international B-schools such as INSEAD, Ross Business School, Harvard Business School, IIM Ahmedabad, etc. Each step is a learning journey coupled with high-impact action learning projects (ALP) undertaken by participants, which are periodically reviewed by eminent faculty as well as top management within L&T. This ensures direct application of learnings at workplace, thereby yielding a higher ROI and learning retention. The 7-step model has become a benchmark and earned L&T the prestigious Brij Mohan Munjal Award for Business Excellence through Learning & Development.

L&T believes in nurturing a multi-generational workforce and grooming young talent. Through its efforts in sustaining a healthy association with top Engineering and MBA institutes, L&T today boasts of a demographic dividend with 65% employees under 35 years of age. Engagement studies have shown that L&T is a very safe place to work for women. Both employment and retention of women at L&T is rapidly increasing due to this confidence.

Some specific domain-oriented programmes have also been developed, such as the L&T Build India Scholarship, through collaboration with top IITs and NITs, to impart niche domain skills relevant to L&T's continued success.

All the business entities at L&T have an Employee Assistance Program (EAP), in line with the Company's caring culture. For instance, L&T has tied up with Tata Institute of Social Sciences (TISS), for an EAP titled iCALL, a mental health initiative.

Also implemented in L&T are various multiple outreach programmes, involving skill development and upliftment schemes. As L&T takes strides towards the new world of digitalisation, services and platforms, the synchrony of head and heart in HR practices continues to reinforce confidence amongst its stakeholders for a bright future.

INFRASTRUCTURE BUSINESS



Statue of Unity, Gujarat, built by L&T is the world's tallest statue.

Domestic Construction Sector

The Infrastructure segment – especially the EPC sector – has witnessed a decent order inflow in the last four quarters, driven mainly by Government Capex. On the other side, private / corporate Capex has declined for 7 years in succession over FY12-FY18. The Power sector, especially, faces an over-supply situation, with corporates in the sector having created significant capacity over the past decade in transmission and distribution to drive investments.

Given the favourable macro situation, the implementation rate of infra projects has improved considerably in FY 2018-19, also driven by general elections in Q1 of FY 2019-20.

On the irrigation front, apart from Telangana, Andhra Pradesh, Karnataka, Gujarat, Haryana and Madhya Pradesh, Odisha has also significantly enhanced its irrigation investments.

Urban Infrastructure, which is the key focus of the current Government, played a key role over the years and is likely to continue in future with implementation of Smart Cities, Water Infrastructure, Housing for All under Pradhan Mantri Awas Yojana.

The Railways, always a key focus area, received a decent share of India's overall Budget, and have been a consistent spender of almost its entire budget amount during the last few years.

In the Roads sector, the EPC mode, which contributed 65–70% of the total cost of projects awarded by NHAI during the FY14–16 periods, has taken a backseat. Single-segment road players have seen a relatively lower inflow of 'new' orders – on the back of slowdown in order award activity by NHAI. NHAI has awarded only 550 km of projects in FY 18-19 as compared to 7400 km in the previous year – leading to muted inflows. Moreover, over the last two fiscals, the HAM Model has taken the sweet spot, with EPC projects forming just 30–35% of the cost of projects awarded. A comeback of the EPC mode in FY 2019-20 will be a game changer for the sector.

Global Construction Sector

The global construction sector has hit a peak in the construction cycle during the past 10 years (2008-2018). 2019 is expected to be a turning point for the global construction industry, and the impact of cooling down is being felt gradually. The emerging markets dominated the overall global infra growth over the last few years, while the developed markets have not fully regained their pre-crisis volumes.

Going ahead, slowing GDP growth and tighter financial and monetary conditions will drive the deceleration in certain infra verticals.



Bengaluru International Airport - One of 11 built by L&T

The Middle East infra / construction market is undergoing an encouraging paradigm shift, with a steady recovery in certain regions. A moderate recovery in oil prices is expected to play a decisive role in boosting investments in both infrastructure and capital projects. In addition, massive projects in Social Infra, Smart Environment, Transportation Infra and Renewable Energy are expected to be game-changers which aren't linked to the oil industry.

BUILDINGS AND FACTORIES

Overview:

L&T's Buildings & Factories (B&F) business is an industry leader in Engineering, Procurement and Construction (EPC) of projects ranging from airports, hospitals, stadiums, retail spaces, educational institutions, IT parks, office buildings, data centres to elite residential buildings, high-rise structures, mass housing complexes, cement plants, industrial warehouses and other factory structures. The business has a track-record of building tall, large and complex structures across India and overseas. It also offers total solutions including in-house design expertise using advanced systems like BIM 3D, 4D and BIM 360 field, an efficient supply chain management and extraordinary project management expertise across all the business lines cited here.

Dedicated engineering design centres, competency cells, advanced formwork systems, mechanized project execution, a wide network of consultants and vendors, digitised project control and a talented pool of employees helps sustain leadership position, retaining key customers, entering new geographies and securing major orders. Construction excellence, technology, experience and expertise gained over several decades gives the business a competitive advantage in the construction industry.

Business Environment

The last few years have been extremely challenging for the construction industry, but improvement is evident. The difficulties in the implementation of RERA and GST have settled down. The country's increasing impetus on developing infrastructure has attracted investment from major global players.

Private-sector investments in airports have shown positive trends, and the business was awarded major airport projects during the year.

The automobile industry is expected to register growth in the forthcoming quarters. The manufacturing segment too is on an upswing.

Although IT majors are wary of expansion plans, there is some movement in the sector as a few of them are



Govt Medical College Baripada, Odisha



ICC Towers, Mumbai

showing positive signs of developing a new IT campus in the upcoming year.

The developer market for commercial spaces is picking up, particularly in metros and Tier -2 cities of India.

The Government's ambitious new health insurance scheme, Ayushman Bharat has got off to a good start. With the announcement of setting up new All India Institutes of Medical Science (AIIMS) in Tamil Nadu, Telangana and Gujarat, the overall business scenario seems positive for the segment.

The huge inventory level of 6.6 lakh houses has drastically reduced investment in the elite housing sector. Affordable and mass housing has picked up, and more projects are expected in FY 2019-20, which will create good prospects for the business.

Government orders have slowed down and will continue to remain so, with general elections in first quarter of FY 2019-20.

Major Achievements

The year's Order Book includes breakthrough orders for airports and hospitals from prestigious clients.

Major orders were secured in the airports segment including the expansion of international airports: Delhi, Bengaluru and Hyderabad. Orders were also secured for engineering, procurement and construction of one of the tallest office structures in Amravati, construction of Cancer hospitals at 18 locations in Assam, expansion of the IIT Campus at Hyderabad, a commercial complex from a major developer and construction of a botanical garden at Oman.

Key projects commissioned by the business during the year include:

- Statue of Unity, Gujarat (at 182 m high, the tallest statue in the world, completed in just 33 months)
- Kannur International Airport
- ITC Kapurthala
- AP Housing – West Godavari
- Apollo OMR, Chennai
- Duqm Airport, Oman
- Sindhudurg Airport

During the year the business won the following awards:

1. Received six British Sword of Honor awards and five-star certification from the British Safety Council, for third time in a row



Motera Cricket Stadium, Gujarat, will be the world's largest cricket stadium



ITC Food Manufacturing and Logistics Facility, Kapurthala

2. Fourteen Projects won Gold Awards and one project won a Silver Award from The Royal Society For Prevention of Accidents (RoSPA)

3. Eight projects won National Infrastructure & Construction Awards 2018

4. Four projects won CIDC Vishwakarma Awards

5. Four projects won ICI Awards

6. Won a Construction Week Award 2018, a MEED Quality Award for the Year 2018 in Oman and a MACE Global - Health, Safety & Well Being Award - 2018 for outstanding safety performance on site

Significant Initiatives

Apart from being the front-runner in adopting technology to improve productivity, the business has been using integrated digital tools like BIM, GIS, RFID, LIDAR and other technologies effectively in its project sites.

Digitalisation

Initiatives for digital stores have started to enable accurate analysis of stock at site. The business will continue to use collaborative digital tools to achieve cost optimization and construction excellence. It is a pioneer in using robotics in the construction space. At a few sites, robotic internal plastering and painting is being attempted; this is 30 times more efficient than manual application. The business is also a leader in productivity monitoring using RFID tags interlinked with biometrics. It has successfully employed visual analytics and AI in weighbridge solutions.

Environment, Health and Safety

Safety at work is of utmost importance to the business. It continuously strives for a safety culture by organizing various training and awareness programmes throughout the year. The business has been using virtual reality devices and training modules for safety training. Various initiatives have been taken up to digitally monitor, record and review all safety and quality related aspects at site.

Human Resources

The business strongly believes that people are the prime assets of the organization, and implements new initiatives to train and motivate them. A new initiative – Building the Future – was adopted during the year. Over 500 employees were offered the opportunity to come up with suggestions on select parameters – with the objective of getting fresh, out-of-the-box recommendations towards building the growth strategy. Shortlisted employees were then grouped into teams to present their ideas to the senior leadership team.

The Front-Line Supervisor Programme (FLS) was conceptualized in October 2015 with the objective of



Delhi Metro Phase 3 snakes its way across Delhi-Haryana Border



ITC Green, Bnegaluru - one of the many leisure resorts being developed by L&T

strengthening the bottom layer of the organization pyramid. Since inception, 521 FLSs (FY 2018-19: 244) have been inducted in 15 batches under various functions like Concrete, Shuttering & Reinforcement, Finishes, P&M and MEP. After the training, they undergo NSDCI (National Skill Development Corporation of India) Board assessment, and are deployed at project sites accordingly.

Initiatives to strengthen the teams of sub-contract workmen have been taken. Periodic meetings were held to enable them understand benefits such as BOCW, PF, etc. Aadhar camps were held to facilitate registration / modification. Skill training was imparted through L&T's in-house Construction Skills Training Institute.

Risk and Concerns

The liquidity crunch has been prevailing in the real estate market for over a year, and many owners / developers are financially stressed. The Regulatory compliance by developers to arrange loans for projects is becoming stringent and therefore there has been a delay in financial closures / tie-ups by developers. To avoid any liquidity risk, robust screening of customer profiles and their liquidity position is undertaken before bidding for any construction contract as well as during execution.

Outlook

- The Government's continued focus on affordable housing and infrastructure development is expected to drive growth. The Government has provided 'infrastructure status' to affordable housing. The relaxation in GST will help the sector to steadily improve in FY 2019-20.
- Airport traffic growth in the country will necessitate airport expansion within the country. The Government's plan of privatizing 6 major airports is in progress.
- The Healthcare sector has been accorded 'infrastructure status'. The Government is going to increase public health spending to 2.5% of GDP by 2025.
- The High-speed Railway projects – modernization of railway stations, the Ahmedabad – Mumbai High-speed rail and depots are expected to gain momentum in FY 2019-20. Government investment in educational institutions like IITs in various parts of India is likely to increase the prospect base.
- With 'Make in India' gaining pace, the automobile, pharma and electronics industries are coming up with expansion plans.

On international front, there are promising opportunities in Sri Lanka, Bangladesh, the GCC and Africa. The GCC countries are continuing to invest in infrastructure. Saudi Arabia's development plan worth USD 53 bn (SAR200 bn), which is in line with the goals of Vision 2030, gives an optimistic outlook for business in this region.

The business has been proving its mettle repeatedly, and it is set to execute challenging projects in hand within



Prestige Lakeside Habitat, Bengaluru



Garden Reach Flyover, Kolkata

prescribed timelines. With a positive market scenario, a healthy order book, amicable customer relationship, a highly talented employee pool and strong focus on making project sites highly digitised and automated, the business will continue to retain its position as market leader in the industry.

Overall, the environment is promising – yet challenging due to increased competition, long duration for procedural matters, slow fund allocation in government funded jobs and liquidity crunch and time taken to obtain statutory approvals in private jobs.

TRANSPORTATION INFRASTRUCTURE

Overview:

L&T's Transportation Infrastructure business is well-diversified in terms of its product range and geography of operations. The business offers services in the areas of roads, runways (airside infrastructure) and elevated corridors (RREC), railways (mainline and mass transit systems). It has presence across India, East Africa, Bangladesh and various GCC countries.

The business leverages its vast experience in project management, engineering design and construction management to achieve operational efficiency.

It has engineering design centres in Mumbai, Faridabad and Chennai. It also has Offshore Engineering Centres in Mumbai, besides area offices in India and the GCC countries. In addition, it has a Competency Development Center at Kancheepuram and a Workmen Training Centre at L&T's Construction Skill Training Institute (CSTI), Ahmedabad.

Business Environment

Over the last 5 years, the budgetary support for road construction has seen a steady increase and the quantum of projects being awarded increased accordingly. Construction of highways continued at the rate of 27 km per day in FY 2018-19, maintaining the steady flow of construction from FY 2017-18. In FY 2018-19, the business won orders for 24,452 km of roads and constructed 9829 km of roads.

The Government enhanced its focus on awarding projects in the Hybrid Annuity Mode. In FY 2017-18 NHAI took the decision to have mix of BOT / EPC / HAM projects in the ratio of 10:30. In FY 2018-19, the Government has been focused on awarding more projects in the EPC / HAM model in 50:50 ratio.



Railway electrification by L&T on Eastern Dedicated Freight Corridor



Rigid Overhead Contact System in Phase 3 Tunnel, Delhi Metro

The National Highway Network is to be expanded from 96,000 km to 200,000 km over the 5-year period from 2017 to 2022. The Government is also focused on developing a strong express highway network. Bharatmala Pariyojana Phase 1 was awarded to L&T, and execution proceeded in full swing during FY 2018-19.

The year saw a significant number of smaller competitors emerging in the market, consequently intensifying the competition.

In FY 2018-19, major metropolitan airports began to undergo capacity enhancement. In addition, the Government continued to develop new airports by sanctioning the development of a new greenfield airport in Hirasar, Gujarat. The Prime Minister of India launched the construction of Navi Mumbai airport, and the bidding process is underway.

Track renewal touched a record high of ~ 5,000 km for the year 2018-19. Railway electrification of ~ 5200 km (against the annual target of 6,000 km in 2018-19) was higher than last year's 4100 km. Tendering commenced in MHSRCL for Mumbai Ahmedabad High Speed Rail project. A bid has been invited for one of the largest civil packages – a 237 km viaduct on the Maharashtra-Gujarat border to Vadodara.

The Metro Policy has been changed and it is now mandatory to adopt the Public-Private Partnership (PPP) mode to avail central assistance for new projects. Projects are being implemented on an EPC basis – a paradigm shift from the conventional BOQ methods.

It is envisaged to electrify the entire railway network by the year 2022. New projects, including port connectivity, dedicated rail links etc, are being implemented through SPVs owned by a State-Centre JV. Tendering for three new dedicated freight corridors is to be initiated in next 2-3 years.

Major Achievements

L&T's transportation business won the largest value single domestic order for the expansion of Delhi International Airport. The business expanded its customer base during the year, securing various orders for construction of highways as well as city infrastructure development projects. Major orders received during the year include:

- 8-Lane Mumbai – Nagpur Expressway (57.9 km), Maharashtra
- Construction of utilities and roads for Amaravati Government Complex and Zone 12 A projects
- A Design & Build Systems Package for a Mass Transit System in Dhaka
- Overhead electrification and signaling & telecommunication package in the Eastern Dedicated Freight Corridor



Table top runway for Kannur International Airport



Dhaka Metro, Bangladesh

L&T's Roads business was successful in executing various projects, viz. the 99 km Manwath-Bheed Road project, the 2-lane highway in Maharashtra, and the flyover from Jinjira Bazaar to Batanagar in West Bengal. Commercial operations commenced at Kannur International Airport in Kerala and Sindhudurg Airport in Maharashtra.

During the year, L&T's Railways business successfully executed various projects, viz. Hospet – Harlapur Railway Construction, Rewari – Manheru Composite Project, Singapur – Titlagarh Railway Electrification, Lucknow – Sitapur Gauge Conversion project. It also commissioned the Delhi Sarai Rohilla – Rewari section.

L&T's Mass Transit System business was successful in executing various projects, viz. the Delhi Metro U/G Electrification Package CE 08 (50 TKM), the Delhi Metro Track Package CT 11 (43 TKM) and the Lucknow Metro Electrification Package LKE 1 & 2 (51 TKM).

In the Dedicated Freight Corridor CTP 1 & 2 project, the business completed the trial run of a full-length goods train on the 664 TKM Rewari – Madar section.

Significant Initiatives

Extensive use of Project Management tools, such as TILOS, has resulted in efficient planning of complex mega projects and effective utilisation of P&M. L&T's Railways business is at the forefront of the implementation of innovative digital initiatives which are specific to linear projects. Prominent among them is the '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 gate alerts to both driver and LC gate operator.

The business has initiated cost-reduction measures by reducing external hiring of equipment through optimum resource utilization across sites. It has also optimized bulk material usage by focusing on wastage control and process optimization for bulk material reconciliation.

Digitalisation

Digitalisation has become an integral part of business processes. It has opened up new-age capabilities to measure, analyze and improve on business performance, and even necessitated new sets of operational indicators like actual productive hours (or vice versa) and operations for key productive equipment. Initiatives include:

- Solutions for project monitoring through Procube (Mobile and Web combined application)
- Access of geospatial solutions through user-friendly portals for mapping topography, road layouts, project ROW, land status, obstruction management and linear progress monitoring which are helping project teams to



Mafraq-Ghweifat Highway, Abu Dhabi



Sambalpur Rourkela Road Project

plan and execute better with a higher degree of project progress visualization

- 3D Machine Control System deployed on motor graders for automated control of its complex operation, doubling productivity and lowering manpower.
- New-age digital solutions such as QT and the AI Chat Bot on Highway Engineering guidelines on Quality specifications

Environment, Health and Safety

During the year, the business won four International Safety awards, i.e. 2 Gold Awards and 1 Silver Award from RoSPA (Royal Society for the Prevention of Accidents) and a Pass certificate from British Safety Council (BSC).

It also won four prestigious safety awards from National Safety Council (NSC). The OPGC - MGR Railway Corridor project won the prestigious 'Shreshtha Suraksha Puraskar' (Silver Trophy) in the Construction sector for the year 2018, which is the second highest honour instituted by the NSC.

Despite all the accolades, the business continues to face challenges in creating a high level of safety awareness across linear projects spanning hundreds of kilometres. To combat the challenges, SPARSH, the Augmented Reality (AR) Application on Golden Rules of Safety and Virtual Reality (VR) training modules, have been implemented. This has increased awareness on quality as well as on occupational hazards and led to improved quality and adherence to safe practices.

With its overarching safety framework, the business continues to progressively better the safety quotient of the projects it undertakes.

Human Resources

The business focussed on strengthening the base of the Organizational Pyramid and thus increased its intake of trainees and Front-Line Supervisors.

Emphasis is laid on in-house training, with over 100 in-house trainers. They constantly update their technical knowledge by attending seminars and conferences and also their teaching skills by attending the 'Train the Trainer' programmes that are organised regularly.

A Chat Bot – QT has also been introduced to address queries that the employees may have regarding MoRTH specifications and IRC codes.

Risks and Concerns

The business spans multiple projects simultaneously, many of which are mega jobs. Infrastructure projects in general are dependent on numerous approvals and clearance, from authorities like the Government and local regulatory bodies. This includes land acquisitions, change orders, extension of time and schedule revisions.



First-in-India: Mechanized simultaneous stringing of conductors at Western Dedicated Freight Corridor



Solapur-Sangareddy Road Project

Delays in these clearances from the authorities result in additional cost to the business.

Matters relating to change in legislation, approval of estimates for pre-construction activities and delay in detailed engineering lock up the resources of the business.

Outlook

The Government is aiming to spend close to ₹ 7 lakh crore over the next five years to develop 83,677 km of roads, including the Bharat Mala Pariyojana worth ₹ 5.4 lakh crore as the road sector is opening up. The Government aims to step up to its ambitious target of building 45 km of roads per day in FY 2020.

The Department of Civil Aviation (DCA) envisages that 100 new airports will be built in the country over the next 10 to 15 years. The DCA is also working on the cargo policy, which will provide a boost to the nation's logistics capacity.

The development of various industrial development corridors identified across the country and the nodes that have been identified in these corridors have led to announcement of various city infrastructure development projects. Of the various corridors under development, the East Coast economic corridor has seen the Amaravati node under rapid development – with L&T currently executing 6 projects and more phases expected. The Delhi – Mumbai Industrial Corridor is at an advanced stage, with multiple projects already awarded and with plenty more in the pipeline. Several other industrial corridors such as the Amritsar – Delhi – Kolkata Industrial Corridor and the Chennai – Bangalore Industrial Corridor are in the Detailed Project Report (DPR) stages.

The Indian Railways is planning its highest outlay of ₹ 1.58 lakh crore for FY 2019-20 – an increase of over 8% of last year outlay of ₹ 1.46 lakh crore.

After the Dedicated Freight Corridor projects, the High Speed Rail Project is the next big ticket opportunity, the business is positively looking at the start of 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, the L&T accessible value stands at ₹ 59,000 crore, comprising packages for viaducts, undersea tunnels, stations, maintenance depots, track, electrification and signaling. L&T's Railways business will focus on track, electrification and signaling and telecommunication. It is expected that all tenders for the MAHSR will be awarded in FY 2019-20.

Apart from MAHSR, the conventional projects of the Indian Railways continue to get a big thrust, backed by strong institutional funding like LIC. The Indian Railways is planning to tackle mainline capacity constraints through capacity augmentation (doubling and tripling) of ~5,000 km in next three years, out of which ~2000 km is likely to be awarded under the EPC concept. Around 13,500



One of India's longest cable-stayed bridges across River Mandovi, Goa

km of electrification is expected to be awarded under the banner of 'Mission Electrification' over next three years. The business looks forward to achieving success in the majority of these opportunities. It intends to participate in the major portion of these projects through EPC tendering.

India is well on its way to creating a world-class MRT system as an integral part of community infrastructure development across all metro and major Tier 1 and Tier 2 cities.

The upcoming RRTS (Regional Rapid Transit System) in NCR region provides significant opportunities in system works. NCRTC is implementing RRTS in three elevated corridors on priority basis:

- Delhi – Ghaziabad – Meerut corridor of 90 km
- Delhi – Gurgaon – Rewari – Alwar corridor of 180 km
- Delhi – Sonpat – Panipat corridor of 111 km

As part of increasing the speed and safety of conventional high-density mixed corridors, there is a significant thrust towards European Train Control Systems – Level 2. In the first phase, the Indian Railways is installing ETCS level 2 on trial basis. This covers 4 sections of 640 RKM. A provision of ₹ 77,192 crore has been made in FY 2018-19.

The Railways business is exploring opportunities in main line railway funded by the Indian line of credit and multilateral agencies in select countries of South Asia (Sri Lanka and Bangladesh), Africa and the Middle East.

All these projects provide good opportunities to the business.

HEAVY CIVIL INFRASTRUCTURE

Overview:

L&T's Heavy Civil Infrastructure business is foremost among its peers for its pioneering achievements in the design, engineering and construction of projects in the areas of metros, nuclear, special bridges, hydel, ports, tunnels and defence. The business has a strong presence in India, the Middle East, Bhutan and Bangladesh. The goal of the business is to leverage its vast experience in project management, engineering design and construction management to become a one-stop total infrastructure solutions provider to both its domestic and international customers. Dedicated engineering design centres, competency cells, advanced skill-training centres, a wide network of consultants and vendors, digitised 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.



Kakrapar Atomic Power Plant, Gujarat, under construction



Medigadda Barrage Project, Telanaga - a part of the world's largest multi-stage lift irrigation project

The business is both a pioneer and the current leader in the domestic metro segment. It provides extensive end-to-end engineering and construction services for both elevated and underground metro systems. The metro vertical has expertise in several major areas – elevated viaduct construction using segmental, u-trough, i-girder methods and balanced cantilever construction, underground tunnel construction using the new Austrian tunneling method, cut-and-cover and TBM (tunnel boring machine) methods, underground station construction using top-down and bottom-up approaches and elevated metro stations with expertise in the spine beam concept (lean).

In the nuclear sector, the business has been a forerunner by contributing to the majority of India's nuclear power plants. The business provides EPC solutions in civil, mechanical, electrical and instrumentation, design capacity for end-to-end civil works including seismic qualification, procurement and construction services and modular construction technology. Its expertise extends to both pressurized heavy water reactor (PHWR) and light water reactor (LWR) technologies.

The business has significantly contributed to the development of ports by designing and executing berthing structures including liquid jetties, container terminals, multipurpose berths and ferry terminals.

L&T's hydel business has expertise in areas like 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), open and underground de-silting chambers, large underground powerhouses and surface powerhouses, pressure shafts, drop shafts and surge shafts / surge chambers, hydro-mechanical components such as gates, penstocks, etc., including erection of electro-mechanical equipment and specialised underground structures.

In the area of special bridges, L&T has capabilities in bridge building cover design. It has extensive experience in executing a wide range of bridges of different span lengths using ingenious cutting edge construction techniques, viz. incremental launching, segmental construction, cable stay, precast, pre-stressed concrete, steel and concrete composite construction.

In the area of defence infrastructure, L&T offers single-point EPC solutions, from concept to commissioning, in the form of infrastructure facilities for defence bases, underground facilities, surveillance, etc.

L&T Geostructure LLP (LTGS) has expertise in deep piling and diaphragm walls, multi-cellular intake



Cable-stayed bridge across Durgam Cheruvu Lake, Telangana



Cut-off-wall, Polavaram Dam, Andhra Pradesh

wells for river-linking, marine terminals with berths and jetties and deep cut-off walls. These activities are facilitated by specialist staff and state-of-the-art equipment.

Business Environment

Infrastructure development is imperative for the economic development of a nation. The Government has identified infrastructure development as the key to India's growth and has initiated necessary steps to improve road, rail, ports, airports and strategic infrastructure to promote India's industrial output, while simultaneously tackling bottlenecks to boost GDP growth.

Metros

The business has emerged as the prominent builder of metro systems in the country, having constructed 150 km of viaducts, 48 km of twin tunnels and 87 stations. L&T is also executing packages in Riyadh and Qatar metro, which are testaments to our technical prowess.

The vision of the Union Government is to implement metro rails across 50 Indian cities, with a network of more than 700 km within the next few years. More than 600 km of metro rail projects are under implementation in various cities in India. Robust growth continues to be expected in this sector in the coming years, with more than 1000 km of upcoming projects.

Defence

The Indian defence sector is of high strategic importance to the country. The Ministry of Defence has identified an urgent need to upgrade the country's defence infrastructure.

The defence procurement procedure emphasises the utilisation of immense potential to leverage the manpower and engineering capability within the country to attain self-reliance in the defence sector. The concept of 'Make in India'- remains the focal point of the defence acquisition policy / procedure.

Large-scale development of underground infrastructure for strategic assets is set to be undertaken by the DRDO, with an overall outlay in excess of ₹ 20,000 crore. Projects likely to be awarded include hardened shelters, hangars and IAF runways.

Nuclear Power

India's total nuclear power generation capacity is 6219 mwe, which comprises 3 percent of the country's overall power generation. Its energy policy calls for 25 percent of electricity to be generated from nuclear power by 2050. In the domestic arena, the business is expecting the Government to move forward with a proposal for 10 PHWR fleet reactors.



Riyadh Metro - L&T is building metro networks in India and select geographies

In May 2017, the cabinet approved a fleet of ten 700 mwe PHWRs at Hissar (Haryana), Kaiga (Karnataka), Chutka (Madhya Pradesh) and Mahi Banswara (Rajasthan), as a 'fully home-grown initiative' for about ₹ 700 billion (USD 10 billion).

Special Bridges

India is witnessing significant interest from international funding agencies like JICA, the World Bank, ADB and BRICS in the infrastructure segment, specifically in mega bridge construction projects. Key investments in bridge infrastructure include:

- JICA funding for Dhubri Phulbari bridge in Assam
- JICA funding for high speed rail
- BRICS funding for Pan Bazaar bridge in Guwahati, Assam
- World Bank funding for Sharda river bridge project in U.P.

The Government has approved new DFCC packages such as the east-west corridor between Kolkata and Mumbai, the north-south corridor between Delhi and Chennai and east coast corridor between Kharagpur and Vijayawada. These projects are expected to bring in new business in the coming years.

Hydel and Tunnels

India ranks 5th globally in terms of exploitable hydro-potential. As per the assessment made by CEA, India has economically exploitable hydropower potential to the tune of 148,700 MW of installed capacity, whereas only 48,974 MW (33%) has been commissioned to date. In addition, 56 pumped storage projects have also been identified with a probable installed capacity of 94,000 MW. In totality, India is endowed with hydro-potential of about 2,50,000 MW. The domestic hydel sector is gathering pace this year, with the Government clearing a few hydel projects. Jammu & Kashmir has predominantly become the focus of the domestic hydel scene. Orders likely to be awarded in the upcoming years include the 1856 MW Sawalkote HEP, the Kalpasar Project – Bhadbhoot Barrage, the Lakhwar HEP, the Par-Tapi-Narmada Link Project, the Damanganga Pinjal Link Project, the 1000 MW Tunga PSP and the 850 MW Ratle HEP.

Ports and Harbours

To continue its support to the port sector, the Government has announced a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports. Plans to develop 10 coastal economic regions as part of the vision to revive the country's Sagarmala



Mumbai Trans Harbour Link

(string of ports) project is also on. Private investment in the port sector has picked up pace recently. Marine infrastructure projects involving dry-docks, marine intake structures and defence naval base projects are expected to kick start in FY2019-20.

Major Achievements

Orders Won

- Mumbai coastal road project
- Construction of Thane creek bridge connecting Mumbai to Navi Mumbai
- Underground metro packages in phase 2 of Bengaluru metro

Projects Completed

- Delhi Metro packages CC77 (Escorts Mujesar – Ballabhgarh Section of Violet Line) and CC27 (Hauz Khas - Vasant Vihar Section of Magenta Line) of DMRC
- Lucknow Metro Elevated Package LKCC07 (Kd Singh Babu - Munshipulia Section of North-South Line)
- Chennai Metro Underground Stations CMRL UG 02 (LIC, Thousand Lights and Government Estate Stations) and UG 03 (Nandanam, Agdms, Saidapet And Teynampet Stations)
- Mandovi Cable-Stayed Bridge in Panjim, Goa

Other Key Achievements

- 16,722 cu.m of cement was poured on a single day December 22,2018 at the Meddigadda Barrage project in Telangana
- 10-metre formwork was designed and implemented at the Meddigadda Barrage project
- Reverse circulation drilling rig deployed for the first time in India in Mumbai Trans Harbour Link Project
- Balanced Cantilever bridge over river Gomathi constructed in a record time of 8 months for Lucknow metro project despite adverse geographical conditions using in-house-designed form travelers
- Mumbai Metro project achieved the first breakthrough in tunneling September24, 2018 in metro line 3

Digitalisation

The business has implemented several digital initiatives to enhance productivity and operational efficiency. These include extensive use of BIM (building information modelling) across the whole life cycle of projects, project management tools, augmented / virtual reality- based training modules and geospatial drones.

Digital initiatives implemented include concrete management system, boulder / aggregate management system, bid preparatory system, digital monitoring of



Station Building, Doha Metro



A rail bridge on the Western Dedicated Freight Corridor section being built by L&T

workmen and plant and machinery, and digitised EHS audit reports.

Environment, Health and Safety

To promote a healthy work environment among its employees, the business has updated and implemented EHS procedures, training and also the use of EHS leadership skills. These initiatives support the journey to achieve its vision of 'Zero Harm'. The business has launched the corporate EHS strategic plan 2018-19 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 FY 2018-19:

- Successful completion of the IMS transition audit from OHSAS 18001:2007 to ISO 45001:2018 (new standard) and recertification for ISO 14001:2015
- Launching various apps in order to move towards the digitalisation of EHS and centralised control of EHS related standardisation in all projects
- Implementing key EHS training initiatives including Scaffold Inspector Competence Training for key EHS and formwork staff, IOSH Managing Safely Certification, NEBOSH Certification Courses, EHS Lead Auditor Training, ISQEM Approved Marine Safety Training and online EHS Certification Courses for all employees. In recognition of the impact of the EHS initiatives of the business, it has won various awards at different levels and categories from national and internationally renowned organizations, including NSC India, BSC, OSHAI and various client awards.

Human Resources

In line with L&T's philosophy and strategic focus on human resource (HR) development, the business has been placing much emphasis on people development, engagement and building leadership for the future. The business has been continuously focusing on the attraction, retention and engagement of talent, the prime mover of success for the business. This helps to meet the evolving complexities and challenges for pioneering infrastructure megaprojects and their successful execution and achievement of Lakshya 2021 objectives.

Talent is nurtured across the business and with a focus on growing leaders through various initiatives. The business endeavours to create a learning environment that provides growth opportunities to all employees across projects through a Talent Engagement and Development Centre (TEDC) which was declared national winner in 2018 National Human Resources Development Network (NHRDN)'s 'best of breed' HR competition.

The talent development team conducts various competency-based training and development programmes, such as drive for results, communication and presentation skills and team development.



Lucknow Metro - one of the fastest completed metro projects in India

To foster the development of a skilled workforce for the increasing quantum of underground metro work, the Tunneling Excellence Academy at Kancheepuram (near Chennai) has been inaugurated. This unique academy is dedicated to imparting skills and developing know-how across a broad spectrum of tunneling activities. Additionally, the business has also launched strong diagnostic-based organisational development interventions for various project sites in order to bring about strategic alignment and team cohesion. These interventions cover the entire staff at the site and draw keen involvement from the senior project leadership team. The business also conducts various employee engagement programs, communications sessions and town-hall meetings across office clusters and project sites.

Risks and Concerns

Key to the success of the business is its emphasis on excellence and efficiency in operation management with a strict focus on principles of good governance. Major risks for the business are delay in obtaining right of way (ROW), work front approvals / clearances and design approvals.

Risk management involves methodical identification of the risks surrounding the activities of the business, while reviewing and identifying the events and the probability of their occurrence, in tandem with creating and systematizing the tools required to tackle them. It requires supervising the risk management approach, effectiveness and control. The business promotes and monitors internal risk management practices in each of its business segments through board-work. The risk team ensures appropriate systems of risk management and internal control.

Outlook

The Indian construction sector has witnessed healthy order inflows over the past few years, supported by the increased pace of infrastructure project awards – particularly from the transportation and urban infrastructure segment.

Multiple reform measures in the infrastructure sector have also supported improvement in the pace of project execution.

In the metro segment, new development phase projects coming up in Tier 1 and 2 cities, coupled with decongestion projects like Regional Rapid Transit System (RRTS), looks promising. Metro project packages that are expected in FY 2019-20 are Delhi metro phase 4, Chennai metro phase 2, Kanpur metro, Mumbai metro, Agra metro and Meerut metro among others. The Mumbai-Ahmedabad High Speed Rail Project is expected to begin shortly. It consists of various packages and notice inviting tender for package C2 underground tunneling and stations and C4 package – viaduct and station got released recently. Feasibility studies for other High Speed Rail (HSR) routes are also going on.



55 MWp Solar Tracker Plant at Theni, Tamil Nadu

River-linking projects provide major business opportunities in the coming years.

The business sees future opportunities in ports. The 'Sagarmala Project' initiative focuses on the upgradation and development of new ports as a promising prospect for the future. Opportunities are expected for marine infrastructure projects involving dry-docks and marine intake structures.

New opportunities are emerging for road and railway tunnel projects in Maharashtra and the northern Himalayan States of Jammu & Kashmir and Uttaranchal.

The continuous thrust of the Government on increasing nuclear power capacity of the country provides various business opportunities in the nuclear business. The business is expecting the Government to move forward with a proposal for 10 PHWR fleet reactors.

POWER TRANSMISSION & DISTRIBUTION

Overview:

L&T's Power Transmission and Distribution business vertical is a leading EPC player in the field of power transmission & 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 including floating and linear solar, battery energy storage systems and mini / micro grid projects. Besides being a dominant player in the Indian subcontinent, the business enjoys a significant share and a strong reputation in the Middle East, Africa and ASEAN markets.

L&T's Substation Business Unit focuses on providing turnkey solutions for Extra High Voltage (EHV) air insulated / gas insulated substations for utilities and power plants, EHV cable systems and complete electrical and instrumentation solutions for various infrastructure projects, such as metros, airports, etc.

L&T's Power Distribution Business Unit provides a range 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. In addition, the business executes aerial / underground communication backbone networks, typically spread across a vast geography.



765 kV Gas Insulated Substation, Hyderabad



220 kV Alusteng-Drass Transmission Line, Jammu

L&T's Transmission Line business offers turnkey EPC solutions for 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 sixteen lakh tones of tower components, over the years. The Testing and Research station at Kancheepuram is accredited by NABL (National Accreditation Board for Testing and Calibration Laboratories) and is one of the largest in Asia, apart from being amongst the most renowned testing centres in the world.

L&T's Solar business provides single-point EPC turnkey solutions 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 to produce different module-mounting structure types – such as Fixed Tilt, Seasonal Tilt and HSAT – offering the customer a range of 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, ranging from rooftop systems to floating solar systems.

The international units of the business in the Middle East, Africa and the ASEAN region offer complete solutions in the field of power transmission and distribution. These include substations, power transmission lines, EHV cabling, distribution networks, solar plants and Electrical, Instrumentation and Controls (EI&C) works 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 African unit is currently focused on the northern and eastern regions, having established a presence in Algeria, Morocco, Egypt, Kenya, Ethiopia, Malawi, Botswana and Tanzania. L&T is executing projects in the ASEAN countries of Malaysia and Thailand, while seriously pursuing opportunities in the other countries of the region, including Myanmar and the Philippines.

Larsen & Toubro Saudi Arabia LLC (LTSA) is a wholly-owned subsidiary providing engineering, construction and contracting services in the sphere of T&D in the Kingdom of Saudi Arabia.

Business Environment

With the continued thrust on achieving electrification of 100% households through a slew of Government



Bringing light to 30,000+ villages across India



380 kV Switching Station, Saudi Arabia

schemes including 'Saubhagya', the distribution sector in India remained upbeat in FY 2018-19 as well. Ahead of the Assembly elections, electrification of more than 7 lakh households was completed on a war footing in UP, Bihar and Jharkhand.

In the domestic T&D space, investments were driven by State utilities, albeit through centrally sponsored schemes or multilateral funding. With the general lack of investment in conventional power generation and industry segments, the centrally-driven transmission schemes were less than the prevailing levels. States like Bihar, Jharkhand, Madhya Pradesh, West Bengal, Telangana and Andhra Pradesh have strengthened their intra-state transmission line networks and associated substations.

Converting HT and LT distribution lines into underground cables in cities and towns to improve the reliability of the network, especially in cyclone-prone coastal areas and industrial townships, provided ample opportunities to the business. Orders were awarded for strengthening distribution systems and feeder separation works under schemes like the Integrated Power Development Scheme.

Creating optical fiber networks for broadband connectivity of Gram Panchayats opened up interesting opportunities in the states of Telangana and Andhra Pradesh. Rapid urbanization has led to investments in the expansion of metro projects across Tier 1 and Tier 2 cities. To ensure reliable power supply for sprawling urban agglomerations, substation networks are being strengthened along with associated transmission lines. One such example is the 400 kV ring around Amaravati – the new capital city of Andhra Pradesh.

Despite the fact that the solar industry faced lower capacity addition in FY 2018-19 compared to the previous year in the face of safeguard duties and GST ambiguities, L&T's solar business portfolio surpassed a cumulative capacity of 2 GW.

Several state governments have taken up rural electrification through solar rooftop systems. Such systems are also being installed on Government buildings, such as under West Bengal's 'Alo Shree' scheme. The 'Kusum' scheme provides impetus to solar-powered irrigation systems.

Construction opportunities in the neighbouring SAARC countries witnessed significant momentum. In the Middle East, though the macro-economic scenario was mixed in FY 2018-19, witnessing capex cuts and intensifying competition, L&T garnered a major portion of the opportunities that arose. Coupled with the re-entry into the 132 kV cable segment, this augurs well for the business in a country where there are significant opportunities.

In Kuwait, significant investments, such as township development, are witnessed. In Africa, the business has made an entry into Tanzania through a substation and



132/33/11kV Substation, Umm Al Quawain, UAE

transmission line of 220 kV, which augurs well for the strengthening of L&T's position in Upper East Africa. Consolidating the breakthroughs achieved in countries forayed into, exploring renewable energy opportunities and opening up of select West African countries will hold the key to success in the coming year.

With on-schedule completion of the projects in Malaysia and Thailand, the business has demonstrated its capabilities and has won recognition in the ASEAN market.

Major Achievements

Projects Completed and Commissioned

- Several key 400 kV and 765 kV substation projects including those at Tughlakabad, Tumkur, Baripada and Gwalior
- Transmission corridors exceeding 3000 km
- 220 kV Drass transmission line in Jammu & Kashmir
- 765 kV Jharsguda-Angul transmission line for PGCIL,
- 400 kV Khandwa-Pithampur-Bhatnawar corridor in Madhya Pradesh
- 400 kV Yermarus- Bellary transmission line in Karnataka
- A major part of a large-scale BESS project in Andaman Islands
- 28 substations and over 1400 km of overhead and underground transmission corridors in the Middle East

Orders Won

- Power Supply System – involving receiving substations and the EHV cable feeders from grid substations – for Bengaluru, Mumbai and Dhaka Metro projects
- 765 kV and 400 kV transmission lines from a reputed TBCB player
- Electrical Main Plant package for Kudankulam Nuclear Power Project expansion
- Construction of over 500 MW capacity of grid-connected solar PV plants across India
- Various solar PV EPC orders
- The first-of-its-kind solar PV + 8MWhr storage project
- 220 kV Transmission System in Africa, marking entry into both substation and transmission line sectors in the African market
- Many orders for developing 132 kV substations and 132 kV cable sections in UAE
- A major power system revamp order of more than USD 100 million from an oil & gas customer in Algeria



400 kV Ibri-Izki Transmission Line, Oman



250 MW Solar PV Plant at Rewa, Madhya Pradesh

The business earned many awards and much recognition during the year for multiple initiatives. These include:

- 'Best Performing Power T&D Organization' award from Central Board of Irrigation & Power
- Award for Outstanding Contribution to 100% Electrification of Bihar
- Excellence awards from Power Grid for Transmission Line and Substation construction under various categories
- Solar technovation awards under three categories from Solar Quarter.
- Best Solar EPC Company and Best Microgrid Company awards from EQ International
- Recognition by Navigant Research as one among the top ten global players in microgrid
- Taqdeer award from Government of Dubai for excellence in labour welfare practices
- MEED Quality awards for substation projects in Kuwait and Saudi Arabia
- EIA Compliance Award for Marudi substation project from Sarawak Energy Berhad, Malaysia
- ASSE GCC HSE Excellence awards for several projects in Middle East

Significant Initiatives

The business has augmented its capabilities for building digital substations, linear solar plants and certain packaged solutions for solar applications. The tower-component manufacturing capacity has been augmented to cater to the demand of adjacent segments and more countries.

Several operational excellence initiatives in the areas of on-time delivery, profitability enhancement, working capital management and risk management are being pursued.

A unique set-up for integrated, real-time scheduling and monitoring of projects to aid the site team for improved project delivery has been operationalised.

Digitalisation

With a major thrust on Digitalisation as a key enabler, the initiatives rolled out across the business lines in recent years have started to bear fruit. These initiatives include efficiency improvement and next level of automation in factories, 3D/4D BIM, deployment of drones and mobility devices for project progress monitoring, connecting plant and machinery for asset monitoring, using geospatial technologies for surveys, integrated material management, quality incident reporting, etc.



275/132/33kV Gas Insulated Substation, Samalaju, Malaysia



State of the art Tower Manufacuring Facility, Puducherry

Environment, Health and Safety

EHS practices in business are aligned with a corporate EHS policy that is strictly followed along with clear policies laid out at the business level as well. An external IMS audit by BVQI was completed and certification obtained. The EHS policy is supported by standard operating procedures (SOPs) at the business-unit level and the aim of 'Zero Harm' is cascaded down to the project level through various digital and technical initiatives as follows:

- Virtual Reality initiatives:
  - Implemented Virtual Reality 9 modules in 9 languages for Transmission Line (TL) and Sub Station (SS) Business Units for workmen.
  - 4 HTC Vive Virtual Reality Interactive training modules were developed in English and Hindi for frontline supervisors and staff at sites.
- EHS Mobile application: 10 modules were developed, including an EHS Observation Log to identify unsafe acts and condition and action taken.
- EHS Training & Awareness programme: A workshop was conducted for key project managers on effective implementation of EHS Management System process, Safety Challenges faced at site while implementing the EHS Management system and Learning and Knowledge on best practices followed.
- Various awards were received from and recognition accorded by international and national organizations like FICCI, RoSPA, BSC and NSC. Appreciation certificates were received from clients for implementing EHS management systems and achieving millions of safe man-hours.

Human Resources

Committed to the development of its people, the business endeavours to create an ecosystem that addresses performance and contributes to its success. Employees are given opportunities to develop their skills and capabilities through on-the-job experience. These are supplemented by robust classroom programmes. The L&T Institute of Project Management and the Indian Institute of Technology, Madras have partnered to create bespoke programmes in Project Execution, Projects Management and Engineering & Design Management. These programmes implement the development plan through peer interaction, experiential learning, case studies and simulation and faculty intervention. 240 young managers underwent training in the IPM/IIT programme during the year.

In keeping with the increasing presence in international markets, the business is building a cadre of young professionals drawn from various nationalities. The Graduate Engineer Trainee scheme was extended to Saudi Arabia, Kenya and Botswana and 30 trainees joined this year. This initiative will be strengthened by inducting



Large scale solar cum storage project in Andaman



400/132kV Substation, Nkhoma, Malawi

trainees from Egypt, Algeria, Thailand and Tanzania in the coming year.

Risks and Concerns

The diversification attempts by CPSUs like Power Grid and NTPC, logistical and design aspects, the general elections in Q1 of FY 2019-20, the financial health of state utilities and fund availability will remain key determinants for the business.

In the Middle East, input costs are bound to increase with the introduction of VAT and removal of subsidies on fuel, power and water. Prioritization of spending / budgetary allocation, the friction between Qatar and other Gulf countries, the slowdown in Oman and related delays in project finalization are potential risks. With growing business opportunities and increasing contractual exposure to customers in domestic and international markets, efforts are being made to integrate a well-established risk management framework into business operations.

Outlook

In the substation business, the increasing cost of land acquisition related delays have led power grid / state utilities to increasingly opt for GIS substations due to the smaller footprint they occupy.

On the power distribution front, crucial issues remain – the centrally-driven scheme for last-mile connectivity and various distribution reforms projects 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. 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.

As the power transmission / transformation capacities to cater to the growing demand of urban centres increase, new opportunities will arise for EHV cabling projects in large cities. Grid integration of intermittent renewable energy and the emerging prospects of distributed generation require investments in power quality devices such as STATCOM and SVC to ensure voltage stability, reactive power compensation and reduction of harmonics.

It is expected that the investments in higher voltage levels viz. 400kV & 765kV from state transmission utilities – including those affected by funding delays - will gather momentum. The delayed second phase orders of Green Energy Corridors are likely to be awarded in the coming year. The Tariff Based Competitive Bidding (TBCB) space is witnessing consolidation with 2 to 3 major players in the fray. Increasing number of projects are likely to get allocated through TBCB mode.



Micro Grid Project for rural electrification, Bihar

The power supply system prospects for various metro projects are visible, especially in the Central and Western parts of the country. With an established presence in Nepal and Bangladesh, the business is better positioned to exploit the upcoming transmission line and substation opportunities in those countries.

The solar power market is poised to remain upbeat, with yearly solar capacity additions pursuing an upward trajectory. The private PPA market in select states is expected to pick up based on encouraging open-access policies and growing solar power viability. Clarity emerging on GST and duties will help the sector, with capacity addition of more than 10 GW of solar capacity in the coming year.

Advanced battery energy storage solutions will see a rise due to grid stability requirements and the need to electrify rural households. With upcoming state solar policies focusing on rooftop projects with net metering schemes, the prospects for the rooftop segment look positive. To harness solar power for rural India, the Government of India has formulated the 'Kisan Urja Suraksha evam Utthaan Mahabhiyan' (KUSUM) scheme, which aims at solarizing the agriculture sector through the ubiquitous use of solar power for tube wells and lift irrigation projects. Emerging areas like floatovoltaics and hybrid projects hold promise.

With a strong domestic solar portfolio backed by experience and expertise, the solar business is geared up to enter international markets as the renewable opportunities galore in countries where there is already an established presence in the T&D sector.

In the Middle East, the business is cautiously optimistic in its outlook as oil prices are hovering in the lower ranges, commodity prices are fluctuating, fierce competition is faced and changes are being introduced in the customer organization / bid process (example: newly formed Department of Energy in Abu Dhabi). 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, growth in power distribution throughout the Middle East is expected to be fuelled by GCC grid formation, upgradation to higher voltage levels, integration of renewable energy sources to the existing power grid and interconnections of transmission networks.

The business is concentrating on key African economies that have a clear road map to build a transmission and distribution network 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. The footholds gained in Algeria, Morocco and Egypt have grown stronger and the T&D space in these economies is vibrant with many opportunities.



5 MLD Sewage Treatment Plant, Nellore



10.6 MLD Water Treatment Plant, Bagidora

The rising power demand in ASEAN countries paves the way for significant investments in grid interconnections, grid development and strengthening. With an increasing share in Thailand and Malaysia, the business expects to exploit potential in Myanmar and other countries of the region. With only 35% of the country connected to an overloaded grid, significant opportunities are seen in Myanmar, especially through bilateral / multilateral funding.

The overall outlook for the PT&D sector remains promising on both the domestic and the international fronts. The business looks forward to maintaining its lead position in established markets and gain significantly in new growth areas and target countries, ably supported by its initiatives in cost leadership, technology adoption and delivery excellence.

WATER & EFFLUENT TREATMENT

Overview:

The world is undergoing unprecedented changes, with rising temperatures, changing climates and decreasing fresh water levels. The world relies on 0.75% of the available fresh water resources which, according to experts, are being badly managed. Several countries have already started innovating and educating their people on how to reduce their water footprint in order to conserve water for future generations.

L&T Construction's Water and Effluent Treatment business specializes in water infrastructure. This covers urban and rural water supply, industrial water supply, water treatment plants, sewage treatment plants, sewage networks, effluent treatment plants, desalination plants, micro and lift irrigation projects, canal rehabilitation, unaccounted for water (UFW) and water management contracts. The business also engages in area development jobs aiming to provide holistic water infrastructure to specific areas, thereby meeting the smart city norms.

L&T's increasing technology capability to execute jobs efficiently with reduced lead times has led to increased client confidence in the business as a provider of end-to-end water solutions.

The business has been a pioneer in delivering Water Infrastructure projects in India, Sri Lanka, Qatar, the UAE, Oman and Tanzania. It is currently involved in executing around 150 projects on the domestic water infrastructure front. The business is omnipresent in India – from Moga (Punjab) in the north to Tirunelveli (Tamil Nadu) in the south, and from Sauni Yojana (Gujarat) in the west to Barrackpore (West Bengal) in the east.



74 MLD Water Treatment Plant at Bisalpur Tonk Unniyara



375 MLD Sewage Treatment Plant at Jebel Ali, UAE

Business Environment

The Indian water infrastructure market is growing steadily. The demand-supply gap in both urban and rural areas has increased. It is imperative to focus on creation of wastewater infrastructure to boost the quality of urban life. The increasing population necessitates increase in agricultural produce and more irrigation schemes.

The Government is driving infrastructure development through various schemes such as the National Rural Drinking Water Programme (NRDWP), AMRUT (Atal Mission for Rejuvenation and Urban Transformation), Namami Gange, Pradhan Mantri Krishi Sinchayee Yojana and Delhi-Mumbai Industrial Corridor Development. 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.

Governments and courts have mandated the use of tertiary-treated wastewater to meet the water requirements of industries.

Huge opportunities are available in the Middle East, ASEAN countries and East Africa. There is a positive outlook towards these prospects and consistent business development efforts are being driven to enlarge the global footprint of the business.

L&T has been setting benchmarks by creating water infrastructure to irrigate 7.3 lakh hectares of land, transport water and sewerage through 5 lakh km of pipelines, supply 5100 MLD of potable water and treat 2100 MLD of wastewater. All these projects cater to the needs of more than 90 million people.

Major Achievments

In FY 2018-19, the business won several repeat orders, and added 6 new customers. The orders won came from a diversified portfolio of rural and urban water supply schemes, water management, integrated infrastructure development, lift irrigation schemes, effluent treatment plants and underground sewerage schemes. These include:

- ISP Kalisindh Project - Phase I and Parwati Project - Phase I from Narmada Valley Development Authority, Madhya Pradesh
- Athikadavu Avinashi Irrigation Project from Water Resource Department, Tamil Nadu
- Multi Village Rural Water Supply Scheme to Satna Bansagar from Madhya Pradesh Jal Nigam
- Coimbatore and Vellore Sewerage Schemes, Tamil Nadu
- Garwah Lift Irrigation Scheme from Water Resource Department, Government of Jharkhand



Al Shammal Water Treatment Plant at Qatar



Common Effluent Treatment Plant, Narol

- Industrial Area Sewage Treatment Works from ASHGAL, Qatar
- Drinking Water Supply Projects in Srikakulam and East Godavari District from Andhra Pradesh Drinking Water Supply Corporation
- Ranchi Smart Infrastructure Project from Jharkhand Urban Infrastructure Development Company Limited

During the year, the business was conferred 48 prestigious awards, which are a testimony to its operational excellence. These include:

- Various awards from Water Digest, Dun & Bradstreet, EPC World, Global Water Summit, Construction Times, ET Now, Business Television India, etc.
- Recognition of L&T's Water business by Water Digest as the 'Best Water Company of the Year 2018'
- The prestigious Golden Peacock National Quality Award for the year 2019

Significant Initiatives

With its continuous efforts, L&T has sustained its position as market leader. The business is reaping the benefits of implementing various unique initiatives and also exceeding customer expectations. Key initiatives included:

- Formation of an R&D Cell and Incubation Center with technology experts for innovation and growth of the business
- Deployment of Business Development Managers to strategic domestic and international locations, targeting geographic expansion
- Embracing digital facilitators, by using custom-made apps designed to ease day-to-day operations, e.g. the Locate Measure Navigate on Phone (LMNoP+) app used for offline positioning and tracking
- Addressing and finding workable and innovative solutions for the key challenges envisaged by the business during the BEST (Business Excellence for Sustainable Transformation) Conclave
- Formation of a dedicated team to focus on developing solutions using Artificial Intelligence and Machine Learning
- Introduced Productivity Excellence – Analysis & Realization League (PEARL) to monitor the productivity of the project sites in a competitive manner.

Digitalisation

While driving digitalisation over the past three years to improve efficiency and productivity, the business, in the



Medak and Sangareddy Water Supply Project



Overview of Nagaur 250 MLD Water Treatment Plant and 5310 ML Raw Water Reservoir

current year, focused mainly on improving the utilisation of the digital initiatives implemented. Major initiatives implemented this year include:

- **Predictive Analytics for E-Pragati:** A predictive model to identify and highlight the activities likely to be delayed, enabling the project manager to take proactive steps to avoid project delays.
- **Artificial Intelligence for Safety:** SWADESH (Safe Workplace using Advance Data analytics in ESH), an NLP-based AI solution was developed to assess safety observations based on the severity of its potential impact, the number of repetitions, the location of work and staging height where it was recorded. The online dashboard highlights and tracks the safety performance of projects based on key indices like Risk Score, Repetition Percentage and Average Repetition Risk Score.
- **M-FLOW:** A mobile-based application used for tracking material issued to sub-contractors, stock availability, consumed and balance items and material reconciliation, web-portal with dashboard and reports for analysis by store-in-charge, planning and project team.
- **PrathiBIMb:** A modern AR / VR collaboration facility lab with the latest BIM software and tools to create, collaborate and coordinate project BIM models. The facility will also be utilised to impart BIM-related trainings.

Environment, Health and Safety

- Committed to the mission of 'Zero Harm', the business clocked 106 million safe man-hours in the year.
- 5 Lakh man-hours were invested in EHS awareness and training
- More than 8 lakh saplings were planted and 3600 units of blood donated.
- SafeArmZ™ is a patented digital solution built by the business for proactive risk control measures at site. It enables paperless workflow approvals.
- The business has successfully completed its DNV-GL Transition Audit from OHSAS 18001:2007 to ISO 45001:2018.
- The business bagged several awards for safety from RoSPA (Royal Society of Prevention of Accidents), British Safety Council and Confederation of Indian Industry, as well as many appreciation certificates from various clients.



Pump house for Mohanpura Lift Irrigation Scheme



Sewage Treatment Plant at Rampur

Human Resources

In view of fast growth, the business has been augmenting manpower resources. As part of the initiative to augment the strength of front-line supervisors, ITI trainees were inducted during the year and they are being trained through a 12-month intensive Front-Line Supervisors (FLS) Training Programme.

During the year, the business launched several key development initiatives. The first batch of 21 participants successfully passed out of the Project Managers Development Programme (PMDP), a focused developmental intervention aiming at building a strong project leadership pipeline. C.R.E.A.T.E (Customer Relationship Enhancement by Augmented Training for Expertise) was launched in February 2019 with the aim of holistic augmentation of competencies related to business development related in identified participants. Currently, 21 staff members are attending Wave 1 of C.R.E.A.T.E.

The business has launched an e-learning course on its Quality Management Systems. The course is hosted on L&T's e-learning platform 'Any Time Learning'.

Risks and Concerns

The major risks for the business are delay in obtaining Right of Way (RoW), work front, approvals / clearances, volatility in commodity prices (mainly steel) and longer operation and maintenance periods.

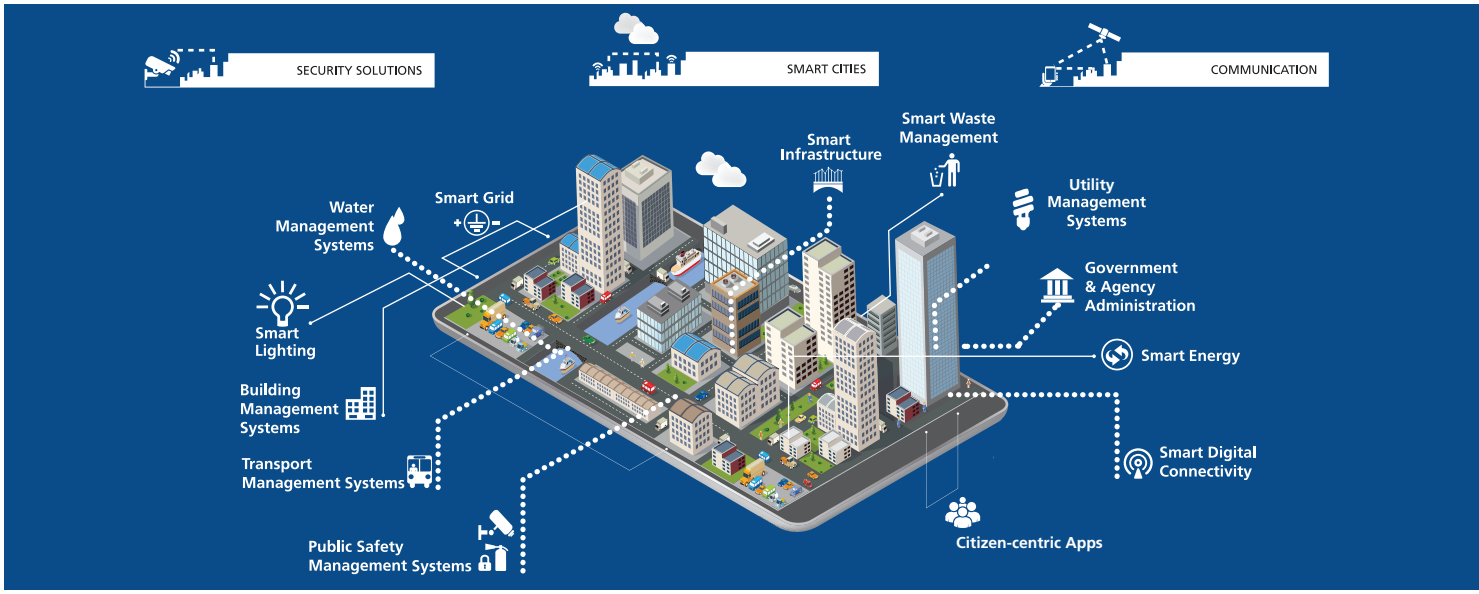
The business is adequately prepared to meet these challenges. It has a robust risk management framework to mitigate the risks by proactive monitoring, healthy client and supplier relationships, strategic tie-ups and digital initiatives and in-depth risk reviews during the pre-bid, execution and close out stage. The reviews involve all the key stakeholders, including project teams, business units and corporate teams, thereby ensuring early identification of key risks and consequently timely planning of the necessary mitigation measures.

Outlook

On the domestic front, water infrastructure will continue being integral to the sustenance and the well-being of the general populace. Consequently, the thrust to improve the water infrastructure in India will continue. Policy changes mandating the reuse of wastewater are also expected. Emerging prospects are envisaged in water management, ultra-mega STPs, micro irrigation, desalination, river interlinking and proposals to develop brownfield cities into smart infrastructure projects.

However, the general elections could delay the clearances, given the political expediency of poll promises like minimum basic income and farm loan waivers could also impact funding, affecting timely project deliveries in the forthcoming year.

Challenging competition is foreseen, as the business environment is populated by geographically restricted



L&T offers a bouquet of Smart City solutions

but entrenched domestic players as well as multinational companies focused on expansion into the Indian market.

Significant investments in water infrastructure are anticipated and targeted in Oman, Qatar and the UAE. The business is focusing on consolidating in the Middle East and is planning to expand its footprint by entering into a few select countries in East Africa and the ASEAN region.

SMART WORLD & COMMUNICATION

Overview:

L&T entered the Smart World & Communication business in the year 2016, specifically to address the need for a safe, smart and digital India. It continues to retain its market leadership in the overall sectors within which it operates.

The business has three segments:

- Integrated Smart Solutions
- Security Solutions
- Communication & Telecom Infra

In this domain, L&T is at the forefront, collaborating with the Government in leveraging technologies to meet those goals. 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.

The business has expertise in the areas of city surveillance, intelligent traffic management systems, transport and logistics management, communication networks (including backbone, telecom infrastructure), smart governance and education, critical infrastructure, smart metering and emergency response and early warning dissemination systems.

With this unique positioning and technology-driven portfolio, the business has been able to attract talent from across various industries and has recruited a diverse pool of resources spanning technology and domain specialists from relevant business verticals. A strong team of technical experts at the project level and centralised support level enable the business to successfully integrate its projects.

With the Smart City Mission gaining momentum, the Smart World & Communication business is well positioned to be a key Master System Integrator (MSI) to manage smart city projects, end-to-end.



L&T's Integrated Command & Control Centre manged traffic, people movement and surveillance of over 20 crore pilgrims at the Kumbha Mela

Business Environment

The Government of India has fast-tracked its investments to leverage smart and digital technologies for cities and rural parts of India, focusing on a safe, smart and connected India under the 'smart city' mission.

NITI Aayog has initiated a national programme in the area of Artificial Intelligence, including research and development of its applications. Combining cyber and physical systems has great potential to transform not only the innovation ecosystem but also economies and the way we live.

To invest in research, training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis, quantum communication and the internet of things, the Department of Science & Technology will launch a Mission on Cyber Physical Systems. This will support the establishment of centres of excellence.

The Government has approved the National Mission on Interdisciplinary Cyber-Physical Systems (NMICPS) at a total outlay of ₹ 3660 crore for a period of five years.

However, there are new entrants in this sector. Aggressive bids and PSUs provide stiff competition. The Quality and Cost Based Selection (QCBS) process adopted by the authorities has ensured that only serious players with a strong balance sheet and relevant experience are selected as Master System Integrator (MSI) to implement projects of national importance.

Major Achievments

The business received several major orders, as follows:

a. Integrated Command & Control Centre for Prayagraj Smart City

b. Intelligent City Management System for Panaji Smart City

c. City Network, City Wi-fi, Smart Kiosk and Variable Message Display for Pimpri Chinchwad Smart City

d. Common Cloud Based DC and DR, Citizen Application, and E-Governance Application along with Integrated Command and Control Centre (ICCC) for Tamil Nadu 10 Smart City

e. Pan-city Information & Communication Technology (ICT) Solution for Tirupati Smart City

f. Supply & Maintenance of hi-tech labs for high schools in Tamil Nadu under E-Siksha project

g. Installation and maintenance of security cameras for surveillance add-on for Mumbai city

h. Communication System of Bengaluru Metro



Data Center, Hyderabad



Intelligent Traffic Management System at a critical junction, Hyderabad

i. Establishing IPMPLS network infrastructure in Andhra Pradesh (APSFL) and implementation and integration of EMS, NOC, NMS and related infrastructure Telangana (T-Fibre)

During the year, the business successfully commissioned several Smart City projects in Nagpur, Pune, Vizag, Raipur and Prayagraj Phase 1. It entered the O&M phase during the year. The highlight of FY 2018-19 was project management of the world's largest religious gathering, the Kumbh Mela at Prayagraj, UP, with successful implementation and monitoring using Artificial Intelligence for crowd management.

The business successfully commissioned the Smart Metering project, under Energy Efficiency Services Limited (EESL), for the New Delhi Municipal Corporation (NMDC) thus enabling NDMC become the first distribution company (DISCOM) in India to implement a 100% smart metering solution.

Significant Initiatives

The business has taken the following initiatives in the areas of tendering, technology, supply chain management and operational efficiency improvement:

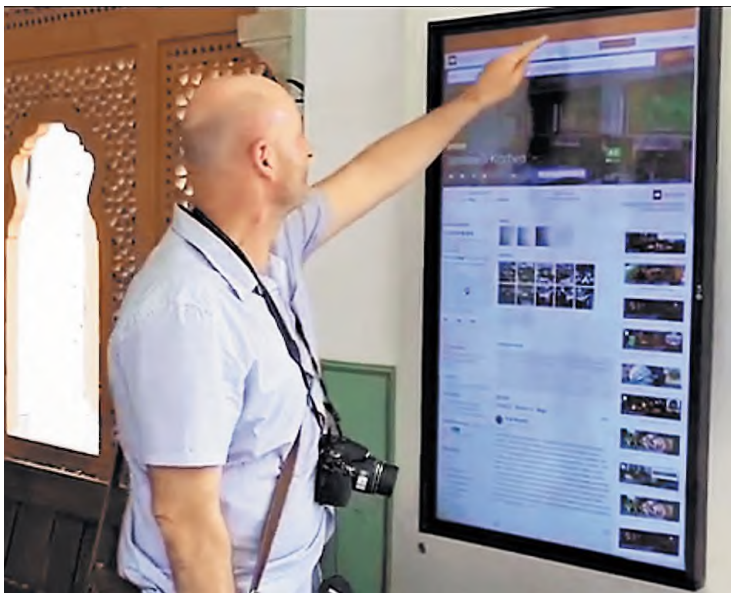
- Upselling during the Operation & Maintenance phase
- Establishing price discovery mechanisms such as zero level costing, historical benchmarks, market intelligence, XaaS Costing Model
- Strategic initiatives in areas like the Internet of Things (IOT), Artificial Intelligence (AI), Cyber Security & Geospatial.
- Centralized and dedicated support for all operational projects for maintenance of SLAs with contractual tie-ups with the OEMs
- Setting up a Technology Excellence Centre on the campus of the business to foster innovation in its segment, it is geared to play a crucial part in the roll-out of emerging technology interventions
- About 100+ certifications have been obtained by the employees in courses such as CCNA, CCNP, CCIE, MS Azure, CISM, etc. which provide the business an edge over the competition

In the year under review, the business has won 18 prestigious awards, including: -

- Smart City of the Year and Smart City Wi-fi Solution – for Nagpur Smart City – Awarded by Asian Business Exhibitions and Conferences Limited and DigiAnalysys respectively
- Smart Energy for Energy Efficiency Services Limited (EESL) Project- Awarded by ASIA Smart City Awards 2018 organised by CMO Asia
- Geographic Information System Solution – (Gold) for Gujarat City Surveillance & Intelligent traffic Management System project – Awarded by Constructech



Smart Pole, Vizag



Tourist Information Kiosk, Jaipur

- Best Wi-Fi Solution Provider of the Year for BSNL Wi-fi Project – Awarded by DigiAnalysys
- Outstanding contribution towards building smart cities to Smart World & Communication – Awarded by CMO Asia
- E-governance Initiative of the Year for Prayagraj Smart City project –Awarded by Federation of Indian Chambers of Commerce and Industry

Digitalisation

The business has implemented 28 digital solutions across its project sites and functional departments. Two of the solutions are copyright registered. Digitalisation tools are implemented to shorten the process time, leading to savings. The operations monitoring tool developed for Smart Cities won a Gold award from Constructech magazine, Chicago.

The business has rolled out various tools in the area of Tendering, Supply chain, Finance, Safety, etc. such as:

- Execution with Safety & Quality (AR – VR Video Training)
- For HR / Quality / Safety & Digital (HR BOT)
- Mobile Based Workmen / O&M Engineer Attendance Tracking (Workmen)

Environment, Health and Safety

EHS is an integral part of the organization and the projects. It is given utmost importance due to the constant uncertainties, complex projects and several of them in highly populated cities and sensitive areas. In EHS, the business is committed to bring forward solutions which are entirely digital and sustainable over a long period of time. Key initiatives include:

- Launch of sustainable and innovative digital solutions like SafeArmZ™ and VIEW EHS - digitising the entire EHS systems and procedures.
- Incident-free operations for the last five years
- A plan to transition to latest ISO 45001:2018 standards in the upcoming financial year
- Training programmes, viz. Safe Execution Engineer's (SEE) Training and Contractor Workmen Training (CWT)
- Contributed to sustainability by planting 17259 saplings and donating 297 units of blood
- Won various awards for excellence demonstrated in implementation of EHS Management systems, including 2 RoSPA Gold Awards and 1 OSHAI Gold Award.

Human Resources

The average age of the team of this business is 32.6 years. The team comprises a diversified pool of engineers specialising in the areas of cybersecurity, cloud, information & communication technology, surveillance, server & storage, solution architecture, command and control, etc. Key resources with over a decade of experience add to



Command & Control Centre, Mumbai

capability building, giving the business an edge over the competition.

Risks and Concerns

The projects of the business are funded through Union budget and State budget allocations and do not pose a financial risk. Operational risks – such as short implementation period, deferred payment terms and stringent SLA requirements – are viewed by Master Service Integrator. However, adequate planning and stakeholder engagements mitigates delay in approvals from the competent authority. The business has centralised, dedicated support for all the operational projects for maintenance of SLAs. Due diligence on the stakeholders and adequate planning helps the business keep up with project timelines. Digital interventions at every stage of project implementation – right from planning to operations monitoring – helps the management to take appropriate action to pre-empt and overcome challenges. A strong team of technical experts at the project level and centralised support helps successful integration of the projects.

Outlook

FY 2019-20 looks promising for the business as more initiatives are being taken to make cities smart and safe, as well as digital initiatives in social sectors like E-shiksha and 'smart villages' which are connected.

The Government's interest in the security and surveillance segment for the year 2020 remains a high priority. In areas of enhancing homeland security, Police Modernization has been provided a budget outlay of over ₹ 3000 crore. City surveillance/Intelligent Traffic Management System projects are expected to come up in Delhi, Chennai and Bangalore.

Perimeter protection projects to protect the critical infrastructure of the nation and surveillance at railway stations and in coaches are expected to take off in FY 2019-20.

The network spectrum for strengthening communication for the Indian Armed Forces is in the finalization stage.

The Government's Smart Cities mission is expected to see ICT projects rollout in at least 25 smart cities with an outlay of ₹ 5000 crore. The Government has plans to convert 1 lakh villages into Digital Villages over the next five years. The IOT solutions implemented in the smart cities and the benefits derived from these systems to the urban citizens will be extended to the rural population

With the Government's Smart Meter National Program to cut AT&C losses to below 12% by 2022, a special thrust on the roll-out of smart meter infrastructure is expected across multiple states.

The Government has proposed to setup five lakh wi-fi hotspots which will provide broadband access to five crore



Bucket Wheel Stacker Reclaimer Machines at Adani Dhamra Port - DPCL.

rural citizens and had provided ₹ 6,000 crore in FY 2019-20 for creation and augmentation of Telecom infrastructure.

The roll-out of Network Infrastructure, under the Bharatnet scheme, of the balance states under the USOF funding is also expected.

Technology will be the biggest driver in improving the quality of education and our foray into this social sector has begun with the Tamil Nadu High Tech Lab.

With the Government's continuous interest in this sector and increased budgetary allocation year-on-year, the sector remains lucrative for investment, though faced with stiff competition. But L&T, with its experienced team and previous experience in executing complex technological projects, has an advantage in the market, and remains positive for the year 2020.

METALLURGICAL AND MATERIAL HANDLING

Overview:

L&T's Metallurgical and Material Handling (MMH) business offers complete EPC solutions for the metal (ferrous and non-ferrous) and bulk material handling sectors across the globe. The business undertakes end-to-end engineering, procurement, manufacture, supply, construction, erection and commissioning. It also offers custom-engineered, specialised material handling solutions and a wide range of comprehensive mineral ore crushing solutions for the power, port, steel, cement and mining sectors. The business commands a leadership position in the sectors it serves and has world-class manufacturing facilities at Kansbahal (Odisha) and Kancheepuram (Tamil Nadu).

Business Environment

The steel sector witnessed inorganic growth during the year and is expected to provide momentum in new expansions.

Major non-ferrous domestic players have firmed up their capacity expansion and investment plans, buoyed by steady base-metal prices and a spurt in domestic demand. However, during the year, the copper segment witnessed temporary turbulence due to heightened environmental concerns.

A dry spell in private investment in the power sector continued during the year. In line with the Government of India's Sagarmala initiative, major ports undertook investment in the mechanisation of dry bulk systems. Specialized conveying packages connecting mines and ports to end users have seen momentum during the year.



L&T's KSM-404, the largest surface miner in Indian coal mine at Gevra, Chhattisgarh



Coke Oven Battery

Coal India Limited (CIL)'s production fell marginally short of its target, despite registering higher growth in FY 2018-19, compared to the previous year. South Eastern Coalfields Ltd (SECL), one of the largest users of surface mining technology for excavation of coal, is considering surface mining of Kusmunda mines through the departmental route – a shift from its outsourced model. Other subsidiaries of CIL are also considering augmentation of their fleets of surface miners and crushers in FY 2019-20.

Cement sector growth was in line with industry expectations during the year, with a minor spurt in the demand in the second half of FY 2018-19. The demand for manufactured sand provided momentum for L&T's advanced manufacturing systems across India, specifically in the western and southern regions.

The business environment in the Gulf region has become conducive to growth, supported by political stability in the region, the stabilization of oil prices and the emphasis of the local Governments on developing a non-oil economy.

Major Achievements

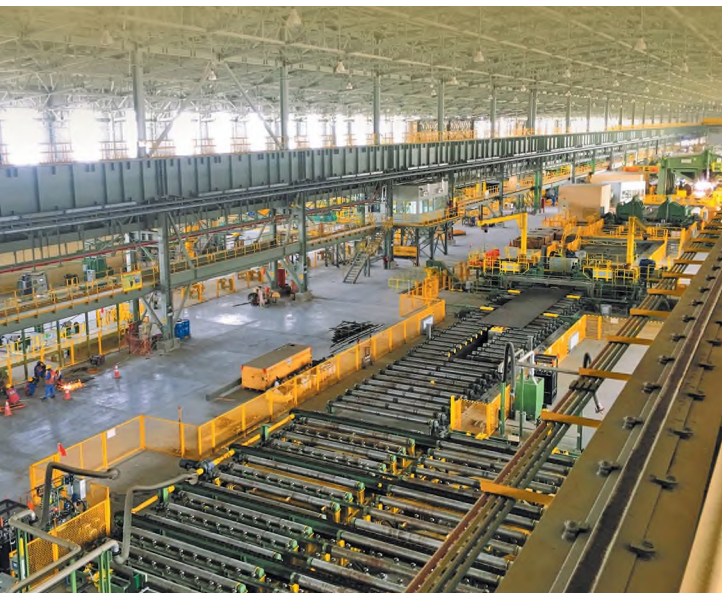
With the limited opportunities available during current year, business has managed to stay ahead of its competitors. Major orders booked are Lead-Zinc Beneficiation at RD Mines from Hindustan Zinc Limited, Alumina Refinery Expansion at Rayagada from Utkal Alumina International Limited and an Ash Handling Package at Patratu from BHEL. Orders were also received for various products (sand plants, surface miners, crushers, material handling equipment).

Marquee projects commissioned / at an advanced stage of completion in the year 2018-19 are:

- Coke Oven Batteries A&B, JSW, Dolvi
- Blast Furnace 8, SAIL, Bhilai
- Coke Dry Quenching (CDQ) unit 11, Tata, Jamshedpur
- Pet Coke Handling, IOCL, Paradip
- Coal Handling Plant, NCL, Nigahi / Khadia
- Coal Handling Plant, RRVUNL, Chhabra
- Alumina Refinery, EGA, Abu Dhabi
- Pipe Mill Project, Al Gharbia Pipe Company LLC, Abu Dhabi

Significant Initiatives

The business has strategic alliances with leading global technologists to offer comprehensive EPC solutions across various sectors. During the year, the business entered into key alliances with companies such as Rio Tinto, Thyssenkrupp and China Power for alumina smelter and speciality areas.



LSAW Pipe Mill Project, UAE



Lead-Zinc Beneficiation Plant, HZL SK Mines, Dariba

On the products side, the business has augmented its capability for in-house manufacturing of ship unloaders, with engineering and design support from foreign technologists.

The business is developing real-time monitoring systems for stockyard machines and wagon unloading systems through IOT and linked customized dashboards for optimum utility of the system for customers. Digital AI Weighment systems have been introduced at the Company's Kancheepuram Works.

Digitalisation

In line with the Company's overall philosophy, extensive thrust is placed upon digitalisation through multiple initiatives viz. Project Progress Monitoring, Connected Workforce and Assets, Material Tracking, Online Quality and Safety Monitoring and Integrated Engineering (3D and Building Information Modelling).

Environment, Health and Safety

In line with our corporate EHS Policy, intensive efforts are made to integrate EHS with the management systems. While leadership commitment to EHS is demonstrated at all levels, concerted efforts are made to involve and engage every employee, including workmen, in the safety cultural transformation.

The business lays much emphasis on EHS in order to achieve 'Zero Harm' in its operations. It implements EHS procedures, imparts EHS training and ensures review of site EHS standards by the leadership.

The business has launched various programmes to achieve the outcomes set by the EHS management system. Initiatives taken up during FY2018-19 include:

- Successful completion of certification audit for ISO 45001:2018 (new standard) and recertification audit for ISO 14001:2015.
- Enhanced EHS monitoring and reporting capabilities using various digital tools such as EHS Observation, Permit to Work (PTW), Safety Task Assignment, EHS Violation Memo, SOSC (Safety Observation and Safety Contact), FIRI (First Information Report of Incident), Rigging Permit, etc.
- A high level of management commitment is demonstrated by deployment of competent Rigging Engineers at site and restricting crane loading to 75% of the rated capacity to ensure safe material handling at all sites.
- Effective competency building programmes for site teams, such as Scaffold Competency (certified by STI-USA) for line teams, IOSH – Managing Safely certification,



Stacker Reclaimers at work at Suratgarh Power Plant

NEBOSH IGC courses, Internal EHS Auditor course, EHS Lead Auditor course, Online EHS certification courses, etc.

- Various awards and accolades have been received by the business in recognition of its efforts, from Ministry of Labour and Employment, FICCI, CII and customers.

Human Resources

Interventions to advance the skill levels of employees were implemented through a string of strategic and leadership-based training programmes, both technical and behavioural, at offices and at various sites. These initiatives will enhance organisational capabilities and produce leaders to meet the emerging challenges on all fronts and ensure that the organization is future ready.

Risks and Concerns

The volatility in steel prices in the domestic market and LME base metal prices will be a concern in the year ahead. Post-election domestic policy deliberation by the new Government may make a significant impact on business investments.

Outlook

The demand for metals such as steel, copper, aluminium and zinc will continue to be driven by the Government's emphasis on infrastructure – urbanisation, roads and highways, housing and Dedicated Freight Corridors, the auction of mine / mine linkages, the Sagarmala initiative combined with synergized policy implementation between State and Centre and the rise in automotive production. This will create lucrative business opportunities in greenfield expansions by producers.

The FDI limit in the mining and exploration of metal and non-metal ores has been increased to 100% under the automatic route, giving a significant boost to the sector. In FY 2019-20, prospects are envisaged in the domestic cement sector, with capacity additions / augmentation being planned by major players to order core equipment and products. The steel sector is expected to witness moderate brownfield expansion, with a thrust on debottlenecking plant capacity and asset synchronization to achieve higher operational efficiencies of the newly acquired assets.

Base metal sector companies are on overdrive, with investments in new expansions. The aluminium sector is expected to be bullish on value-added downstream product lines, despite issues like mine allocation, volatile LME prices and high global Inventory. Copper investment is attracting stringent environmental scrutiny, although it is expected to witness significant investment to correct the import-export imbalance. The zinc and lead sectors are doing well and expect a good run in the coming year.

Implementation of the Ministry of Environment & Forest (MOEF) notifications and the Sagarmala initiative by Ministry of Shipping will lead to considerable prospects in dry bottom ash systems, pipe conveyors, dry bulk terminals in ports and mechanization of iron ore and bauxite through environment-friendly solutions.

Steady growth in the product business is expected, owing to medium-to-high growth in core industrial sectors, particularly cement, coal mines and construction. Sand mining from river beds is banned due to environmental reasons, and consequently the user-friendly sand manufacturing machine will find extensive use in construction. The business has already established a leadership position.

On the domestic front, the business continues to experience challenges, such as delayed decisions of new-capacity additions in the steel sector, muted investment in the power sector, delays in land acquisition and clearances from the Ministry of Environment & Forests, which may further accentuate due to general elections in first quarter of FY 2019-20, resulting in delayed decisions.

Key opportunities are emerging in the GCC (especially Saudi Arabia), Egypt, Zambia and South Africa for alumina, zinc and copper smelters, pellet beneficiation and specialty areas such as port handling and freight handling packages. However, some amount of negative impact is expected to arise from customer preference for the EPCM option rather than EPC route for big projects in the international segment.

POWER BUSINESS



225 MW Sikalbaha Combined Cycle Power Plant, Bangladesh

Overview:

L&T's Power business is one of the leading EPC players in India that is known to deliver 'design to commission' business solutions for the thermal power Industry.

Building on its core competencies, the business has swiftly built the necessary capabilities and undertaken projects in newly-emerging technologies in the thermal power plant industry, like Flue Gas Desulphurization (FGD) for example.

The business has a track record of providing end-to-end solutions for executing large and complex projects. It has comprehensive in-house capabilities including engineering, state-of-the-art manufacturing facilities, project management expertise and erection-to-commissioning, which is unparalleled in India and provides complete satisfaction of quality of delivery to the customer.

L&T's integrated power equipment manufacturing facility in Hazira, Gujarat is one of the most advanced in the world where it manufactures ultra-supercritical/ supercritical boilers, turbines, generators, pulverisers, axial fans, air-preheaters and electrostatic precipitators, which has added more than 8 GW of supercritical power generation capacity to grid since its inception.

The business is now gearing up to make its footprints in Nuclear power plants. It has taken necessary steps to undertake STG island contracts in upcoming PHWR nuclear based power plants.

Following are the JVs within its fold:

L&T-MHPS Boilers Pvt. Ltd., a joint venture with Mitsubishi Hitachi Power Systems Limited (MHPS) Japan, for the engineering, design, manufacture, erection and commissioning of ultra-supercritical/ supercritical boilers in India up to a single unit of 1000 MW.

L&T-MHPS Turbine Generators Pvt Ltd., a joint venture with Mitsubishi Hitachi Power Systems Limited (MHPS), Japan and Mitsubishi Electric Corp. (MELCO), for manufacture of STG equipment of capacity 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.

L&T Howden Pvt. Ltd., a Joint Venture with Howden Holdings B.V. L&T Howden is in the business of regenerative air-preheaters and variable pitch axial fans (equipment, after-market spares and services) for power plants.



2x660 MW Jaypee Nigrie Thermal Power Plant, Madhya Pradesh

L&T Sargent & Lundy, a joint venture with Sargent & Lundy LLC, USA which is engaged in the business of providing design, engineering and project management services for power sector.

Business Environment

In the current year, the power industry witnessed a spurt in ordering for FGDs. Installation of FGD systems in existing and upcoming thermal power plants has been made mandatory by the Ministry of Environment, Forest and climate Change, (MOEFCC), Government of India to curtail SO_2 emissions. The Central Government has taken the lead in ordering of FGD systems while power plants in the state and private sector have started floating tenders, which would ensure ordering in the upcoming financial year.

It is estimated that the total installed capacity where FGD is to be installed stands at around 156 GW involving 430 FGD units. The business sees enormous potential in this area and is geared to undertake more such jobs on an EPC basis. The business also has the right combination of technology capabilities namely CT-121 from the world-renowned Chiyoda Corporation, Japan and its own in-house capability in engineering and project management, giving it a competitive edge.

In the mainstream of EPC jobs in coal based projects, India saw very low ordering this financial year. The tender pipeline had practically dried up and most of the tenders have been deferred to next year. The power sector continues to face challenges like availability of funds, low plant load factor, financial stress, load balancing, coal and water availability issues, payment assurances, etc. Further, muted demand from the private sector and excess manufacturing capacity of suppliers continues to put pressure on EPC prices.

Major Achievements

Following are some of the major achievements by the business during the year:

- Achieved Commercial Operations Date for the 1st unit in a project in Madhya Pradesh
- Achieved completion of Performance Guarantee test in a project in Rajasthan.
- Gas Turbine Generator synchronization for a Bangladesh Gas based power plant project within the contractual period.
- First 1,000 MW Turbines to be manufactured in the country by L&T-MHPS Turbine Generator (2 x 1,000 MW Turbines)
- Award for Significant Improvement in Productivity at the IMTMA Ace Microsmatic Productivity Championship.

The business bagged 4 contracts from NTPC for FGD and export orders in L&T-MHPS Boilers. A strong Order Book



2x800 MW Sri Damodaram Sanjeevaiah Thermal Power Plant, Andhra Pradesh



Boiler internals being manufactured at Hazira, Gujarat

ensured that the factory at Hazira operated at almost full utilization.

Significant Initiatives

During the year, the business has taken a few initiatives like implementation of business excellence model, cost optimization and vendor profiling among others.

With the help of leading consultants, the business has focused on reducing its direct and indirect cost to strive for cost leadership.

Digitalisation

In the area of digitisation, the business has implemented various IT driven processes like IOT technology deployment on various plants and machineries at site to improve its machine utilization, work density in different zones, health of machines and their duty cycles,

Other initiatives like GPS tracking of moving vehicles like pick and carry cranes, trucks, tipper and trailers to improve efficiency and Virtual Reality to improve safety conditions at sites, Hawk-Eye (cloud based solution) for project monitoring and use of drones for site survey are at various stages of implementation.

Environment, Health and Safety

The business considers safety as an integral part of its operations, on par with time and cost factors. The business believes that 'safety' is the differentiator between L&T and other organisations. It has now moved to next level of safety implementation by embracing the digital environment for a safer workplace. Embracing initiatives like Virtual Reality to improve the safety conditions at sites is one such example. The various other initiatives like safety campaigns, observing 'safety month' and varied programmes at sites reaffirm the business commitment towards a robust safety management system.

Human Resources

Emphasis on training and development of the workforce has been the focus area. The business realizes the importance of talent preservation and has implemented various initiatives like Promoting Perpetual Leadership (PROPEL) for grooming of its talent. This includes competency building programs for leadership development to make them ready for next level, and various other engagement programs like Instant Motivation for Praiseworthy Actions (IMPACT) awards to motivate and sustain employees who showcased above average commitment.

Risks and Concerns

Despite an increasing focus on renewable energy, the business is confident that coal will continue to be the mainstay of the domestic power sector for providing stable, reliable and robust base load power supply and will continue to offer sustained market opportunities.



Supercritical turbine being manufactured at Hazira, Gujarat



3x660 MW Koradi Thermal Power Plant, Maharashtra

Excess manufacturing capacity, however will continue to drive the prices aggressively and would reflect in the financials of EPC players.

Outlook

Looking ahead, the business is confident of a revival of capacity addition in the thermal power sector to match projected rise in demand for power, in line with projected economic growth in the country.

Coal fired stations will continue to be in demand as it would ensure stable power and provide peaking power requirements and ensure a balanced grid.

The business anticipates growth in power demand, which would require capacity addition and enhancement in the areas of generation, transmission and distribution. Due to anticipated demand, the business sees a market opportunity of around 7GW in next year for coal based thermal power plant business.

The business sees around 40 GW of ordering in FGD systems in the next year, and opportunities in the replacement market.

The Government has an ambitious plan to increase the nuclear power production to 23 GW by 2031 from the current level of 7GW. The business sees large value opportunities in this segment. It is gearing up in terms of manufacturing capability and procuring the requisite technology to produce turbines of 700 MW capacity relating to PHWR nuclear power plants.

The Business is also taking the necessary steps to make itself a serious player to undertake STG island contracts in PHWR nuclear based Power Plants.

Gas based plants are not expected to revive in India soon. The business continues to focus in markets outside India for gas based power plants. The target countries are Bangladesh, Sri Lanka, Myanmar, GCC countries. The business has taken steps to strengthen its presence in the Middle East to encash available opportunities in this sector.

The L&T-MHPS Boiler JV is looking forward to encashing upcoming opportunities in the domestic market and will continue to explore business opportunities in the international market for direct export orders. In addition, the Company is looking forward to gaining a foothold in the Selective Catalytic Reduction system market in India which is likely to open up in the second half of FY 2019-20.

HEAVY ENGINEERING BUSINESS



One of the two EO reactors delivered to RAPID Petronas Refinery, Malaysia

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 and nuclear power, including critical revamp and up-gradation projects.

The business is a leading supplier of hydro-processing reactors, high-pressure heat exchangers, waste heat boiler packages, ammonia converters, urea reactors, urea strippers and other critical equipment for process plants. Equipment supplied to the nuclear power sector includes steam generators, end shield assemblies and pressurizers. In addition, the business also provides modification, revamp and upgradation (MRU) services.

The Piping business unit fabricates critical piping spools for the power, refinery, petrochemical, fertilizer and chemical sectors and has a track record of exporting piping spools globally. The unit has achieved international recognition through an impeccable track record of executing large and complex projects, including high-end reactors and high-pressure heat exchangers, creating global benchmarks. Its capabilities include state-of the art, fully-integrated, globally-benchmarked manufacturing facilities and an experienced and highly-skilled talent pool. The sustainability and safety standards at manufacturing facilities located in Mumbai, Hazira and Vadodara are at par with international standards.

The business has a JV with Nuclear Power Corporation of India (NPCIL), L&T Special Steels and Heavy Forgings Private Limited (LTSSHF) to cater to the demand for critical forgings required for the Indian Nuclear Power program and for other crucial sectors like defence, hydrocarbon and oil & gas. The JV has set up a fully-integrated forging facility (from steel scrap to finished forgings of alloy steels, carbon steel and stainless steels) with a capacity to produce single piece ingots up to 200 MT and forgings up to 120 MT in the first phase.

The JV has also been able to develop special steel grades and meet the needs of customers in the oil and gas segment, where it has been getting repeat orders. It has already qualified itself as the only indigenous producer of large and heavy forgings for prestigious Naval Programs. The entity has successfully completed development of the special steel grades for forgings required in naval applications. Having established the capabilities, the JV is expecting significant new opportunities, once orders for 6 Nuclear Submarines are placed under the Government's Make in India initiative.



India's heaviest Hydrocracking Reactor (1858 MT) for HPCL Visakh Refinery



Nuclear Steam Generator Cone Shell - 16 MT

Business Environment

The Business witnessed a spurt in the demand for equipment for the Oil & Gas sector (Downstream) in FY 19, mainly due to stable oil prices and the implementation of Marine Pollution norms i.e. IMO 2020. The investments by Oil Public Sector Undertakings are currently underway to comply with the BS-VI clean fuel standards.

The fertilizer industry saw limited growth in terms of energy saving projects viz. Kribhco Fertilizer and Indo Gulf Fertilizer, while the nuclear business was impacted by delay in the procurement of fleet orders.

Competition from European and other Indian fabricators continues to be fierce. Korean, Japanese and European companies are getting preference due to ECA (Export Credit Agency) financing requirements, prevalent mainly in Europe. Surplus capacities and limited demand has resulted in aggressive competition, putting extensive pressure on pricing and deliveries.

Major Achievements

During the year, the business experienced a spurt in order inflows with major orders being received in the Oil & Gas sector for critical reactors, coke drums, slug catchers, LNG equipment, Ethylene Oxide reactors, mainly for projects in the Middle East, China and USA. The LTSSHF JV received an order for supply of steam generator forgings for 6 units to be set up in 'fleet' mode.

Major projects under execution are Atmospheric Residue Desulfurization (ARDS) reactors for ADNOC Refinery in UAE, steam generators for Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP) Unit -1& 2 for NPCIL and Hydrocracker Unit Reactors in Duqm Oman.

Significant Initiatives

The business has focused on operational excellence initiatives to deal with the challenging market scenario and to enhance its competitiveness further. Major initiatives include – On Time Delivery, First Time Right Work Culture, Talent Management and Organization Excellence. These initiatives have contributed to significant improvement in increasing our speed in manufacturing and enhanced our capabilities further.

Digitalisation

Digitalisation has been identified as a key driver for improving quality and productivity. Several digitalisation projects for improving monitoring of projects and resources, and creating dashboards have been taken up by the business. The Product & Technology Development Centre supports the business units to develop new products and manufacturing technologies.



Spools undergoing heat treatment at L&T's forging plant, Hazira



Lower portion of cryostat being built for ITER, world's first fusion energy project

Environment, Health and Safety

The Heavy Engineering business has maintained high standards of Occupational Health and Safety, and several initiatives like Reported Safety Concerns, EHS Awareness and Training sessions, and Theme Based Inspections are undertaken to provide a safe and healthy workspace for employees, customers and other stakeholders. The rigorous implementation of various processes has resulted in a YoY improvement in the business' safety performance parameters.

Human Resources

The Business has built a committed and experienced team of professionals, and adopted various policies and initiatives in order to sustain healthy employee relations, professional development and employee engagement. A cultural transformation through a combination of the Performance Management System, mentoring and digitalisation remains the key driver of these initiatives. These initiatives are communicated to all employees through various forums like SAMVAAD-2018. For nurturing new generation leaders and Talent Development, mentoring of key talents by senior leaders was initiated. Long Service Awards, Team Building Workshops, non-monetary recognition events, etc., are periodically undertaken to enhance employee motivation levels.

Risks and Concerns

The Business has a complete Risk Management framework in place in line with the Corporate Risk Management Policy. This ensures a structured review of all the projects at appropriate levels and across the entire life cycle of projects. The framework includes detailed review and monitoring of various risk factors like financial risk, currency and commodity risks, schedule and capacity risk, client and supplier related risks, country clearance, technological and scale challenges, among others. The risks are mitigated through regular reviews and implementation of appropriate risk mitigation measures. This framework has helped the Heavy Engineering business to maintain a healthy order book and ensure that there are no material weaknesses.

Outlook

Signs of a global economic slowdown and general elections held in Q1 of FY 2019-20 may result in reduced demand for heavy engineering equipment in the first half of FY 2019-20. Increasingly, customers are adopting strategies like reverse auction and qualifying new suppliers. This is resulting in further competitive pressures. On the domestic front, companies are striving to build references through technology tie ups with European and Japanese manufacturers.



8 ARDS Reactors (7000 MT) ready for delivery to RAPID Project, Malaysia

The second half is likely to provide Nuclear Fleet procurement opportunities (700 MWe PHWR projects). The domestic Refinery sector is likely to show a revival of the Capex cycle from Oil PSUs (IOCL, HPCL, CPCL and BPCL). Emergence of new refineries (RRPL- Ratnagiri, and HRRL- Barmer) and overall business expansion due to FDI inflows will provide avenues for the equipment business in Q4 FY20 / FY21. In the Fertilizer sector, major opportunities are expected from Talcher Fertilizers Limited.

With the Cabinet Committee on Security (CCS) clearing the proposal for the GOI's investment in 10 domestic nuclear power plant reactors (10X700MWe) through bulk ordering in May 2017, new opportunities have been opened up for LTSSHF. NPCIL has also initiated the process for the procurement of critical equipment/ components like end-shield stainless steel plates and forgings for pressurizers and Breed Cooler Condenser (BCD) for these 10 units.

DEFENCE BUSINESS



MRSAM Mobile Launcher System

Overview:

The defence, aerospace and shipbuilding businesses of the Company have been integrated into a separate vertical, L&T Defence Engineering, for segment reporting. The business has been engaged in conceptual design-to-realisation-to-delivery of equipment, systems, solutions and platforms across chosen defence segments, from surveillance to strike capabilities, this vertical also provides through-life support for the systems supplied by them. The portfolio encompasses engineering equipment and systems ranging from propulsion systems to enable mobility, logistic solutions to naval & land platforms such as warships, submarines and armoured systems. The Company's defence solutions span the value chain from building platforms and systems to through-life support in a unified manner.

L&T has been active in the defence and strategic sector since the mid-80s, by associating with the Defence Research & Development Organisation (DRDO) and naval indigenisation programs - well ahead of the opening up of the sector for private Industry participation. At that time, the defence initiatives focussed partnering DRDO Laboratories in the design and prototype development of complex weapon systems. It also focussed on the design, development, qualification and delivery of special purpose engineering equipment for naval platforms being built by MoD shipyards and under DRDO programs.

Over the years, the business portfolio grew in scale and maturity to include indigenous design, development, industrialization and serial production of a range of naval and land weapon launch and engineering systems, fire control systems, missiles and space launch vehicle subsystems, radar systems and sensors, military communication systems and avionics. This evolutionary journey has led to the development of capabilities in design, engineering and construction of naval platforms (submarines and warships) and armoured systems.

The operations span across two R&D centres, three Design & Engineering Centres and production centres at nine locations spread across India to serve the defence and aerospace sectors. These include:

- Submarine Hull-building Facility, Hazira
- Armoured Systems Complex at Hazira for manufacturing, integration and testing of armoured systems
- Precision Manufacturing and Systems Complex, Coimbatore for aerospace and missile manufacturing
- Advanced Composites facilities at Vadodara and Coimbatore



Pinaka Guided Launcher System



155mm/ 52 Cal Tracked Self Propelled Gun K9 VAJRA-T

- Strategic Systems Complex, Talegaon, Pune, for weapon and engineering systems and sensors
- Strategic Electronics Centre at Bangalore
- Marine Switchgear and Control Systems, Navi Mumbai,
- A modern shipyard at Kattupalli, near Chennai
- A facility at Vizag under the Government Owned Contractor Operated (GOCO) model for a Strategic Program
- R&D Centres at Powai and Bangalore for targeted product, systems and technologies
- Design and Engineering Centres at Powai and Chennai for warship, submarine and weapon and engineering equipment

The Defence Business is structured into two business groups:

1. Defence and Aerospace
2. Defence Shipbuilding

1. Defence and Aerospace

Over the years, the Defence and Aerospace (D&A) business has built a portfolio spanning a wide range of indigenous products, systems, solutions, platforms and technologies. This has been achieved through in-house efforts as well as by teaming up with DRDO and participation in the Indian Navy's indigenisation program for realisation of defence systems within the country. Till date, the D&A strategic business group has indigenously developed more than 250 defence products and over 50 of them have been industrialised and delivered in serial production mode.

The business model is uniquely differentiated with a focus on in-house technology and product development, with innovation at the core of our offerings. This is augmented by our mature and equitable partnerships with global majors, to maintain our market lead position in an environment where the Government is aggressively pursuing an indigenisation agenda while most indigenous players are dependent on ToT model to pursue defence production. The business thus continues investing in R&D to develop new age technologies and products such as unmanned systems (all four segments), robotics, additive manufacturing (3D printing) and artificial intelligence.

The D&A group also has a Joint Venture (JV) with MBDA, a global leader in missiles and missile systems. The JV is well positioned to indigenously offer advanced missile systems to the Indian Armed Forces.

2. Defence Shipbuilding

L&T's Shipbuilding offers end-to-end solutions for design, construction and through-life support for defence platforms. L&T operates two defence shipyards – one at Hazira Manufacturing Complex and another greenfield mega shipyard at Kattupalli,



L&T built Offshore Patrol Vessels help the Indian Coast Guard keep our shores safe

near Chennai. Located across a sprawling 900-acre complex, the Kattupalli Shipyard is India's largest yard, designed in-house and built to globally benchmarked technological practices. Dedicated design centres for warships and submarines are equipped with latest integrated 3D design, analysis, virtual reality and Product Lifecycle Management tools, interfaced with project management and ERP systems on one hand and production machinery in the workshops, in line with global best practices. This is the only yard in India with Industry 4.0 practices in place and pursuing modular construction based on indigenous solutions.

The Shipyard has been largely engaged in New Build and refits / repairs of defence ships of the Indian Navy and Indian Coast Guard. The Shipyard, since 2010, has designed, constructed and delivered 50 Defence Vessels which include a Floating Dock (Navy), Interceptor Boats and Offshore Patrol Vessels (Coast Guard) in record time. The unique capability of the business to achieve on-time or ahead of contractual delivery, performance in all the contracts for Defence Vessels is a benchmark in itself for the Indian Shipbuilding Industry to emulate.

Business Environment

Over the last five years, the Government of India, in its quest to boost defence manufacturing, has taken substantive steps to ease licensing in defence, promote exports, preferential categorization of acquisition in favour of indigenisation of defence systems, accelerating process of Acceptance of Necessity and RFPs and encouraging private sector participation in the defence sector. The intent of the Government to achieve higher indigenization and self-reliance is visible in the latest policy measures such as Strategic Partnership, simplified Make II procedure, defence corridors in Tamil Nadu and Uttar Pradesh and the draft Defence Production Policy. Defence procurement policies and procedures continue to evolve with earnest and positive impetus towards 'Make in India'.

While various policy initiatives are in the right direction, the challenge resides in time-bound implementation, convergent and concurrent actions. While the GoI has taken steps to ensure ease of doing business by issuing a series of amendments to DPP under 4 rounds of Business Process Restructuring initiatives and also addressed many issues to grant a level playing field, the concerns of private sector remain unaddressed as Defence PSUs are still being preferred for key programs in the pipeline, based on earlier decisions. With these earnest efforts by the Government, the stage is set to leverage indigenous capabilities and infrastructure created by L&T across domains and segments over years to come.

Major Achievements

- Delivery and commissioning of the 1st Indian Weapon System, for a foreign Navy is a significant breakthrough for L&T



Floating Dock



Modular Bridging Systems built by L&T give our Armed Forces enhanced mobility

- Dedication to the nation of L&T's Armoured Systems Complex at Hazira by the Honourable Prime Minister in presence of Hon. Defence Minister
- Significant weapons systems delivered included K-9 Vajra Howitzers, Pinaka MRLS, BM21, Akash Air Defence Systems – many of which were displayed at the Republic Day Parade
- Delivery of multiple weapon launch systems (land and naval), engineering systems and missile systems to the Indian Armed forces
- Announcement on operationalization of deterrence patrol by INS Arihant by our Honourable Prime Minister – testimony to the platform's build quality
- Handover of three Offshore Patrol Vessels (OPVs) to Indian Coast Guard – all ahead of schedule.
- Benchmark-setting delivery: OPV-1 was the first First-in-Class ship since 1963 to be delivered within the contracted schedule
- Ahead-of-schedule deliveries of Interceptor Boats (IBs) to Indian Coast Guard (8 boats in FY 19)

New Orders

- Supply of 10m short span bridges received from MoD.
- Order from MBDA France for MICA missile rear section and launcher integration.

Significant Initiatives

In addition to the focus on defence manufacturing to serve the Indian Armed Forces, direct exports are being targeted as an additional engine for growth.

L&T has been working closely with DPSUs over the years and the relationship was taken to the next level by signing MoUs with BEL and BEML. This will aid L&T and the partners to target specific programs and explore new opportunities for both domestic and international markets.

Besides having a strong focus on R&D, digitalisation to enhance productivity, building synergy across work centres and business sustainability, the business is also working on strengthening partnerships to explore and target newer markets. During the year, a new facility for production of Armoured Systems was created in L&T's Hazira Complex with 'Industry 4.0' set-up, which has already started rolling out K9 Vajra-T Howitzers. The business, in its association with DRDO in development of indigenous systems made marked contributions to 17 of the 20 systems for which DRDO conducted successful launch trials during the year, by supplying critical systems such as Launchers, Fire Control Systems, Stabilisation Systems, Missile Airframes, etc.

Digitalisation

The digitalisation journey for the business dates back to the late eighties with progressive implementation of Computer



L&T has made a vital contribution to India's first nuclear -powered submarine

Aided Design, 3D modelling, Walkthroughs, Virtual Reality, Digital Manufacturing techniques, Laser based Metrology, Integration, etc. These techniques have been applied across the value chain from digital design through platform manufacturing and system integration. In recent years, the business embarked upon utilising Industry 4.0 technologies to make operations efficient and stay ahead of delivery schedules all the times. The business has initiated IoT implementation in manufacturing centres to add a new edge to operational efficiencies. While a range of digital initiatives have already been implemented, many more are in the implementation phase.

Environment, Health and Safety

The business has displayed exemplary performance on safety track record across work centres and customer locations and also at Business Partners premises. The awards won by Powai and Kattupalli work centres accentuate the resolve for championing safety as our core value. The business continued to focus on the triple bottom line and green initiatives and achieved significant y-o-y reduction in water and energy consumption, keeping sustainability in mind. The Miyawaki forest development project at Talegaon unit has been a unique success story for many to emulate. This has already become natural habitat for fauna, migratory birds, peacocks, etc.

Human Resources

HR initiatives have been aligned to the overall business strategy by focussing on identifying and grooming high potential talent, critical for having a competitive advantage through various management and leadership programmes. The business has implemented a Technology Leadership Programme to maintain its market leadership position and continue to focus on development of niche technologies. Attention to leadership and talent development continues as a business imperative. Further, with renewed emphasis, the business has embarked on an employee engagement initiative to retain, grow talent and continue to be an employer of choice.

Risks and Concerns

The defence sector as a whole, exhibits a cyclical nature in terms of business growth opportunities. In L&T's case, a bouquet of products across segments, developed through in-house efforts, has ensured that the risk is limited to deferment of orders. The impact of diversion of funds to social spending ahead of the Lok Sabha elections and GST reimbursements to OEMs may impact the project awards and progress.

Outlook

Defence Business

The Defence Production Policy awaiting final clearance by the Government has set clear targets for the quantum of



Tactical Unmanned Aerial Vehicle designed and built by L&T



L&T has provided systems for most of India's space missions - including those to the moon and Mars

defence production, both domestic and exports by 2025. The policy explicitly lists 13 segments for which indigenous capability will be built and imports will be disallowed. This augurs well with the industry to develop capabilities and capacities over a mid to long-term basis. The company has already been working in capability and capacity building in many of these segments and has a proven track record in many of them.

Since 2014, programs worth more than ₹ 4.5 Lakh crores have been cleared for acquisition with 2/3rd of them categorised for Indigenous acquisition. The Private Sector has been allowed to compete for more than 50% of the programs categorised as indigenous acquisition – a major change compared to preceding five years, when it was below 5%.

The defence production market shows promise of significant pick-up in the medium to long term as the Government implements some of the policy initiatives still in the pipeline. The Indian Navy's aggressive fleet expansion plan, combined with the 'Make in India' initiative of the Government provides wider opportunities to Indian shipyards for construction of warships and submarines for defence forces.

Aerospace Business

The Indian Space Research Organization (ISRO) has started working on its ambitious plan of Gaganyaan 2022 and has also initiated actions to involve the industry in Launch Vehicle Integration which is likely to create sizeable opportunities. In-line with this, L&T and HAL have signed a consortium agreement to produce the complete launch vehicle for ISRO.

The strategic partnership policy has been created to bring in private sector participation in addition to the production lines of the DPSUs for manufacturing defence platforms within the country. During the year, two programs have been approved for procurement under SP viz. Naval Utility Helicopters (NUH) and Program 75(I) for construction of Conventional AIP Submarines indigenously. While, the EoI for NUH program has been released for Indian and Foreign OEMs in FY 2018-19, the same is expected for P75(I) in the first quarter of FY 2019-20. L&T, having been a vital contributor for indigenous production with experience across segments, is well placed to be a Strategic Partner to the Government of India and indigenously build platforms that were earlier fully imported or assembled with dominating import content.

ELECTRICAL & AUTOMATION BUSINESS



City Command & Control Centre, Vadodara Municipal Corporation.

Overview:

L&T's Electrical & Automation business is a leading provider of electrical equipment in India. It is structured into two Strategic Business Groups (SBGs) – Products SBG and Projects SBG.

The business is engaged in manufacturing low and medium voltage electrical switchgear products (both standard and customized), energy meters, apart from executing projects in the control & automation space. The products are widely accepted in both domestic and international markets, particularly in South East Asia, the GCC, select African geographies and the UK.

L&T's low voltage switchgear commands the highest market share in India. Its medium voltage switchgear products enjoy a market-leading share in Malaysia.

The Company's low voltage switchgear is manufactured at three locations in India - Vadodara, Mahape (Navi Mumbai) and Ahmednagar. The medium voltage product segment has two manufacturing units, one in India (Ahmednagar) and the other in Malaysia. The low voltage switchgear and agricultural products are marketed through a network of over 650 stockists.

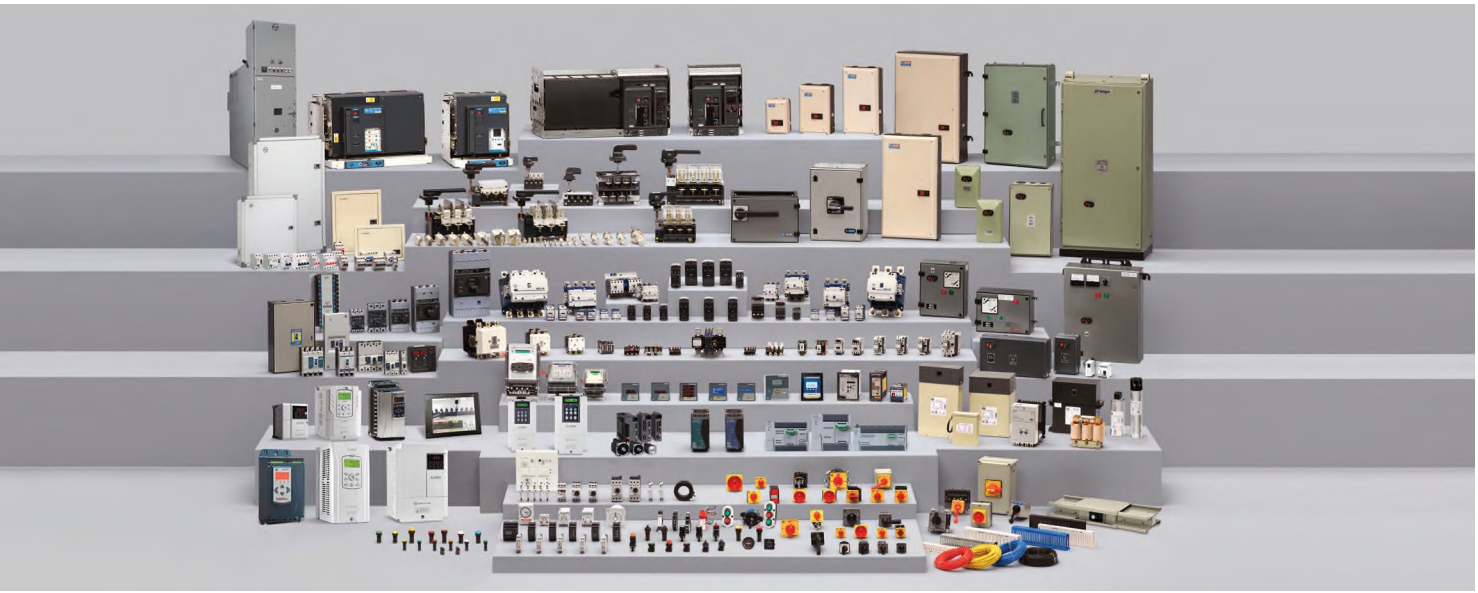
L&T is one of the largest manufacturer of single-phase energy meters in Asia and enjoys a market-leading position.

The range of automation products, such as drives and PLCs, are sold through around 75 Integrated Solution Providers. In addition, it also serves the retail market through a network of 165 Retail Distributors (called Primary Trading Partners) and around 350 Distribution Select Partners (DSPs).

The business serves a wide range clients across sectors – metro rail, airports, renewable energy/ solar, defence, hospitals, educational institutions, data centres, realty projects, auto, food & beverage, chemical, pharma, textile, sugar, automobile and steel. Additionally, the business supports the Indian agricultural ecosystem through innovative control-gear products as well as new-generation solar-energy supported products.

The industrial automation presence of the business is supported by an in-house manufacturing capability for control panels, strong in-house design and development teams and its own copyright software solution – i-Visionmax®. It also has tie-ups with global players in the automation industry.

The business has five DSIR-approved R&D facilities and two NABL-accredited testing laboratories to test products across diverse parameters. The



L&T offers India's widest range of switchgear to a variety of sectors

design and development team collaborates with international laboratories, testing centres and academic institutions. The business is supported by state-of-the-art tooling facilities which produce a range of high-precision tools to serve the needs of the business as well as those of external customers.

The business has an international presence through its subsidiary, the TAMCO group of companies, which manufactures low and medium voltage switchgear. It caters to international markets, i.e. the Middle East, Europe, Africa, North and South Asia, Australia and New Zealand.

L&T Electrical & Automation FZE (LTEAFZE) is a 100% subsidiary of L&T International FZE. It is located at Jebel Ali Free Zone in Dubai and caters to customers in the Middle East and Africa. It provides turnkey engineering, assembly, integration of electrical, instrumentation and telecommunication solutions. LTEAFZE currently is doing work for two major projects in GCC, notably the Doha and Riyadh metros.

L&T Electrical & Automation Saudi Arabia Company Limited (LTEASA), located at Dammam in Saudi Arabia, is a wholly owned subsidiary of L&T. It offers to the Gulf market a spectrum of products and services, such as Air Insulated Switchgear (AIS), Gas Insulated Switchgear (GIS), Ring Main Units, LV Switchgear and Motor Control Centres (MCC) - fixed / draw out, pre-fabricated / packaged sub-stations.

Henikwon Corporation is a leading manufacturer of low voltage and medium voltage bus duct systems for the building and infrastructure segments. It caters to customers in South East Asia, India and the Middle East.

Servowatch Systems Limited, Bond Instrumentation & Process Control Limited and Servowatch Inc, (USA) offer technology in the control & automation space for marine applications as well as other emerging segments. It is recognised as a global leader in system integration for modern naval platforms, super yacht installations and commercial marine operators.

Business Environment

FY 2018-19 witnessed several technological shifts – from PLC (Programmable Logic Controllers) to PAC (Programmable Automation Controllers) in the equipment space, the emergence of IIoT analytics to facilitate monitoring and service management and the emergence of intelligent solutions. These are some of the key factors fuelling the market growth for the business. Additionally, the business is very sensitive to macro-economic situations and scenarios, including Government policies and macro-economic stability.



Air-insulated Switchgear

In order to reduce AT&C (Aggregate Technical & Commercial) losses, the Government has launched a scheme to convert all energy meters to smart prepaid meters. This bodes well for the metering business of the Company. Revision in agricultural MSP, targeted improvement of farmers income and other such initiatives have led to increased demand. The business has seen improved prospects from industries like textiles, Infrastructure and from Government-funded schemes like DDUJY and IPDS. Growth opportunities have arisen from segments such as affordable housing, airports, renewable energy, hospitals, educational institutions, data centres and telecom.

The trade war between the US and China and the Brexit chaos pose risks at the global level. However, the Indian economy continues to move from strength to strength and reap the benefits of the economic slowdown in China.

Cues of pick-up in Malaysia can be seen, while Gulf countries continue to be sluggish, with no sign of revival in sight. However, the swinging oil prices and plans for expansion in this space have led to increased capex outlay in GCC countries like the UAE, Kuwait and Iraq.

Major Achievements

- Grants for 34 patents, 33 trademarks and 26 design applications in India, as well as 3 foreign patent grants (one each in China, Malaysia and Europe).
- Electrical Standard Products business
  - 20% Healthy New Product Intensity (NPI) index powered by focused R&D activities
- Electrical Systems & Equipment business
  - Breakthrough in Africa for business with an order from the Dangote Group.
  - Attained success with wind players
  - Ahmednagar Switchgear Works factory has become the first Indian factory approved by global wind majors

Significant Initiatives

Multiple value engineering and procurement optimisation measures have helped generate operational cost-efficiencies and savings, across the business. A few, key vertical-specific initiatives include:

Electrical Standard Products

- Total Quality Management (TQM) remained a key focus area for business. It has applied for the coveted Deming Prize – the highest Quality award – which will help the business to garner further opportunities from international markets.
- New products introduced included MCCBs and variants of Omega ACBs for new emerging markets, contactors



Smart Meters

for power quality control, the ENGEM range of wiring accessories, products for the agriculture segments, etc.

Metering and Protection Systems

Ongoing implementation of operational excellence initiatives such as Value Engineering, Lean Manufacturing, 5S, etc. have helped it to achieve cost efficiencies and to remain competitive.

Switchboard Business

By shifting its low voltage switchboard manufacturing operations from Ahmednagar to Coimbatore the business has increased its manufacturing capacity for medium voltage products.

Electrical Systems and Equipment

- Introduced a range of new products for the utilities segment i.e. feeder pillars, CSS (Compact Sub Stations) and Front RMU (Ring Main Unit) with FRTU (Feeder Remote Terminal Unit)

- New products for infrastructure projects (metros, airports, smart cities and high-end residential complexes) in global markets: Sub-Main Distribution Board (SMDB) and GIS for the wind segment

Control and Automation

- Successfully developed its in-house AC drives of Series 690V and MV range, thereby reducing dependence on imports.

- Upgradation of the in-house developed SCADA i-Visionmax® which is gaining increased acceptance in the market.

Digitalisation

The business has embarked on number of enterprise-wide transformation initiatives towards digitalisation and data analytics in alignment with its business strategy. These include:

- Project Maitri – IoT-based Smart Asset Management Solution
- Asset Intelligence Management
- Collaboration, Document Management System, Workflow Management
- Digital Training & Education
- Augmented Reality
- Virtual Factory Visit (VR)
- Sales Force Automation solutions



Switchboard installation at a national infrastructure site



SCADA Systems

Environment, Health and Safety

Energy conservation remained a major focus area in FY 2018-19 across all manufacturing locations. Various initiatives undertaken have saved total energy of 2392491 kWh. Notable conservation initiatives across all manufacturing locations include the use of LED lights, optimum temperature setting for ACs, installation of solar panels to reduce conventional energy consumption and the implementation of energy-saving options on CNC machines.

Regarding safety, seven Lost Time Incidents were reported during the year from different project sites and factories of the business. There were no accidents reported at the Mahape, Ahmednagar, Coimbatore and Mysuru locations. The business has increased safety training man-hours. During the year, it spent 88% more man-hours in training in comparison with the last financial year. This has resulted in higher safety awareness among employees and consequently fewer Near-Miss Incidents in the year.

Human Resources

The sustained focus on employee development and engagement complements consistent business results. Enhanced workforce productivity is testament to innovative HR initiatives implemented year after year. The unique leadership development framework of STEP initiatives equip managers with the necessary leadership competencies required at different managerial levels. The business's ability to scale-up operations through the right talent mix as well as to provide an eco-system conducive to high performance, reflects a robust engagement matrix.

Engagement frameworks on Rewards & Recognition (R&R) including Annual Awards and My-Day-My-Way stand out amongst the most popular and widely recognised initiatives across the business. Beyond engagement outcome and predictors, several human capital initiatives are designed to suit the business's strategy.

Risks and Concerns

Some parts of the businesses such as Meters, Control & Automation projects and supply of products to utilities are dependent on Government contracts and the stability of the Government's policies is essential to its growth. This risk is mitigated by an attempt to diversify the customer base.

Private sector investments are also a driver for the business's growth. Political and policy stability will, in turn, determine private sector growth. Any instability is a risk to the business and mitigation is again being attempted through a focus on products in emerging technologies, such as solar, in which projects are likely to be relatively Government and policy-agnostic.



Range of U Power Omega Air Circuit Breakers

The increasing barriers to imports in some of the GCC countries resulting from an emphasis on local content and presence poses a challenge. Country-specific business models to deal with local legislation in this regard are being mooted to mitigate this risk. The oil & gas industry is a major customer for the business across geographies. Investment in this space is directly related to the stability of oil prices. A more balanced customer base with increased focus on new technologies, i.e., renewables and infrastructure, are mitigation approaches.

Outlook

GDP growth in India is expected to be at around 7% and CPI & WPI Inflation remained subdued. To fuel industrial growth, RBI announced rate cuts with a focus on improving credit and liquidity.

Significant opportunities will be provided to the business by new infrastructure, public transport systems, airports and support to renewable energy. Government programmes like UDAY, Smart Cities, Smart Grid, Pradhan Mantri Krishi Sinchayee Yojana, Pradhan Mantri Kisan Samman Nidhi Yojana, Digital Villages, India's Electric Vehicles mission and increased focus on renewable energy will provide new opportunities for the business.

Opportunities in the GCC region will emerge from the impetus to large renewable energy projects, the creation of new urban infrastructure and an increased focus on automation across sectors, notably in oil & gas. Growth in Africa is also expected to increase and the presence of the business in select geographies will be beneficial.

During the early part of FY19, L&T entered into a definitive agreement with M/s Schneider Electric, a French multinational company, to divest its Electrical & Automation business in line with the Company's policy to exit non-core businesses, subject to approvals from regulatory authorities. The Competition Commission of India in its letter dated April 18, 2019 has accorded approval, subject to certain amendments the details of which are awaited.

HYDROCARBON BUSINESS



40,000 MTPA Melamine Plant for Gujarat State Fertilizers & Chemicals, Vadodara, India

Overview:

L&T's Hydrocarbon business provides integrated 'design to build' turnkey solutions for the global oil & gas industry and fertiliser sector. The Company executes projects for oil and gas extraction and processing, petroleum refining, chemicals and petrochemicals, cross-country pipelines and terminals. In-house capabilities range from front-end design through detail engineering, procurement, fabrication, project management, construction and installation up to commissioning services. L&T's Hydrocarbon business is housed primarily in a wholly owned-subsidiary, L&T Hydrocarbon Engineering Limited (LTHE).

The business has a fully integrated capability chain, including in-house engineering and R&D centres, world-class modular fabrication facilities as well as onshore construction and offshore installation capabilities. Major facilities in India include Engineering & Project Management Centres at Mumbai, Vadodara and Chennai, as well as Fabrication Yards at Hazira (near Surat) and Kattupalli (near Chennai). The Company's overseas presence is primarily in the Middle East, i.e. in the UAE (Sharjah), Saudi Arabia (Al-Khobar), Kuwait and Oman (Muscat). The business also has a major Modular Fabrication and Heavy Engineering Facility at Sohar in Oman.

The business caters to clients across the hydrocarbon value-chain through the following business verticals:

Offshore

Lumpsum turnkey EPCIC solutions are offered to the global offshore oil & gas industry encompassing wellhead platforms, process platforms and modules, subsea pipelines, brownfield developments, offshore drilling rigs (upgrade and new-builds), floating production storage and off-loading (FPSO) modules, deep-water subsea systems, offshore windfarm projects and decommissioning projects.

The business has comprehensive engineering capabilities covering the complete project life cycle from feasibility studies, concept, FEED, 3-D model based detailed engineering, special studies to commissioning for offshore projects. The offshore capability is supplemented by a self-propelled heavy-lift-cum- pipe-lay vessel – LTS 3000 – held in a joint venture with Sapura Energy Bhd and a recently-acquired pipe-lay barge – LTB 300 – which will be an enabler in augmenting the Company's offshore installation capabilities.

Onshore

The business vertical provides EPCC solutions for a wide range of onshore hydrocarbon projects covering upstream oil & gas processing, refining, petrochemicals, fertilisers (ammonia & urea complexes), cryogenic storage



A fully-integrated gas platform - the heaviest in Saudi Aramco's history - installed by float-over method at Hasbah Field in Saudi Arabia

tanks and LNG regasification terminals and cross-country pipelines. The business has a track record of successful simultaneous execution of multiple mega projects having diverse technologies from process licensors like UOP, Axens, Haldor Topsøe, Lummus Technology, Scientific Design, Black & Veatch, Ortloff, Air Products, ExxonMobil, Merichem, Foster Wheeler, Casale, BOC Parsons, Invista and Davy Process Technologies.

The Company's Design Engineering Centres – L&T Chiyoda for onshore engineering and L&T GULF for pipeline engineering – enable it to offer its clients the complete spectrum of FEED, process and detailed engineering. In-Kingdom EPC prospects in Saudi Arabia are addressed through the Company's subsidiary, LT Arabia, registered as an IKEPC Company.

Construction Services

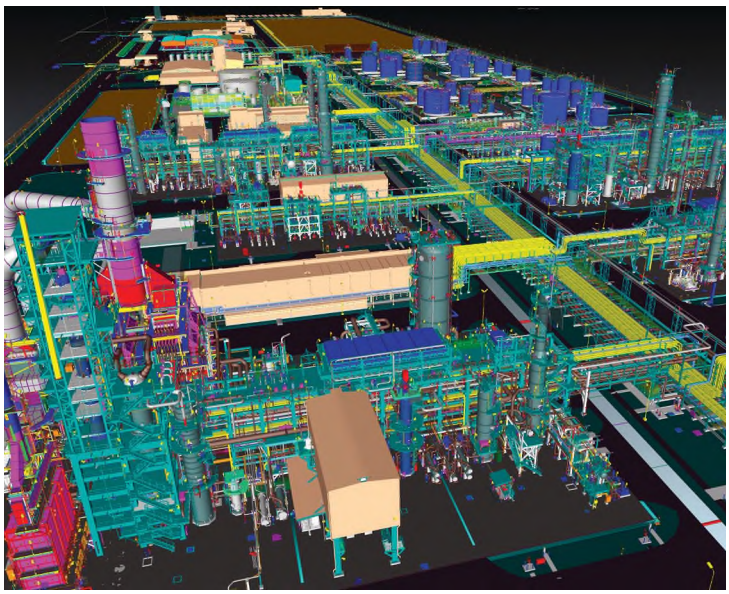
This business vertical renders turnkey construction services for refineries, petrochemicals, chemical plants, fertilisers, gas gathering stations, crude oil & gas terminals and underground cavern storage systems for LPG and cross-country oil & gas pipelines.

Its major capabilities include heavy lift competency, application of 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 machines and other plant and machinery for electro-mechanical construction works. The business has executed projects for major private sector customers as well as major oil PSUs.

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.

Modular Fabrication Services

Comprehensive modular solutions are offered, with a unique combination of Modular Fabrication Facilities backed by rich and extensive experience in Project Engineering, Procurement and Installation / Construction, Testing and Commissioning (EPIC/EPCC) in both Offshore and Onshore domains, in primarily the oil & gas sector. This includes fabrication and supply of modules and static equipment for offshore oil & gas fields, refineries, petrochemical plants and fertiliser complexes. World-class modular fabrication facilities are strategically located at Hazira (India's west coast), Kattupalli (India's east coast) and Sohar (Oman) with a combined annual capacity in excess of 2,00,000 MT (depending on the product mix). These



3-D model of Normal Paraffin & Derivative Complex under execution for Farabi Petrochemicals at Yanbu, Saudi Arabia



One of the 4 decks of SFNY-4D project installed in Safania Field for Saudi Aramco

facilities offer year-round delivery capability with robust QHSE performance and are equipped with state-of-the-art infrastructure and machinery for operational and logistical flexibility, project management and cost competitiveness. The business is also equipped to supply foundations and other modules for offshore wind farm projects and modular e-houses.

These all-weather waterfront facilities have easy access to clients across the globe and have load-out jetties suitable for the dispatch of large and heavy modules via ocean going vessels and barges.

Advanced Value Engineering & Technology Services (AdVENT):

The Company's erstwhile Engineering Services vertical has been restructured into a specialized vertical. Known as 'AdVENT', it offers customer-centric solutions for the Hydrocarbon industry and emerging industries while addressing the specific needs of the changing energy sector.

Leveraging its expertise in high-end engineering and execution of large-scale technologically complex EPC projects, AdVENT delivers comprehensive solutions encompassing Design & Engineering, Project Management, Strategic Project delivery, Modularisation, Asset Management and Turnaround Services.

AdVENT is involved in implementation of indigenous 2G (Second Generation) Ethanol Technology through upcoming plants based on agro-waste under the National Biofuel Policy.

Business Environment

FY 2018-19 witnessed fluctuating commodity as well as currency markets. Oil prices exhibited significant volatility with Brent crude price soaring to USD 86 per barrel in early October 2018 and subsequently nosediving to a low of USD 51 in December 2018. However, the business environment in the Middle East for oil & gas projects is quite buoyant, with large-scale projects under various stages of development. There are now visible signs of higher capital expenditure in both Onshore and Offshore businesses.

Saudi Arabia has reported a rise in oil and gas reserves up to 268.5 billion barrels. Abu Dhabi has passed an AED 132 Bn budget for the next 5 years, with increased focus on gas production, unconventional and new developments. Also, ADNOC is allowing more international companies to independently mine for oil & gas. However, localisation content and value norms in the GCC countries are becoming intense, with significant weightage given while awarding projects.

Indian refineries are in a healthier financial position due to higher refining margins and a lower subsidy burden.



LTB 300, a pipelay-cum-work barge undertaking offshore installation

Significant investments are planned by PSUs in the debottlenecking of existing assets, expansion of existing refineries and integrating refineries with petrochemical complexes.

The Government has its focus on the LNG Infrastructure. Consequently, it has slashed the import duty from 5% to 2.5%. Also, enhanced oil and gas recoveries are subsidized by the Government for royalties. The Indian market is becoming increasingly attractive to international competitors, with India's ambitious plan to enhance its refining capacity by 2030.

Consolidation continues in the industry as service providers seek to create value through integrated offerings to clients. Intensity in competition is increasing by the day, with the prevalence of predatory pricing among service providers.

Major Achievements

Offshore

Projects Completed

During the year, the offshore vertical handed over three wellhead platforms ahead of schedule to ONGC for their Neelam Redevelopment Project. The balance process platform, along with an associated bridge, is progressing on schedule. The Company also completed Transportation & Installation (T&I) for Daman Development Project and achieved substantial completion for ONGC's Pipeline Replacement Project – 4 (PRP4) project. It also completed the Safaniya 4 Deck project and upgraded 17 Tower Cranes for Saudi Aramco.

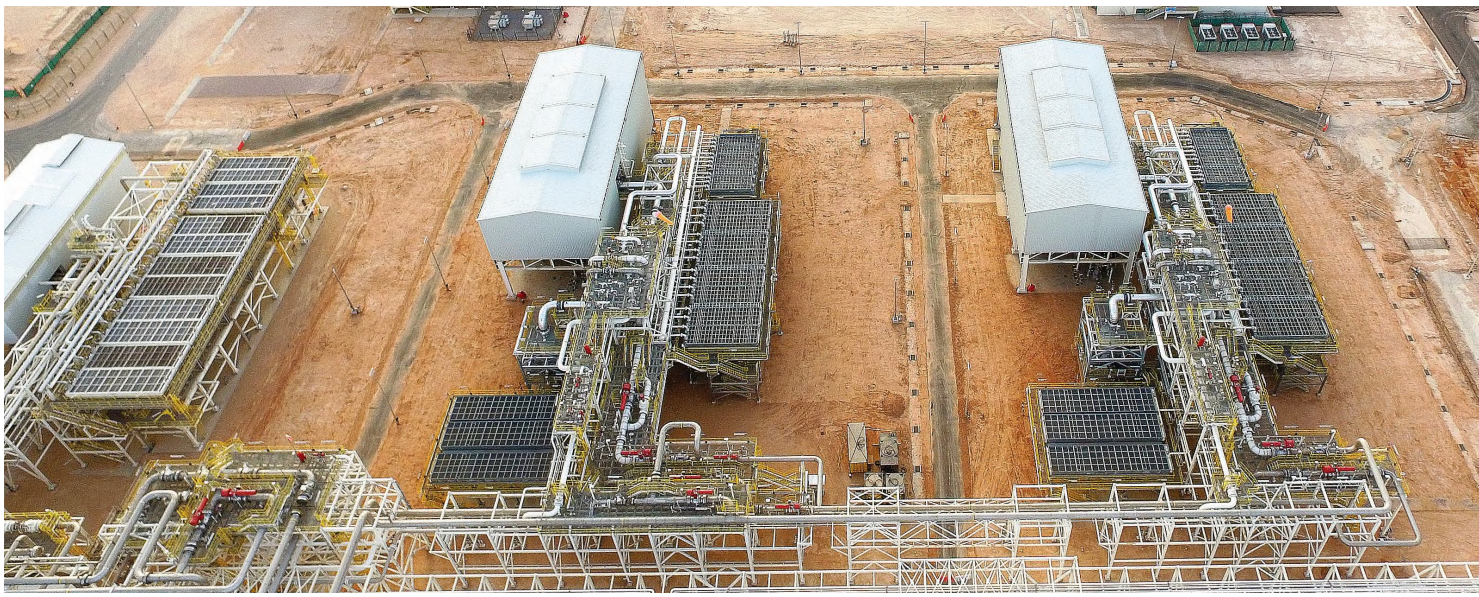
Orders Won

- EPCI contract in consortium with Subsea7 for three oil production deck manifolds and subsea pipelines in the Zuluf and Berri Fields of Saudi Aramco.
- Contract in consortium with Baker Hughes and McDermott International for ONGC's largest deepwater oil & gas project, the development of block DWN-98/2 in the Krishna Godavari basin.
- EPCI contract from ONGC for development of Cluster 8 marginal field involving three wellhead platforms, 1 bridge-connected wellhead-cum-riser platform, a ~59 km pipeline, 3 clamp-on structures and modification of two platforms.

Onshore

Projects Completed

- Gathering Centre, GC-30, in North Kuwait for Kuwait Oil Company
- SNDC-2 and KDC-2 projects for PDO, Oman



Saih Nihaydah Gas Compression Project (SNDC2) for Petroleum Development Oman (PDO)

- Off-gas treatment (urea plant) was successfully commissioned for GSFC
- Mechanical completion of a melamine plant for GSFC
- Mechanical completion for IOCL Haldia's Coke Drum System Package (CDSP)

Orders Won

- Two fertiliser plants of 2,200 TPD ammonia and 3,850 TPD urea at Barauni (Bihar) and Sindri (Jharkhand) on EPCC basis in consortium with TechnipFMC from Hindustan Urvarak and Rasayan Limited (HURL) - a major breakthrough in the fertiliser segment, offering complete ammonia plants.
- Seven cracker furnaces of 1200 KTPA Dual Feed Cracker Unit (DFCU) on EPC basis from HPCL-Mittal Energy.
- EPCC order from IOCL for 357 KTPA Mono Ethylene Glycol (MEG) Plant and a 180 KTPA Ethylene Recovery Unit (ERU) under LSTK-1 Package.
- EPC contract from KOC for installation of New Strategic Gas Export Pipelines, 48" diameter, spanning 145 km from North Kuwait to Mina Al Ahmadi Refinery.
- First breakthrough project in Algeria – EPCC contract from Sonatrach for South West Gas Fields Development Project.

Construction Services

Projects Completed

Successful commissioning of ROGC, PCG DTA, PX-04, MEG, LDPE and ECSP plants for Reliance Industries Limited, Jamnagar.

Orders Won

- Pipeline and associated works in the south-eastern region of India from IOCL
- Upgradation of facilities of Mangala Terminal at Barmer for Vedanta
- Additional scope in existing contracts

Modular Fabrication

Projects Completed

- Launching of Hasbah II Tie-in Platform (TP-II) - the heaviest Gas Platform in Saudi Aramco's history.
- Supply of fabricated and modularised CCR, NHT, MHC Heaters to JNK Korea for Dangote Oil Refining Company Limited, Nigeria.



Construction of the world's largest ethylene cracker (1.4 MMTPA) for Reliance Industries, Jamnagar, India

Orders Won

The business secured a breakthrough order from an international customer for process and pipe-rack modules.

AdVENT

Orders Won

- EPCM contract for an ethanol production unit from the off-gas of IOCL's Panipat refinery

- Various projects from BASF Corporation, BHEL, Cairn Oil & Gas, IOCL, Coromandel Fertilizers, Gujarat Chemical Port Terminal Company Limited, ONGC, SKI Carbon Black, Gujarat Alkalies and Chemicals Limited and others

Significant Initiatives

The business has a vision: to 'Revolutionize the Hydrocarbon Industry' and a mission of 'Execution Par Excellence'.

The Company lays continued emphasis on sharper bidding to enhance its market share and execute projects within time and cost to protect bid margins. The business continued its journey with its Operational Excellence initiative, which aims to achieve refined cost structures, align operations for timely project deliveries and optimize fund deployment. This initiative has yielded results for the Company, reflecting in enhanced cost-competitiveness in its bids and further improvement in its bottom-line for projects under execution. The business has now embarked on an initiative for cost-reduction through Design Value Improvement.

Its capability-building initiative has led to significant progress in terms of building portfolio and project leadership as well as functional group development. This initiative aims to build globally benchmarked project leadership teams to execute large international projects and develop and institutionalize an international project capability development engine.

Through its Perspective Plan 2026, the Company lays strategic thrust on new business segments like Offshore Wind Energy and is gearing up for emerging Waste-to-Value projects.

Digitalisation

The Company is geared towards introducing and implementing innovative practices and has adopted digital technology for global delivery.

The Company is enhancing its current practices through digital / new-age technological advances including Integrated Project Management System (IPMS). The



Laying of 36" x 67 km-long natural gas pipeline from Anjar to Mundra in Gujarat for Gujarat State Petronet Limited on EPC basis



Load-out of BSE-11A Topside for Bassein Development 3 Well Platform & Pipeline Project of ONGC from Modular Fabrication Facility at Hazira, India

business has also launched digital fabrication and construction initiatives in order to improve productivity.

Environment, Health and Safety

Much emphasis is laid upon the Environment, Health, Safety and Sustainability aspects of the Company. It remains committed to achieving HSE excellence at the workplace and beyond by continuously striving to improve, protect and develop the health, safety and environmental assets of its employees and stakeholders.

The business strongly believes that every incident is preventable and is committed, through its 'Zero Incident Credo', to providing a safe and healthy workplace. During the year, the business delivered over 112 million safe man hours at a stretch across a dozen successful projects both in domestic and international markets. All the three Modular Fabrication Facilities maintained a zero Lost Time Injury (LTI) record for the financial year.

The Company drives HSE excellence across the EPC value chain from engineering to commissioning of projects, applied to all stakeholders by reinforcing a safe working culture through various initiatives:

- HSE Assurance Audits were initiated and carried out for all the verticals to ensure the effective implementation of the HSE management system across the business.
- Theme-based campaigns were observed on World Environment Day, Fire Service Week, L&T Safety Day, Road Safety Week and National Safety Day to create awareness and engage employee and contractors on HSE aspects
- Conducting various HSE training programmes, mock drills, near-miss incident reporting

The business received recognition of the safe practices by way of following accolades:

- National Safety Council Award for the Lowest Accident Frequency Rate in September 2018
- Safety Innovation Award 2018 for implementing Innovative Safety Management Systems by the Institution of Engineers (Delhi)
- Golden Peacock Environment Management Award for 2018 for commitment towards Environment Management
- Challenger's Award – Mega Large Business in Engineering Sector at the Sustainability 4.0 awards 2018 co-hosted by Frost & Sullivan and the Energy and Resource Institute
- ASSE GCC HSE Excellence Platinum Award & Gold Award for 2018 for Management of Driving Safety



Load-out of two mega Tie-in Platforms (7000 MT each) for Hasbah Field, Saudi Aramco from L&T Hydrocarbon Engineering's Oman facility

As a responsible corporate citizen, the Company is determined to continue operating in an environmentally sustainable manner by preserving resources, mitigating negative impacts and improving efficiency. The Company received the Sustainability 4.0 Award 2018 under the Challengers Category from Frost & Sullivan and TERI.

Human Resources

The business focuses on acquiring a unique and diverse set of talented and passionate individuals. It has adopted various policies and initiatives for the sustenance of healthy employee relations, employee growth and development as well as work satisfaction.

The organisation utilises state-of-art training infrastructure and resources to develop the project management skills as well as functional and leadership competencies of its employees. It also nurtures and grooms talent.

The design and deployment of the GENIE Engagement survey and the GPTW with the subsequent business-specific and managerial level interventions undertaken and communicated through the multiple forums of 'IGNITE' like 'Town Hall', webcast, video conferencing bears testimony to the commitment to create a highly engaged work-force. The Company inculcates a culture of appreciation through various Reward & Recognition interventions. The 'I-TOO' recognition framework, initiatives like ICONS, Long Service Awards, Talent Champions, Team Building Workshops, non-monetary recognition events, etc., are periodically undertaken to enhance the employee motivation.

Risks and Concerns

The major risks – such as impact of fluctuating oil process, onerous contract terms by client, tight schedule, counterparty risk, localization requirements, forex exposure, vendor default, delay in material delivery, QHSE, Productivity, etc. – are mitigated through specific actions like operational excellence initiatives, alliances, cost optimisation, improved customer intimacy, compliance with stringent QHSE standards, proactive hedging, strong contract and claims management and identification of key personnel and talent at the pre-bid stage.

Localisation is increasingly becoming a key differentiator. ADNOC is driving an In-Country Value (ICV) programme, while Saudi Aramco is driving an In-Kingdom Total Value Add (IKTVA) programme with the objective of growing and diversifying their economies and creating opportunities for their nationals in the private sector. The Company has executed a Memorandum of Understanding with Saudi Aramco for commitment to IKTVA with a Five Year Plan. The South East Asian region continues to protect local players under the 'Bumiputra' concept.



Mangalore Aromatic Complex for ONGC-Mangalore Petrochemicals Limited, India

Proactive Risk Management is an integral part of the overall governance process to identify, segregate, mitigate, control and monitor various risks at all levels – business, prospect and operational.

The Company's risk management policy and guidelines have enabled it to create a consistent set of standard tools and templates, incorporating global best practices and procedures. This enables the Company to build the ability to anticipate challenges and opportunities in order to achieve its strategic objectives.

Outlook

US oil production is expected to grow by around 1.2 million barrels per day in 2019, and will be balanced by production cuts by OPEC countries and their allies. Oil prices are expected to be range-bound around USD 60 to 70 per barrel during FY 2019-20.

India will be Asia's fastest-growing economy in the next four years i.e. 2019-23. Oil demand in India is growing at CAGR of about 4.5%. The gas energy mix is expected to shift from the current level of 6.5% to about 15% by 2022. India is planning to double its annual gas production to 60 BCM by 2022. The Government of India is incentivizing Enhanced Oil Recovery (EOR) projects. Also, India has an ambitious plan to enhance its refining capacity from about 248 MMTPA to about 438 MMTPA by 2030.

The Indian Government is keen on India's becoming a gas-based economy. This will provide significant opportunities for LNG import terminals and gas pipelines. India is the fourth largest LNG importer in the world. LNG imports into the country accounted for about one-fourth of total gas demand, which is estimated to double over the next five years. The Government of India aims to increase the use of biofuels / alternative fuels to cut its oil import bill by 10% by 2022 and plans to build 2-G ethanol plants using agricultural residue. The Company is well poised to undertake execution of these 2-G ethanol plants and is gearing up for other Waste-to-Value projects. This serves as a significant opportunity to the business in upcoming years.

During the year, 55 oil and gas exploration areas were awarded under the first round of Open Acreage Licensing Policy (OALP). The Government has auctioned an additional 14 blocks in the second round and 23 blocks in the third round. ONGC is also planning to invest USD 3 billion to explore ultra-deepwater fields in Cluster 3 on the east coast of India. E&P activities are also picking up in Vietnam and Myanmar.

Refinery capacity additions of about 17 MMTPA along with petrochemical integration are planned in FY 2019-20. Deregulation of fuel prices is encouraging overseas companies to invest in retail and refinery projects. India's domestic polymer demand is growing at about 8.5% per annum and India is currently the net importer of polymers.



Group Gathering Station-11 for RIL's Coal Bed Methane Field Development Project, Shahdol, Madhya Pradesh



Panoramic view of PTA Plant for JBF Industries, Mangalore

The widening demand- supply gap for petrochemicals, coupled with enhanced returns for integrating petrochemical complexes vis-à-vis standalone refinery, is driving the integrated refinery and petrochemical complex model.

In the international arena, GCC region and Algeria will see higher outlays for gas, downstream and petrochemical projects.

Saudi Aramco plans to invest over USD 140 Bn in oil, gas and petrochemical projects over the next five to six years. The UAE is planning a USD 36 Bn spend over the next five years, with a focus on gas production. Kuwait is also diversifying into the petrochemicals segment and has announced a USD 115 Bn investment plan, roughly divided equally between the upstream and downstream sectors. Qatar is planning to invest to USD 5 Bn in the offshore sector to increase its LNG Liquefaction Capacity to 100 MMTPA. These prospects will provide significant business opportunities for the Company in the region.

Algeria has plans to invest about USD 55 Bn in the next 5 years. The recent breakthrough in Algeria will open up significant opportunities for the Company to leverage its modular fabrication capabilities.

There is increasing thrust on modularization to reduce site presence. Modular Fabrication and AdVENT businesses are aggressively exploring alternative product lines as well as strategic partnerships to enhance yard utilisation and provide integrated modular solutions.

Shale gas / oil will continue to drive petrochemical and LNG liquefaction investments in the US, which will offer opportunities for high value engineering and modular fabrication services.

On the other hand, competition intensity is expected to remain high with predatory pricing, especially by competitors with large underutilised assets. Also, clients are expecting EPC contractors to share the benefit of value addition over the tenure of the project.

However, the business is confident of maintaining its credo of being cost-competitive and ensuring on-time delivery of large, critical and complex projects, worldwide. The business will accomplish this by virtue of its customer focus and responsiveness, sustenance of experienced and highly skilled human resources, world-class Quality and HSE practices, a culture of excellence, distinctiveness in corporate governance, extensive IT-enabled processes, digitalisation and state-of-the-art IT security practices.

INFORMATION TECHNOLOGY BUSINESS



LTI's global headquarters in Powai, Mumbai,

Overview:

Larsen & Toubro Infotech Ltd. (LTI) is a global technology consulting and digital solutions company helping more than 300 clients succeed in a converging world. With operations in 30 countries, it goes the extra mile to help clients accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud-based journeys. Founded 20 years ago as the information technology arm of the Larsen & Toubro group, LTI's unique heritage gives it an unrivalled real-world expertise to solve the most complex challenges of enterprises across all industries. LTI is headquartered in Mumbai and has a presence across the globe, significantly in North America and Europe.

Its clients comprise some of the world's largest and most well-known organisations, including over 65 of the 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 and maintenance, enterprise solutions, infrastructure management services and cyber security, testing, analytics, AI and cognitive, enterprise integration and mobility and platform based solutions.

To augment its digital capabilities, LTI announced two acquisitions in FY19. In January 2019, it acquired Ruletronics, a Pure-play Pega® consulting and implementation company with offices in the UK, USA and India. In February 2019, it acquired Germany based NIELSEN+PARTNER (N+P), an independent Temenos WealthSuite specialist. This acquisition is synergistic to Syncordis acquisition that LTI announced in 2017. Together with Syncordis, N+P strengthens LTI's capabilities as a global expert in Temenos suite of products and enriches offerings to Banking clients.

LTI is at an inflection point. It is right sized to re-skill its employees with digital technologies while having the resources of an established player to invest in capabilities enhancement, which would power its multi-year growth trajectory.

Business Environment

The global IT-BPM industry grew by 4.9% and the IT-BPM market excluding hardware stood at USD 1.4 trillion in FY 2018-19. Indian IT-BPM industry revenues excluding hardware stood at USD 162 billion in FY19. The industry added ~USD 11 billion in incremental revenues last year, representing year-on-year growth of ~7% in USD terms. IT-BPM export revenues for the industry for FY19 are expected to reach USD 136 billion, a growth of 8.3% over the past year. Domestic IT-BPM revenues are estimated at ₹ 1.5 trillion, a growth of 6.6% from ₹ 1.4 trillion in FY18.



Mosaic Experience Center at LTI Headquarters, Mumbai



LTI's state-of-the-art Delivery Centre in Johannesburg, South Africa

Digital revenues grew more than 30% to reach USD 33 billion and now represents over one-fifth of the IT industry revenue. Primarily there are six technologies from the suite which are driving this phenomenal growth – Intelligent Automation, Robotics, Cloud, IoT, Immersive Media and Blockchain. In the age of digital technologies, the IT industry has been adept at building the necessary skills and capabilities to address new and changing customer demands. Over the past few years, firms have made substantial investments in building their portfolio of capabilities around these technologies and have set up a number of labs and Centres of Excellence to deliver digital services to customers.

Technology-led operations is a big business driver for large Banking and Financial services clients and the business is also witnessing APIfication of the application landscape to drive simplicity. In the Insurance sector, digital is driving an unprecedented shift towards lower cost structures and greater agility while focusing on enhancing the customer experience.

In the manufacturing sector, especially in the automotive space, the OEMs are re-evaluating their spend priorities in the light of transformative changes based on the convergences of disruptive forces including connectivity, electrification and autonomy. These changes have provided LTI opportunities in digital customer experience, increased spending on analytics, platform for launch of mobility services, etc. Given the volatility in commodity prices, energy clients continue to evaluate their capital spend with prudence to manage their profitability.

The advent of new technologies has flooded the market with new players and blurred the lines between Telecom, Media and Hi-Tech companies. Adding to these complexities, consumers are moving towards new digitalised sources for their content like voice command devices, wearable devices, application based streaming, etc. Amid all this technological change, media companies are forced to re-imagine both their business models and their systems to align to new market and digital realities.

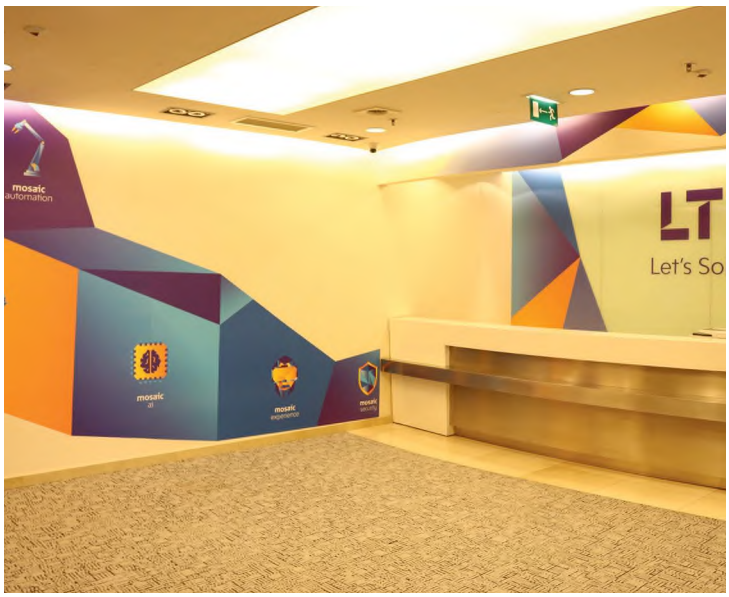
Major Achievements

1. A leading payments company in the Nordic region chose LTI as its primary IT partner post vendor consolidation

2. A world leader in vertical transportation has chosen LTI as its strategic partner for implementing Microsoft Dynamics 365 as their core platform to transform their services business in the areas of Sales, Call Centre and Field Services

3. Selected by a global fintech company to provide agile assurance support for building an industry leading wealth management platform

4. A global life sciences major, a new client, has awarded LTI a multi-year strategic deal for end- to-end SAP support, maintenance, analytics and enhancement



LTI's Delivery Centre in Warsaw, Poland



Lobby area at LTI Headquarters, Mumbai

5. Awarded Cybersecurity project by a global energy giant to implement, configure and integrate Micro Focus ArcSight and Splunk Enterprise Security
6. Multi-year, multi-million dollar managed services deal across the globe for a world leader in the pharma space
7. A US Insurance major has engaged LTI as strategic IT partner for its largest technology modernization programme using the Guidewire product suite
8. A global financial services group headquartered in Europe selected LTI to transform user experience across their branches in Africa
9. Multi-year multi-million dollar deal in the area of ERP, Data and Analytics with a global consumer and pharmaceutical conglomerate
10. Selected as the strategic IT Partner by a global electric manufacturing major for complete transformation of its legacy IT systems globally
11. A global auto major selected LTI for a SAP security engagement and to build an enterprise outreach platform using Big Data Analytics and enterprise integration that will cater to all the client's recalls

Significant Initiatives

Client centricity is at the nucleus of LTI's corporate strategy. Customers are now more focused on their Digital Transformation than ever before and LTI helps its clients in their digital transformation journey by being sharply focused on their business outcomes. Some of the practices used to attain this are:

- Operate to transform- leveraging automation in everyday operations and solving for the unstated needs
- Empowering clients to be data-driven organizations by harnessing the power of analytics
- Helping clients experience transformation for their customers and/or employees
- Digitise the core by leveraging our real world know how of the client's industry domain

LTI is making significant investments in augmenting its existing capabilities like Cloud services and Analytics, incubating newer service lines like Blockchain and Cybersecurity and expanding its portfolio of offerings through acquisitions.

Recognizing LTI's consistent ability to outperform competitors across domains and services, the Company topped the list of 'Challengers' in the Everest Group's PEAK MatrixTM Service Provider of the Year 2019, for the second year in a row. The Challengers List includes companies with revenues less than USD 2 billion.

Human Resources

LTI crossed the milestone of having more than 25,000 employees during FY19. Hiring, engaging, retaining talent

with gender diversity continues to be the major focus areas for LTI. As a talent and innovation driven organisation, LTI's top priority is attracting the best people and investing to further develop their highly specialized skills. Strengthening the commitment to nurture the biggest asset - People, LTI started an HR transformation initiative - Mission Ubuntu. This initiative is steered by a cross-functional taskforce to enhance every aspect of employees' work-life through policy intervention and process improvement. Mission Ubuntu sketches an employee's journey through LTI as a nine-step process starting from his/ her onboarding.

LTI has also institutionalized five key beliefs across the organization:

• Be agile • Go the extra mile • Push frontiers of innovation • Keep learning • Solve for society

These five guiding principles have helped the employees to be nimble towards changes, work beyond the call of duty to serve its clients and innovate on a day-to-day basis to transform the approach to work.

Risks and Concerns

Failure to align the services portfolio with newer and in-demand technologies, may lead to lower operating revenue. Evolving geo political and economic conditions may affect the client's business and/or the entity's delivery. This may impact the business opportunities and business operations. Changes in immigration policies of countries where LTI has significant business may affect ability to position consultants at client locations.

With a majority of the revenue being foreign currency denominated, the business carries translation and transaction foreign exchange risks. However, expenses in respective currencies provide a natural hedge.

Employees are the real assets for the IT industry. In order to compete effectively, the ability of the business to attract and retain qualified employees is critical. Attrition of experienced and talented employees impacts organisational knowledge and relationships.

Outlook

A healthy deal pipeline, continued large deal momentum and uptick in digital services across all verticals gives a sense of optimism for future growth. With deep-rooted industry experience and one of the industry's most dynamic teams, LTI is well positioned to solidify its position as next-gen IT services Company.

TECHNOLOGY SERVICES BUSINESS



Mixed Reality and VR technologies create delightful immersive experiences for industries ranging from transportation to smart homes

Overview:

L&T Technology Services Limited (LTTS) is a leading global pure-play Engineering Research & Development (ER&D) services company. It 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. LTTS customer base includes over 50 Fortune 500 companies and 51 of the world's top engineering research and development (ER&D) companies, across industrial products, transportation, telecom & hi-tech, medical devices and the process industries. The business also provides digital engineering advisory services to some of the world's leading establishments. The key differentiators for the business are its customer-centric industry innovations, domain expertise and multi-vertical presence spanning major industry segments.

Transportation

LTTS offers the complete gamut of engineering services and solutions for its global customers in the transportation industry, including OEMs and Tier 1 suppliers in the automotive, trucks & off-highway vehicles and aerospace sectors. In the automotive sector, LTTS helps its customers through advanced technologies such as autonomous driving and electric vehicles. In the aerospace sector, LTTS's services cover aerostructures, aero systems, aero engines and avionics. Its digital offerings in this segment span in-flight entertainment and connectivity, air traffic management and drone-based solutions. LTTS also has over a decade of domain expertise in enabling leading brands in the trucks and off-highway segment. LTTS caters to customer requirements through specialized state-of-the-art research and test labs for power electronics, tear down and smart manufacturing across its global delivery centres.

Industrial Products

Through its extensive expertise in industrial products, LTTS helps its OEM customers across building automation, home and office products, energy, process control and machinery. LTTS home-grown building management solution, iBEMS, breaks the silos between various systems in a facility and enables cost savings, energy management and quicker decision- making by using predictive analytics and real-time insights. LTTS Industrial Products segment facilitates end-to-end product development guidance, deep domain expertise across software, electronics, connectivity, mechanical engineering, industrial networking protocols, User Interface/User Experience (UI/UX), test frameworks and enterprise control solutions.



LTTS' Healthcare practice helps OEMs develop sophisticated medical devices at affordable costs



LTTS helps automotive firms harness the power of advanced telematics, intersecting security, implementation ROIs, and end-user satisfaction

Telecom and Hi-tech

LTTS has vast experience in product development, digitalisation, user experience engineering and testing & certification. LTTS offers its customers a one stop-solution covering the gamut of services in product variant development, 5G capabilities, simulation & automation, and product and midlife support. LTTS Narrow Band IoT (nBIoT) solution, 'nBon', was developed with low memory and low power footprint. It provides thorough IoT device management, enabling easy integration with custom target platforms.

Process Industry

LTTS provides its services in E/EPCM (Engineering, Procurement and Construction Management), 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 W.A.G.E.S. (water, air, gas, electricity, and steam) management solution, integrated with sensors and smart meters, implements a Supervisory Control and Data Acquisition (SCADA) system. LTTS has broad expertise in traditional EPCM and operational maintenance projects, as well as contemporary digital engineering enterprises. LTTS is furthering its engineering footprint to include the digital sphere, and is working with its customers across the globe on 'Smart Manufacturing' technologies such as automation, IoT, analytics and augmented reality (AR).

Medical Devices

LTTS helps medical device OEMs address industry challenges, accelerate time-to-market and optimize costs, leveraging its deep domain expertise and best-in-class technological capabilities. It focuses on delivering solutions in diagnostics, patient mobility services, musculoskeletal services, life sciences, surgical services, cardiovascular, home healthcare and general medical. LTTS has designed and developed innovative products and solutions such as the world's first drug patch applicator, smart inhalers, connected hospitals, integrated reusable vessel sealing and surgical staplers for emerging markets, along with the world's first airway clearance system with Bluetooth connectivity, among others.

Business Environment

According to NASSCOM, by FY2022, the global ER&D spend will be on an upward trajectory and reach USD 2 trillion. Indian ER&D exports are projected to leap from USD 28 billion in FY2019 to USD 42 billion in 2022 – a CAGR of 14%. Within ER&D, the share of digital engineering is likely to increase significantly. Zinnov estimates that corporations spent USD 293 billion in 2018 on digital engineering, which will grow to USD 667 billion by 2023.



Headquartered at Knowledge City, Vadodara, L&T Technology Services helps clients gain the competitive edge by building smart products, enabling smart manufacturing and offering smart services.

Increased industry focus on emerging technologies viz. Artificial Intelligence (AI), Internet of Things (IoT), Machine to Machine (M2M) communication, Augmented Reality (AR) / Virtual Reality (VR), 5G, Cyber Security, Advanced Robotics, Mobile Applications and Blockchain are finding use-cases across verticals. This increased digital affinity from the enterprises worldwide has resulted in business models shifting to platforms, data monetization and go-to-market strategies that stand out.

Transportation: Autonomous vehicles, electric cars, connected cars, ADAS, Factory 4.0 are some major trends shaping the automotive industry. Predictive maintenance, shop-floor automation, in-flight connectivity and digital twins are driving growth in aerospace and defence. The trucks and off-highway segment is benefitting from the growing demand in construction, logistics, agriculture and mining sectors.

Industrial Products: Major trends in this segment are related to Industry 4.0 such as smart manufacturing, robotics, artificial intelligence and the Internet of Things (IoT). Significant investments are being made in product simulation, predictive asset management, factory & plant automation, cloud computing, smart sensors and 3D printing.

Telecom & Hi-Tech: In Telecom, 5G, virtualization of functions as well as robotic process automation are the primary trends. Customer engagement and monetization have become more effective, leveraging AI, ML and data analytics. The consumer electronics segment has experienced faster time-to-market driven by connected and smart devices, data monetization and open source systems. The semiconductor space is being driven by connected chips and integrated API platforms while in media and entertainment, OTT platforms & services, AI / ML- based content recommendations and targeted advertising are the major trends.

Process Industry: The need to ascertain cost-optimization in plants is a major element that is driving the expansion of asset management in manufacturing. The need to ensure prevention of potential asset failures and precautionary measures is expected to motivate the development of this market. Moreover, plant digitalisation and cloud-based asset management are enhancing overall safety, productivity and compliance.

Medical Devices: This segment is expected to be driven by preventive healthcare leveraging increasing adoption of technologically advanced smart wearables and real-time monitoring. The rising need for early diagnosis and prevention of diseases and compliance to stricter regulatory environments are key priorities for medical devices OEMs.



Industrial Digitalization creates enormous opportunities for companies to increase customer value through streamlining processes



Predictive analytics solutions foster real time machinery condition monitoring for manufacturers

Major Achievements

Transportation

- Secured multimillion-dollar deals, with two leading automotive manufacturers, in the space of HIL simulation and autonomous validation and infotainment assessment respectively
- Deployed several cutting-edge technologies for PMA (Part Manufacturing Approval), digital innovation and recognition for aircrafts, advanced rail signalling design and RAMS and special purpose text fixture design
- Implemented several of its homegrown offerings in transportation domain such as its cognitive AI framework AiKno™ in MRO and after-market activities, its application solution for shop floor material tracking and asset management and its flight infotainment services and response improvement solution

Industrial Products

- Won a major deal with the world's leading software company for 'smart building' consultancy
- Signed a multi-year contract to provide digital content management services for a reputed technology company's industrial products segment
- Won a landmark project to be the ER&D partner for a US Industrial Automation major and a large deal in smart manufacturing for a leading automotive major in the US.
- Facilitated major innovations for the electrical vehicles market such as a high-efficiency DC to DC convertor and on-board charger and environmental cleaning solutions for the marine industry to facilitate emission reduction
- Helped various global customers in mining and discrete manufacturing with machine automation

Telecom and Hi-tech

- Awarded a network deployment automation project by a leading telecom customer
- Setup a 5G lab for designing and building future ready solutions for a leading semi-conductor company in the US
- Involved in the development of the new-age smartphones capabilities for two top-tier OEMs
- Developed a next-gen digital signage solution called FlyBoard
- Created an in-house OTT solution framework



Design Thinking Studio at LTTS' Bangalore campus

- Developed Iron Home, a next-gen smart home security platform

Process Industry

- Won a multimillion-dollar digitalisation project from ExxonMobil in April 2018
- Signed a high-value deal with a multi-national chemical company for a digital engineering project, which is one of the largest in this domain
- Won a large deal with one of the biggest tyre manufacturers
- Expanded footprint in Europe with two large deals – one involving development of high-end capabilities for a customer in the beverage and brewery industry and another deal to execute an EPCM order for a greenfield project with a German chemical major
- Currently executing a multi-year deal with Covestro to implement digitalisation-based engineering programmes across their 8 global locations
- Delivered customised digital solutions for a brewery major in North America for the first time and executed 6 pilot projects that are currently being scaled-up globally

Medical Devices

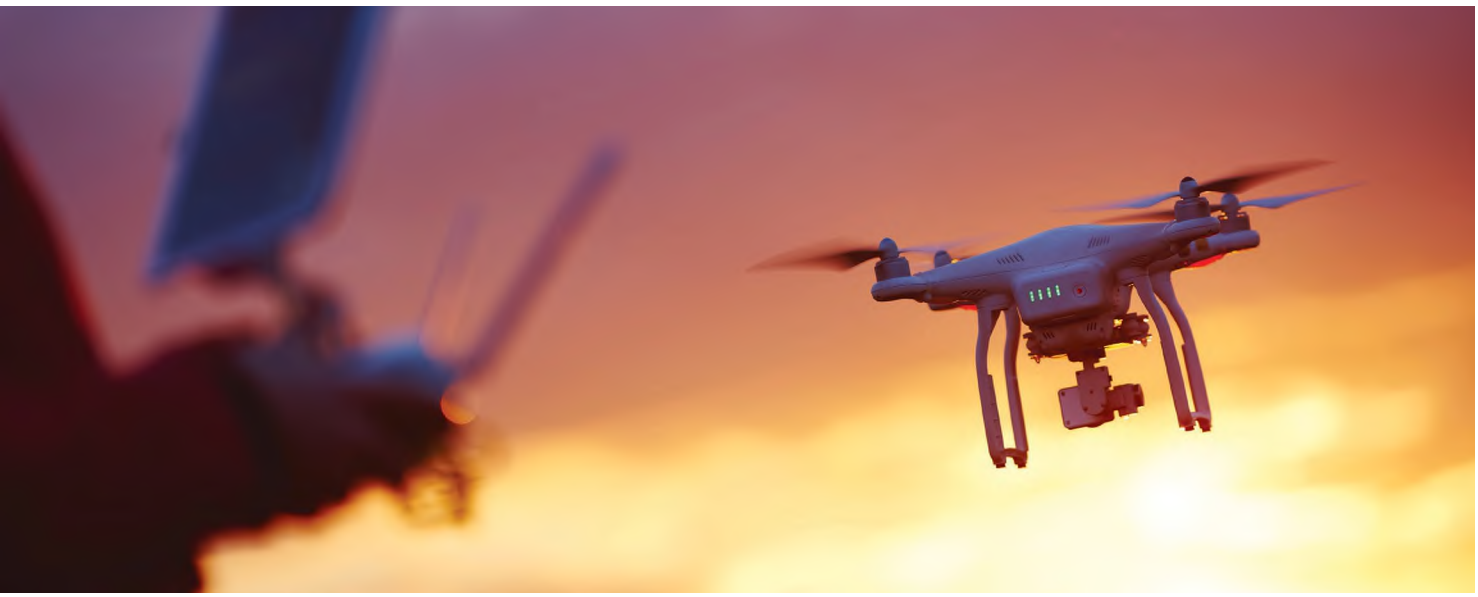
- Expanded footprint in Japan by signing large deals with 4 customers in medical devices, electromedical equipment and medical kit products
- Secured a deal with a global pharmaceutical company for developing a mobile platform for diabetic therapy
- Assisted a leading medical equipment manufacturer by enhancing the reliability of their slide-maker strainer equipment
- Partnered with a leading in-vitro diagnostics company to launch an efficient automated blood cell counter for price-sensitive, small and medium sized labs
- Developed a cybersecurity framework for medical devices to complement its solutions for Internet of Medical Things to facilitate secured connectivity and monitoring of medical devices

Significant Initiatives

The business aspires to continue being a global leader in the ER&D segment. LTTS has undertaken several significant initiatives to achieve this objective. These initiatives include:

IP and Solutioning

To capitalize on the disruptions and current digitalisation wave, the business is investing in building new age



Solar connectivity drone capable of maintaining a continuous flying time of 12 months enables low cost mass connectivity to rural areas

solutions and technology platforms. In FY19, LTTS was able to scale-up its portfolio of platforms and solutions, as well as incubate new ones to address requirements in emerging areas.

There was a significant jump in the number of pilots and POCs that were done by LTTS around these platforms for customers. Some interesting and challenging assignments executed include:

- Sensorising and connecting oil tanks of an oil major to monitor oil level in tanks. Sensorisation and connectivity are two big challenges and LTTS established this framework using its own IOT platform.
- Working with a leading data-centre services provider to implement predictive maintenance solutions that ensure uptime of the utilities infrastructure.
- Partnering for a complete NB IOT Modem SoC with a company building solutions for utilities and energy industry. This meant an integration of LTTS NB IOT IP with the partner's RF IP.

Mergers and Acquisitions

LTTS acquired Bengaluru-based Graphene Semiconductors to strengthen its offshore presence and deepen its expertise in VLSI chip design and embedded software. Graphene complements the strategic acquisition of US-based Esencia Technologies in 2017 and will act as a force multiplier to enhance the business's capabilities in the semiconductor and product OEM space.

Expanding International Presence

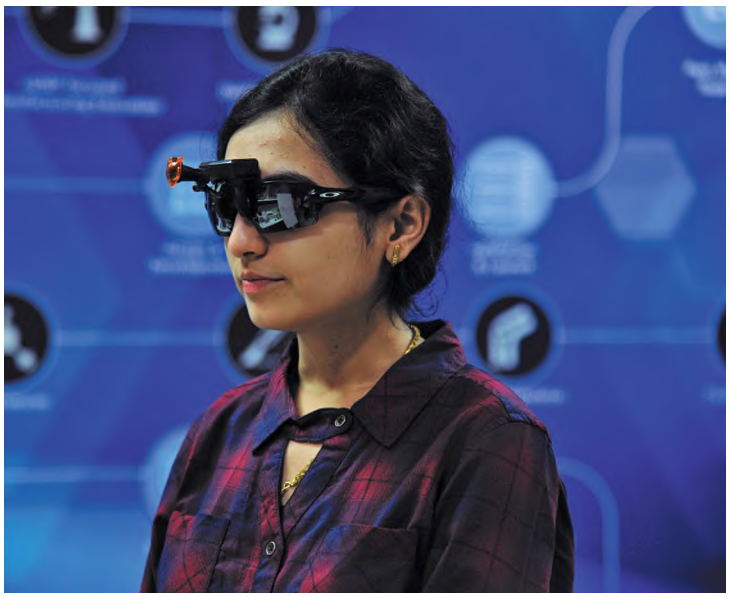
The business has established design centres and centres of excellences across the globe. It has inaugurated its Digital Engineering Centre in Gothenburg, Sweden. Located in the Lindholm Science Park, the Centre will act as a near-shore development facility for customers in the region, providing proximity and support to their agile transformation initiatives. The business has also opened branches in Malaysia and South Africa and has initiated processes to establish a presence in China and Saudi Arabia in the next financial year.

Awards and Recognitions

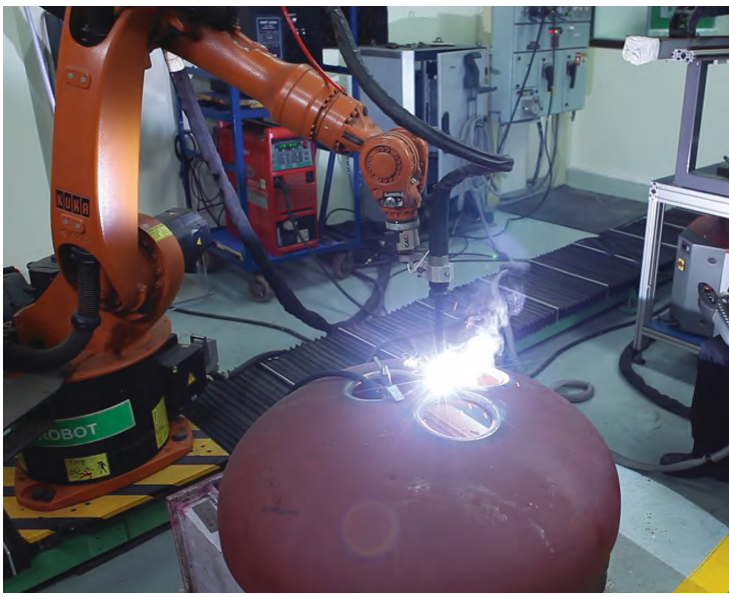
Several global customers, reputed industry forums, global consultancies and media publications recognised the business in the highest echelons of engineering services innovators for its innovative products and solutions.

Organisational Awards

- Recognized as the 'Best Company of the Year', and was also conferred the prestigious 'Excellence in Corporate Social Responsibility' award by the Indo-American Chamber of Commerce (IACC)



An engineer wearing a mixed reality headset that helps solve contemporary business problems



LTTS has patented multi-voltage booster technology for a welding power source

- Awarded the HR Department of the Year distinction 2018 at the Delaware Valley Awards by the Rosen Group

Technology Awards

- The AiKno™ framework was selected as one of the Top 50 use cases in the NASSCOM Artificial Intelligence Game Changer Awards 2018
- Honoured with the 2018 IoT Platforms Leadership Award by IoT Evolution , a US-based technology publication, for their IoT-powered Condition-Based Monitoring Solution 'Integrated MCare' powered by the Company's IoT platform UBIQWeise2.0™

Research and Analysts Awards

- Positioned in the 'Leadership Zone' in the broadcasting vertical of the Zinnov Zones 2018 Media & Entertainment Services Report
- Recognized as a 'Leader' for Embedded System Engineering Services and positioned among the top 3 leading companies by the Everest Group
- Rated as a Leader in 6 market categories across 3 industries in the US market in the inaugural edition of ISG Provider Lens™
- Acknowledged as a Leader in IoT Technology & Services by Zinnov across 12 unique expertise areas as compared to 7 in 2017

Environment, Health and Safety

At LTTS, it is a constant endeavour to extend sustainable and eco-friendly processes, services and solutions that contribute to sustainability throughout their life cycle. Facilities created within the premises have adequate green spaces and tree cover.

LTTS constantly works on health, safety and providing an environment conducive to well-being. Since many of the employees work at client locations in factories for deployment of projects, they have been trained on 'Zero Harm' to ensure their safety and foster continuous improvement.

Human Resources

The Company's HR policies have strongly focussed on creating a culture of excellence and achievement. Abiding by the People, Process and Portals parameters, the business is striving towards making the employees at all levels an integral part of the decision-making system. There has been an enhancement of skills, efforts and achievements and employee satisfaction levels through various initiatives like:

- **WIZneers**, an internal platform to create a community of technology architects within the Company. Under this initiative, employees come together every fortnight to discuss and ideate on next-gen technology trends in the engineering services space like Blockchain, Artificial Intelligence and Machine Vision among others



Providing insights into products and equipment health through Augmented Reality

- **Just Code**, a hackathon, aimed at offering employees an opportunity to plunge into an idea and convert it into a product
- **Illuminate**, a programme which aims to leverage internal talent and create a pool of high potentials who can be moved across functions and to groom high potential candidates to take up higher roles and responsibilities
- **LEAD**, a programme designed to help senior employees start their development journey as leaders
- **ALP (Accelerating Leadership Potential)**, an initiative for refining the leadership skills of leaders have already acquired, and for developing those essential for the greater responsibilities ahead

Risks and Concerns

Economic slowdown in key geographies or cyclical downturns in key segments could materially affect the revenue growth and profitability. Changing immigration laws and policies can impact the Company's ability to provide services to customers. Exchange rate fluctuations could materially impact the results of operations.

Outlook

An interplay of digital and ER&D with increased industry focus on emerging technologies including Artificial Intelligence (AI), Internet of Things (IoT), Machine to Machine (M2M) communication, Augmented Reality (AR) / Virtual Reality (VR), 5G, Cyber Security, Advanced Robotics, Mobile Applications and Blockchain are finding use-cases across verticals and are enabling companies to discover new revenue streams, while strengthening existing ones and serving the customers with much higher operational efficiency.

Essentially, the growth in the ER&D ecosystem will be driven by a convergence of emerging technologies and business model innovations, along with the growth of technology enterprises and start-ups constituting a dynamic global engineering ecosystem. This will be in an environment replete with strict data protection directives, increasing instances of cyber terrorism and the rising need for cloud-based cybersecurity solutions among enterprises.

LTTS aspires towards industry-leading, innovation-led profitable growth.

FINANCIAL SERVICES BUSINESS



Farm Equipment Finance

Overview:

L&T Finance Holdings (LTFH) 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. L&T Finance Holdings Ltd. is a NSE and BSE listed company and is also registered with RBI as an NBFC and a Core Investment Company (CIC). It conducts its financial services businesses through various subsidiaries. L&T Financial Services (LTFS) is the brand name of L&T Finance Holdings Ltd.

Functionally, the structure of the Financial Services business is as follows:

- Rural Finance comprising Farm Equipment Finance, Two-wheeler Finance and Micro Loans
- Wholesale Finance comprising Infrastructure Finance, Structured Corporate Finance and Debt & Capital Market
- Housing Finance comprising Home Loans & LAP and Real Estate Finance
- Mutual Funds
- Wealth Management

Business Environment

India's GDP is estimated to have grown by 7% in FY 2018-19 on the back of lower growth in agriculture and mining sectors, lower Government spending on public administration and weaknesses in domestic and external demand conditions. However, the gross fixed capital formation rate improved from 31.4% in FY18 to 32.3% in FY19, reflecting a good pick up in investment spending, and bodes well for the financial services industry.

The Indian economy faced a slew of challenges around mid-FY19 from the external front triggered by a sharp increase in global Brent price, which led to a sharp depreciation in the Rupee, along with other emerging market currencies. Around the same time, the debt defaults by the IL&FS group triggered a crisis of confidence for the NBFC sector – a critical source of finance for the real estate sector. The AAA rated NBFCs with a strong promoter and shareholder backing and proactive economic intelligence and risk management units withstood volatile market conditions without hurting core operations – L&T Finance being one of them.

During the year, the various segments of business performed under the stated business environment:

Farm equipment finance growth was led by record growth in the tractor industry. Increased urbanisation, sustained



Two-wheeler finance



Providing micro-loans to small-scale entrepreneurs

focus on road infrastructure development and increasing fuel prices pushed consumers towards two-wheelers during the year, resulting in an increase in two-wheeler finance. Increase in micro loans on the back of increasing penetration in existing geographies and opening of new geographies.

In the Wholesale Finance segment, the disbursements were focused on Infrastructure Financing, especially in Renewables and Roads and kept in line with the opportunities available for Sell-down. This enabled the Company to maintain the wholesale book around the same level and move towards increased retailisation of the balance sheet.

Disbursement registered a growth in home loans while de-growth in the Real Estate sector. The real estate sector stabilised based on the implementation of regulatory frameworks (RERA, GST reforms) leading to price stabilisation.

FY19 remained a challenging year for the Wealth Management industry. Market volatility coupled with a reduction in MF fees on account of regulatory measures impacted the business in the short term.

Significant Initiatives

FY19 has been a landmark year for the business, marked by the effective execution of the strategy put in place. The specific focus for the year was on the following areas:

a) Improved competitive position across all products

Being in the 'Right Businesses' forms an important part of the strategy, in which 5 core businesses were identified by the Company. The core businesses were identified based on a 3-filtered approach – industry attractiveness, company profitability and our ability to extract value from it.

b) Established fees as a second line of income to counter interest rate cycle

As a hedge against interest rate cycles, the Company has established 'fees' as a second line of income. Fee income generation happens through various modes such as processing fees, subvention income, cross selling income, advisory fees and underwriting fees among others.

c) Increased 'Retailisation' of balance sheet

The Company is focusing on building a well-diversified book. Strong sell-down capabilities have helped the Company to limit the wholesale book growth without slowing down the business.

d) Digital initiatives and data analytics used to unlock RoE

In the field of digital and data analytics, the Company primarily concentrates on optimising credit cost, collection cost and productivity rather than just focusing



Housing Finance



Real Estate Finance

on more commonly talked about areas like cross-selling or customer acquisition. The Company believes in using the power of data to provide a strategic competitive advantage, improve productivity and enhance performance.

e) Strengthening balance sheet with improved asset quality, increase in provision coverage ratio (PCR) and maintaining macro-prudential provisions

We believe that true greatness is achieved by a Company only by having a low Sigma, which means minimising the variability of returns, along with earnings and growth. A strong risk management framework, improving portfolio quality and continuously improving PCR are important contributors to achieve a low Sigma.

f) Robust ALM Framework

The Company is comfortably placed with respect to both liquidity and interest rate risks, due to its robust ALM and strong risk management framework. The Company enjoys positive gaps in both Structural Liquidity and Interest Rate Sensitivity. In addition to this, a positive gap was maintained consistently even under '1 in 10' stress scenario in the 1-month bucket.

Major Achievements

LTFH increased its market share in Farm Equipment Finance from 12.5% to 14% in FY19. Through rigorous execution of digital propositions on the ground and domain expertise, LTFH has been able to increase its market share in Two-Wheeler Finance from 8.2% to 11%. With the implementation of 100% automated credit decision, LTFH has been able to improve collection efficiencies and reduce NPAs. With this clear strategy in place, LTFH has enhanced the disbursements in Farm Equipment and Two-Wheeler Finance by 19% and 67% respectively. Similarly, the Farm Equipment and Two-Wheeler Finance book has grown by 27% and 68% respectively through increased penetration in the identified branches.

In Micro Loans, LTFH has been able to increase disbursements by 51% and book by 60% during the year. This was on the back of increasing penetration in existing geographies and opening of new geographies in existing states and new states such as Jharkhand and Tripura. New states entered in the previous year and this year have contributed 28% to the business during the last quarter. An increase in business has been achieved with improved collection efforts and a reduction in debtors YOY. This has resulted in regular collection efficiency being brought back to pre-demonetisation levels.



Wholesale Finance



A wide range of Mutual Funds to suit every investment need

With tightening of liquidity, the business saw lower growth in the Order Book for Infrastructure Financing and a decline in the Asset Book for Structured Corporate Finance. During the year, the Company started building a Government Securities (G-Sec) book which will also act as a low-cost liquidity reservoir in adverse market conditions.

The Company focuses on the Home Loan market with an emphasis on direct sourcing of salaried customers through developer relations and an analytics led sourcing model. Our digital lending model of paperless sanction of home loans to salaried customers is a unique offering that has helped in quick turnaround of proposals. During the NBFC crisis in FY19, the Company has continued to support real estate projects funded by us, while selectively sourcing new business. In the Mutual Fund business, the AUM of the Company increased by 13% to ₹ 69,689 crore during FY19 as against ₹ 61,603 crore in FY18. The Wealth management business increased its focus on Dubai, where the yield on the assets is higher and serves as a natural hedge to the India business.

Human Resources

In its journey to create value sustainably by delivering top quartile ROE, the Human Resources function of L&T Financial Services has ensured that employees at all levels are aligned to this objective through effective performance management and a two-way communication processes. Our culture of 'results and not reasons' is instrumental in driving accountability and clarity across the organisation. The focus is to simultaneously build the capability of employees so that they can be held accountable. Building capability of employees will enable the organisation to achieve sustainable and long-lasting success.

Environment, Health and Safety

LTFH aligns its social responsibility theme and commitment with the United Nation's global development agenda of Sustainable Development Goals (SDG). The core areas of Integrated Water Resource Management (IWRM) and Digital Financial Inclusion are designed to ensure sustainable livelihood opportunities with the intent to bring the deserving but vulnerable population into the mainstream economy. IWRM programme engages with the communities and more specifically farmers and implement interventions which address their core needs in water and soil health management. Climate change is leading to increasing incidents of natural disasters in India. The business supports disaster recovery efforts through a number of practical methods. These include prompt affected area assessments and a provision for immediate relief. The business considers safety as an integral part of its business operations and due importance has been given to maintaining safety standards.



Wealth Management



LTFS' 'Digital Sakhi' programme aims at digital financial inclusion of rural women

Risks and Concerns

Restrictive regulatory prescriptions for the NBFC sector not accompanied with the reforms of the long-term bond market may adversely impact the profitability of a set of mid-sized NBFCs and HFCs (housing finance companies) with possible negative implications for India's financial sector's stability.

However, with the help of in-depth business knowledge and strong managerial capabilities, deep market penetration, risk mitigation through various market and credit checks, robust early warning systems, extensive use of analytics and best in class turnaround time proposition, the business is confident of managing the hazards of adverse business conditions.

At this juncture, there are several uncertainties that cloud India's growth outlook and macroeconomic stability during FY20. The investment spend may get impacted due to faltering growth impacting India's trade balance, political uncertainties due to upcoming general elections, in case of Brent crude price resurging, fiscal slippages, etc.

Outlook

Several global forecasters including the International Monetary Fund have lowered their projections for global economic growth in 2019 from a year earlier on the back of ongoing trade frictions, tightening of financial conditions and the Brexit related uncertainties. Global slowdown, tight financial conditions and political uncertainty in the election year may impact India's GDP growth during FY20. Past experience shows that India's growth mix remains skewed towards consumption and away from investment during the General Election year. Financial markets and capital inflows too may witness heightened volatility during FY20. Moreover, the new political regime is likely to follow fiscal prudence in H2, FY20, which may adversely impact public investments and growth in the latter part of the year.

On the positive side, retail (CPI) inflation is projected by Reserve Bank of India (RBI) to remain below 4% up to December, 2019. This should enable the Monetary Policy Committee of RBI to implement an easy monetary policy during a major part of FY20. Additionally, the RBI's continued purchase of Government bonds (open market operations), recent recapitalisation of Public Sector Banks (PSBs), release of five PSBs from the Prompt Corrective Action Framework (PCA) and the ongoing resolution of chronic stressed asset cases through IBC should remain supportive of the lending environment.

DEVELOPMENT PROJECTS BUSINESS



765 kV DC Kudgi Transmission Line project

The Development Projects business segment comprises:

a) Infrastructure projects executed through its joint venture company L&T Infrastructure development projects 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) Katupalli port under its subsidiary Marine Infrastructure Developer Private limited was divested in Q1 of FY 18-19

The operations of the Development 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.

L&T INFRASTRUTURE DEVELOPMENT PROJECTS LIMITED (L&T IDPL)

Overview:

L&T Infrastructure Development Projects Limited (L&T IDPL) is a pioneer of the Public-Private-Partnership (PPP) model of development in India, which involves the development of infrastructure projects by private sector players in partnership with the Central and State Governments. Since its inception in 2001, the Company has completed landmark infrastructure projects across key sectors like roads, bridges, transmission lines, ports, airports, renewable energy and urban infrastructure. It is one of India's largest road developers, as measured by lane kilometers under concession agreements signed with Union and State Government authorities.

Currently its portfolio includes 10 operational road projects covering 4434 lane km and transmission lines at Kudgi, Karnataka covering 482 kms.



Vadodara Bharuch Toll Plaza

Two decades of extensive experience in working with Governments, multi-lateral agencies, international and domestic financial institutions and corporate entities has helped the Company to develop proven competencies in Viability Assessment, Financial Closure, Project Management, Operations & Maintenance and Portfolio Management of Infrastructure Assets across various sectors.

The Canada Pension Plan Investment Board (CPPIB) made substantial financial investments in L&T IDPL in two investment tranches during 2014-15. This is the first direct private investment by the largest Canadian pension fund into an Indian Infrastructure Development company.

Business Environment

Transportation Sector

The Government of India has provided a strong thrust to the Infrastructure sector and specifically to the highway sector, in the last Union Budget. The ambitious Bharatmala Programme has been approved for providing seamless connectivity to develop about 35000 km in Phase-I at an estimated cost of ₹ 5,35,000 crore. A significant slice of these projects is expected to be bid out under the Hybrid Annuity Model (HAM), which would be of interest to the company.

Transmission Lines

After the Kudgi transmission line in Karnataka, the company participated in two new bids.

There is substantial opportunity in new transmission lines coming up since generating capacity is increasing, especially from renewable sources. The National Committee has fast-tracked power evacuation system for the green corridor for renewable energy in Gujarat and Rajasthan. Business opportunities in transmission lines of approximately ₹ 30000 crore are also available from system strengthening of networks and power evacuation from generators to the grid. Based on the National Committee's recommendation, currently REC and PFC have come out with 9 bids for transmission lines under the 'Green Corridor' programme. Furthermore, 3 bids have been cleared by the National Committee for Tamil Nadu, Karnataka and Andhra Pradesh.

Major Developments

Toll Collections and Operations

The total gross income from toll collections in 10 toll road subsidiaries (excluding the five subsidiaries transferred to InvIT) moved up by 23% over the previous financial year. This includes both traffic growth and annual revision of tariff.

In NHAI projects managed by the Company (including InvIT projects), gross income from toll collections increased by



An elevated road corridor decongests the bustling metropolis of Nashik

12% while Electronic Toll Collection (FASTag) increased by 66% over the previous period. Currently, over a quarter of all tolls are being collected under FASTag electronic toll collection.

Kudgi Transmission Line

The project faced a force majeure event in May 2018 when 5 of the 1162 towers collapsed due to unprecedented strong winds at Bannigola village in Karnataka. No one was injured during the event. The in-house team restored the towers and ensured power flow in a record time of 33 days. Except for this one-off situation, the project continues to perform well.

Major Achievements

During the year 2018-19, L&T IDPL monetized 5 of its road operational projects by selling its stake to an Infrastructure Investment Trust (IndInfravit Trust) set up by the Company as a sponsor. The said Trust was successfully listed with an issuance of units aggregating to ₹ 3700 crore, of which 15% is held by the Company. The other large investors of this first privately placed Trust are pension funds from Canada (CPPIB and OMERS holding approx. 30% and 22% of the units, respectively) and Allianz Capital Partners, Germany, a large global insurance group, holding 25%.

One of the road subsidiaries received a favourable arbitration award from the Arbitration Tribunal for a change of scope claim. In another subsidiary, a settlement agreement was reached with NHAI on a project terminated in 2016, thereby relieving the lenders of a stressed asset.

Significant Initiatives

International investment for Indian infrastructure assets was attracted through the Company- sponsored Infrastructure Investment Trust InVIT - the first on a private placement basis.

Asset Monitoring Systems for structures and highways of operating projects is underway, which will help in inventorying and monitoring of assets.

Project LEAP, a business process re-engineering exercise, was completed during the year

Digitalisation

- Rapid increase in FASTag electronic toll collection was made possible by streamlining our digital equipment at toll plazas. This has led to faster throughput of vehicles at toll plazas and reduced queues. It has also led to a less-cash operation. The Company has worked collaboratively with NHAI and other stakeholders to minimize reconciliation issues in FASTag collections.
- Highway route operation, maintenance and equipment function has been mobile enabled.



Rajkot-Jamnagar Highway

- A dashboard using Tableau software called 'Revenue Assurance Dashboard', conceptualised by PwC and developed with the internal IT team, has been rolled out and used by SPV managers.
- To monitor the FASTag traffic/revenue, the data is being pulled through API from the acquiring bank and the process is fully automated.

Environment, Health and Safety

The Company and its subsidiaries are committed to providing a safe and healthy workplace for their employees and stakeholders and to conserving the environment. EHS is one of the essential pillars of a good and robust corporate governance structure.

To achieve the Company's stated EHS objectives, the following key initiatives have been implemented.

- 31 Standard Operating Procedures (SOPs) have been formulated to:
  - define individual responsibilities and procedures relating to environmental, health and safety matters
  - incorporate EHS considerations in all business processes
- Digitisation of the records and review all accidents, occupational health and safety related incidents by adopting a system called Route Operations Management System (ROMS) and reporting immediately to the concerned project head and functional head in the form of Preliminary Accident Information Report (PAIR) and Final Accident Information Report (FAIR).
- Monitoring to ensure that the employees avail of the medical check-up facility for themselves and their families.

The Company's Interstate Road Corridor SPV received the Silver Award for Excellence in Highway Safety from the Ministry of Road Transport and Highways.

Human Resources

Employees are the backbone of the organisation. The HR Team concentrates on certain key areas, including recruitment of some of the best talent in the market and keeping them engaged by providing access to learning opportunities, Development Centres, challenging business assignments, and individual need-based specific development interventions.

The Development Centre is a systematic and objective method to measure competence to provide insights into the strengths and development areas of individuals. Employees attended a fair mix of training on technical and behavioural programmes during the period in review.



A section of the Hyderabad Metro

Outlook

L&T IDPL would constantly evaluate new opportunities with worthwhile returns. The business sees major opportunities in the transmission line sector and also the roads sector under the Hybrid Annuity Model. The InvIT is expected to look at the secondary market for operational and revenue generating projects.

L&T METRO RAIL (HYDERABAD) LIMITED

Overview:

L&T Metro Rail (Hyderabad) Limited (L&TMRHL), incorporated in August 2010, is a special purpose vehicle to undertake, construct, operate and maintain the Metro Rail System, including Transit Oriented Development (TOD), in Hyderabad under Public Private Partnership model on a Design, Build, Finance, Operate and Transfer (DBFOT) basis. It is the largest TOD in India and the world's largest PPP project in the urban transportation sector. The Company entered into a Concession Agreement with the erstwhile Government of Andhra Pradesh on 04.09.2010.

The Metro Rail system is in Phase I, which includes 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. This entire distance is further sub-divided into 6 stages for ease of implementation.

The concession period of the project is 35 years from the appointed date of July 5, 2012, and includes the initial construction period of 5 years. The concession period is extendable for a further period of 25 years subject to the fulfilment of certain conditions by the L&TMRHL as set out in the Concession Agreement.

The Concession Agreement includes rights for Real Estate development of 18.5 million sq. ft., with strategically located land parcels interspersed at prime city locations, adjoining metro stations and metro corridors.

The Company has tied up the entire debt for the project, which includes the cost of the rail system, and 6 million sq. ft. TOD, and achieved financial closure on 1st March 2011.

The progress of the project as of March 2019 is as follows: -

- Stage 1, 2 and 3 were operationalized in November 2017 itself. Commercial operations of 16 km (from Ameerpet to LB Nagar) of Stage 5



India's longest extra-dosed, cable stayed bridge over the Narmada, Gujarat

and 10 km in Stage 4/1 (from Ameerpet to Hi-Tec City) were inaugurated by the Hon'ble Governor on September 24, 2018 and March 20, 2019 respectively.

- Received time extension from Government for achieving final COD by December 31, 2019. Accordingly, the lenders have also accorded sanction of extension of time for COD up to two years i.e., up to July 2019, with corresponding increase in loan period.
- Construction work in remaining part of Stage 4 (Hi-Tec City to Raidurg) in Corridor 3 and stage 6 (JBS to MGBS) forming part of Corridor 2 are proceeding at a brisk pace, and is expected to commence commercial operations during first half of the FY 2019-20.
- The TOD Project at Errum Manzil Mall (0.35 million sq. ft.) commenced commercial operations from August 2018. Musarambagh mall (0.24 million sq. ft.) is expected to commence commercial operations in April 2019. Construction work (0.5 million sq. ft. of office space) at Raidurg Site is underway.

Business Environment

About 10 million transport trips are performed every day in Hyderabad city, and a major share is undertaken by bus transport (50%). The city's roads are congested with 8% road area, and traffic proceeds at the very low average speed of about 12 kmph. The Company is poised to provide safe and punctual travel and has been working on various value-added initiatives to minimize the commuters' pain points, such as last-mile connectivity, digital ticketing, mobile apps, etc., which ensures higher ridership to the metro system.

Establishing successful last-mile connectivity is a challenge and discussions with the Government are in progress to intensify steps to this end.

Significant Initiatives

- The Company is exploring various non-fare revenue generating options, viz.:
  - Leasing out space for erecting mobile towers
  - Skywalks connecting to malls and metros
  - Tie up with cab operators
  - Leasing out optical fibre spare capacity
  - Training metro staff with the existing infrastructure
  - Consultancy services for other metros
  - Focus on improving advertising income



Coimbatore Bypass Road



International Sea Port at Haldia

- Re-negotiate and amicably settle claims of contractors.
- Working on favourable resolution of the waiver of arrears of power charges, sub-lease, security, compensation for delays and scope change, concession period extension and other issues pending with the State Government.
- Discussions held with TSRTC, to emphasize that the nature of transport services is complementary rather than competitive, in order to improve last-mile connectivity. Steps have been taken to organise private transport for pick up and drop at metro stations and encourage large corporates to provide transport to their employees to and from metro stations.
- Completed sign ups in the TOD retail malls with major international and national retail brands viz. Decathlon, Marks & Spencer, PVR, Lifestyle, Shoppers Stop, Starbucks, Reliance Retail, etc.
- Naming rights for stations and advertisement wraps for trains are also added to the advertisement order stack-up.

Digitalisation

- The Company put in place the automation of the Fare Revenue Accounting System by integrating the AFC (Automatic Fare Collection System) with the SAP Accounting System. Through this automation process, seamless, accurate and up-to-date accounting has been facilitated.
- An initiative to digitalise information regarding Bank Guarantees has been undertaken to synchronize information across the company in a centralized manner.
- The Company has implemented a digital signature system over the traditional document signature for all the invoices raised to customers from various departments of LTMRHL to ensure strengthen security, cut costs, improve digital work flow and save time, avoid paper printing and effectively utilize storage space.

Awards and Recognition

The Hyderabad metro project has been adjudged the Best Green Building Project by the ET NOW CSR Leadership Awards ceremony. Other prestigious awards received by the Company during the Financial Year 2018-19 include:

1. Golden Peacock Innovative Product / Service award on Leadership for Business excellence and innovation.
2. Exceptional Metro Rail project award from Metro Rail India Summit
3. Best Urban Mass Transit Project award from GOI, Ministry of Housing & Urban Affairs



4 - laning of Halol Godhra Shamlaji highway executed

4. Infrastructure Project of the Year (Outstanding Concrete Structure (Architects Award) from ICI Ultra Tech Award

5. Outstanding Public-Private-Partnership (PPP) Project in the Metro Sector in India from Rail Analysis India Awards 2019

6. International Leadership Innovation Excellence Award from the Institute of Economic Studies

7. Mobility Maven Special Awards 2018 from CIO 100 – International Data Group (IDG)

Environment, Health and Safety

L&T Metro Rail Hyderabad Limited considers Environment, Health and Safety as an integral part of its business philosophy. The management of LTMRHL is committed to conserving the environment and providing a safe and healthy workplace.

- The metro system provides a welcome relief from the heavy air pollution caused by the growing number of vehicles and the congestion on roads.
- It operates on electric systems, thereby curbing emissions.
- Sound pollution will be minimal, thanks to the efficiency of the coaches and the advanced engineering that has been used for constructing the track, viaduct as well as metro coaches.

Safety Features

- Hyderabad Metro rail trains run on Automatic Train Operation (ATO) mode with an Automatic Train Protection (ATP) System that continuously monitors and ensures safe train operations.
- All vital train-borne equipment, the Station Equipment (computer-based interlocking (CBI) and wayside ATP), and vital signalling equipment are highly safe, and back-ups are available to ensure safe and uninterrupted train operation.
- Passenger emergency stop plungers are provided on each platform and in the Station Control Room (SCR) to stop a train immediately in case of emergency.

Human Resources

The Company has introduced employee-focused initiatives during current year:

- Launch of voice-enabled BOT called LISA (LTMRHL Interactive Service Application) for employees of LTMRHL to enable resolution of service requirements
- Launch of LnT (Leaders of new Tomorrow) – An idea incubation programme to inculcate the start-up mindset amongst the employees



A two-lane road transformed into a 6-lane highway

- Implementation of Project Parivartan – Competency Development Programme (a pilot project, based on heuristic study, to inculcate habit of using the e-learning platform in a classroom atmosphere)

Risks and Concerns

With progress achieved, the construction risk by way of non-availability of required Right of Way (RoW) and delay in approvals from Railways is mitigated to a large extent, except for one stage. The operational risks of safety of commuters and assets and alternative modes of transport are addressed by having a robust in-house team to check the safety measures and holding discussions with nodal agencies of alternative modes of transport to work in a complementary manner.

Outlook

- Overall ridership expected to increase to approximate 10 lakhs per day on the opening of stages 4/2 and 6/1 in FY 2019-20, thus taking the total metro operations to 66 km. For the balance 5.5 km of stage 6/2, Right-of-Way clearance is yet to come from the Government.

  The Government of Telangana has plans to implement Phase II of Metro project covering 85 km (including the airport link). This will significantly enhance average ridership due to the network effect.

- The Company intends to begin a large integrated development at Raidurg with a potential to develop 3.5 million sq. ft. comprising retail and grade A office space.

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 of projects in thermal and hydel power generation projects aggregating to 1499 MW.

In the hydel sector L&T Uttaranchal Hydropower Limited is executing a hydel power project of capacity 99 MW in the state of Uttarakhand, which is in advanced stage of construction. The other three hydel projects in Arunachal Pradesh and Himachal Pradesh are under hold.

In thermal sector, Nabha Power Limited owns and operates a 2X700 MW super critical thermal power plant at Rajpura, Punjab.



2 x 700 MW Rajpura Thermal Power Plant, Punjab

Nabha Power Limited (NPL)

The Company has Power Purchase Agreement (PPA) with Punjab State Power Corporation Limited (PSPCL) for selling all the power generated from this plant for a period of twenty-five years. The plant is built on the supercritical 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 the 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 Bhakra-Nangal distributary is the perennial source of water for the plant under an allocation by the State Government. The plant is operated by an in-house team of experienced operations and maintenance professionals.

The power plant has been running successfully for over five years with an availability of over 85% during FY19. NPL has been the most reliable source of power for the state of Punjab and has supported its requirements with uninterrupted supply during the peak season. NPL also happens to be the lowest cost power producer within Punjab with benchmark operational efficiency.

Business Environment

India's Electricity Generation grew at 5.4% in FY 19 and there was an addition of 2.12 GW of Thermal Energy Capacity Additions in the same period. The Power Demand in Punjab was 4541 MW (Q4 FY19) registering an 8% increase over the demand in the corresponding period last year. Coal shortages continue to plague power plants, resulting in higher merchant power rates. The Average Power Purchase rate was ₹ 3.92/KWh in FY19 vs ₹ 3.25/KWh in FY18. Being at the top of the merit order, average energy charge for NPL remained at ₹ 3.30/KWh.

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

- Received a partial payment from PSPCL, based on a favourable Supreme Court judgement in the coal washing matter
- Achieved an availability rate of over 85%
- Plant operated at PLF of 74% despite plant shutdown due to forced outages
- Secured highest ever imported coal approval of 9.5 Lakh MT



The 221.4 km Beawar – Pali – Pindwara road in Rajasthan is the longest four lane road project developed under the (PPP) model in the National Highways sector.



Devihalli Hassan Toll Road

- Ensured complete coverage by CIMFR at SECL through intense efforts
- CSR initiatives in the area of development of village infrastructure, education, skill building, gender equality, health and environment were implemented during the year
- During the year, the business was awarded and decorated with the following:
  - i) Excellent Energy Efficiency Unit Award by CII, Hyderabad
  - ii) High Efficiency Leadership and Innovation award by PEABODY ENERGY, USA
  - iii) Energy Conservation Award by Punjab Energy Development Agency, Govt. of Punjab

Digitalisation

Steps taken towards digitalisation are:

- Upgradation of the Maximo mobility application – an ERP system which plays a crucial role in asset management, approval of PO/ PR, maintaining logs of plant operations and other HSE functions like Hazard reporting
- Development of Mobility apps for approval of Purchase Requisition, Purchase Orders approvals and maintain e-logbooks which maintains logs of work done by shift engineers to facilitate no-overlap.
- Real time capturing of vital power plant parameters like plant availability, financial data like profitability and billing and making it available on a management dashboard along with relevant historical data.

Environment, Health and Safety

The entity is committed to generate reliable and environment-friendly power under safe working conditions. A policy on Quality, Environment, Health and Safety has been put in place. Emphasis is laid on continual improvement of our processes and practices to achieve improved environmental, health and safety performance. Training on EHS for employees and stake holders is undertaken on a regular basis to foster a culture of health and safety.

Human Resources

The business has built a committed team of professionals experienced in the field of operations and maintenance of power plants. Special emphasis is given to training and development of the workforce through various training programs. In addition to the competency building programs, the business also focusses on soft skills and leadership development.



NH-14 Palanpur-Swaroopganj Highway

Risks and Concerns

As regards the financial risks, the financial health of the state Discoms remains an area of concern, considering that they are the sole customer. Also, the entity is exposed to cashflow stress pending dispute resolution with PSPCL on certain aspects, though it is fairly positive on the outcome, the risk of unfavourable resolution exists.

Being a coal based thermal plant, availability of coal fuel, quality of coal received, storage loss, supply chain logistics for fuel including lead time between requisition and arrival of coal wagons, transit loss in terms of quality, as well as quantity of coal continues to be a major operational risk for the business.

Demand Supply situation of coal as well as power and the overall market scenario brings about certain business volatility and strategic risks.

Additionally, environmental compliances, as well as Government Policies on various aspects of thermal power pose multiple concerns for the business.

The risk management policy of the company provides for a robust risk management framework which involves risk identification, assessment and evaluation, strategy and mitigation and monitoring and review mechanism. The company has implemented multiple measures in each of the risk areas to ensure a pro-active approach and timely mitigation including but not limited to timely major maintenance and repairs, coal import sanctions on domestic shortages, etc.

Outlook

Punjab is expected to witness a flat growth in demand for electricity during FY 20.

NPL is likely to remain the lowest cost power producer amongst the IPPs in the state with expected plant load factor of 78% in FY20. On the fuel side coal supply continues to be challenging in the FY 20.

The business has embarked on a five-year strategic plan under the 'Lakshya 2021' program of the group. Major focus areas for NPL during FY20 would be maximising plant availability, resolution of long pending litigations, improving operational efficiency, reducing under recoveries in coal, enhancing fuel quality, resolving the regulatory issues, cost management, digitalisation initiatives and EHS compliance.

OTHERS



Crescent Bay, Parel

Others' business comprises:

a. Realty Business

b. L&T Valves Limited

c. Construction Equipment and others

REALTY BUSINESS

Overview:

The Realty business is engaged in development of Residential and Commercial projects for sale or lease. The business has its own land bank, as well as operates through partnerships with co-developers, in form of Limited Liability Partnerships (LLPs) with a vertical sharing ratio.

Residential Segment

1. Emerald Isle (Powai, Mumbai)

Emerald Isle is a flagship residential development of L&T Realty. It is a development on ~20 acres of land in Powai, Mumbai. The development comprises of 2 phases. Phase I comprises 8 towers which are completed. Phase II comprises of 8 towers out of which 4 towers have been launched for sale.

2. Crescent Bay (Parel, Mumbai)

L&T Realty is developing a premium residential housing project at Parel, Mumbai on a revenue share basis with Omkar Realtors. The development comprises of 6 high-rise towers forming a crescent shape, named Crescent Bay. The development of 5 towers out of 6 have been completed.

3. Raintree Boulevard (Bengaluru)

Raintree Boulevard is a premium integrated development consisting of commercial, residential and retail on ~67 Acres of land in Hebbal, Bengaluru. The residential development is ~39 L. sq. ft. of saleable area spread over 29 acres of Land. Phase I development is in advanced stage of completion.

Commercial Segment

1. Seawoods Grand Central Project

Seawoods Grand Central in Navi Mumbai is a landmark development and is India's first Transit-Oriented Development (TOD). Spread across 40 acres, Seawoods Grand Central is a unique combination of Commercial, Retail and Hospitality. It has completed development of ~2.6 M sq. ft. of grade A commercial and retail space.



L&T Business Towers - Powai West

2. L&T Business Park

L&T Business Park at Powai is ~15 acres, a campus hosting ~1.5 M sq. ft. of high-quality office space. Further developments are being undertaken in the campus.

3. Technology Park, Bengaluru

L&T Realty's project in Bengaluru has a potential development of Grade A commercial office spaces of ~3.3 M sq. ft. which will be taken up in phases. The first phase development of ~1.1 M sq. ft. is already in progress.

L&T Realty has gained capabilities and competencies to capitalise on opportunities by leveraging its key strengths which are:

- **Brand Commitment:** Enjoys unparalleled trust amongst customers for capabilities to complete and deliver projects enabling premium realisations in the micro markets.
- **Execution:** Possesses capabilities and partnerships for successful completion of projects and deliver promised quality and ensure safety practices.
- **Transparency:** Follows a strong culture of corporate governance and ensures transparency and high levels of business ethics.
- **Highly qualified execution team:** Employs experienced, capable and highly qualified design and project management teams who oversee and execute all aspects of project development.

Business Environment

Growth of the real estate sector is integral to the growth of the economy. The housing sector alone contributes 5-6 % to the country's Gross Domestic Product (GDP), with a 11% CAGR over the last decade.

The real estate sector comprises four sub sectors - housing, retail, hospitality and commercial. The growth of this sector is well influenced by growth of urbanisation, corporate environment and the demand for office space as well as accommodation.

The Government of India and the State Governments are taking multiple initiatives to encourage development in the sector. Policies like Pradhan Mantri Awas Yojna (PMAY), credit-linked subsidy scheme, extension of income tax benefits, the implementation of the Real Estate Regulation Act (RERA), changes in the GST Laws to remove the anomalies of tax rates on under-construction properties, etc., are helping the sector towards growth and an organised playing field. RERA is leading to transformative changes in the sector to improve consumer confidence.

The residential segment constitutes 80% of the real estate industry. The residential real estate trends across markets are towards smaller ticket size, compact units to address larger market sizes. Relatively slower sales in the year have resulted in inventory build-up, causing stagnancy or pressure on price realisation.



India's Largest Transit Oriented Development - Seawoods Residences.Navi Mumbai

The commercial segment consisting of sectors like IT/ ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. The commercial segment is doing well with stable rental appreciations and lower vacancies. Office space demand in the country increased to ~ 36 million sq. ft. (m sq. ft.) during FY 2018-19, duly supported by strong growth of absorption. Office property demand is expected to remain high with annuity seeking investors, both domestic and international, increasingly expanding real estate exposures to hold office and retail assets in India. The successful REIT by Embassy Developers has opened a new chapter in the Commercial real estate segment.

Major Achievments

- Emerald Isle Residential Development (Ph. I) at Powai comprising of 8 towers (789 flats) having Saleable Area of ~13.87 L. sq. ft. completed in the current financial year.
- Successfully concluded commercial asset sale transaction in Powai.
- Lease hold Rights obtained from CIDCO for Seawoods Transit Oriented Development Project.

Awards and Recognition

L&T Realty has been honoured with several awards over the years. During FY 2018-19, the following awards have been received:

- Most trusted Brand in Real Estate – L&T Realty (Hindustan Times Real Estate Awards 2018, Mumbai)
- Iconic Real Estate Brand – L&T Realty (Times Realty Icons 2018 Awards, Mumbai)
- Most Iconic Commercial Project of the year – Seawoods Grand Central (Real Estate & Infrastructure Round Table & Awards – DNA)
- Developer of the Year – Commercial (L&T Seawoods Ltd.) – 10th Realty+ Conclave and Excellence Awards 2018
- Integrated Township Project of the year – Raintree Boulevard – 10th Realty+ Conclave and Excellence Awards 2018
- Best Mixed-Use Township Award – Raintree Boulevard – Times Business Awards

Digitalisation

Sales Force CRM will enable capturing customer sentiments at each touch point. The features focused are lead generation and nurturing, retargeting, remarketing, advocacy, social listening, customer journey from lead to booking of apartment to hand-over will be taken care.

L&T Employee Campus App will have features for employees and visitors based on their specific needs and access requirements. Key features include a Welcome and Campus Policy, cafeteria related information,



Raintree Boulevard - A mixed-use development at Hebbal, Bengaluru

indoor navigations, digital signage, parking, access, emergency buttons and a gate pass. Employees can also avail of features like booking meeting rooms and bus tracking.

Human Resources

L&T Realty believes that employees are key contributors to the success of the organisation and endeavours to acknowledge the contribution made by employees.

The leadership focus is towards the following:

- Attracting and retaining talented, performing employees
- Employee development through training, engagement, awareness and wellness

L&T Realty is the most preferred employer in the sector because of professional management, learning work culture, focus on safety and a long-term career-oriented work environment. During the year, 530 men days were dedicated for competency enhancement and skill development of the employees through various trainings.

Rewarding and recognizing consistent superior performance is essential to build a stronger organisation and create a talent pipeline. The business has a fast-track program for high performing employees to provide them with challenging opportunities to grow faster.

Risks and Concerns

Prevailing market conditions, meeting customer preferences, obtaining various approvals, price fluctuation, increasing cost of housing loans, liquidity crunch, delay in execution of projects / approvals, increase in costs of steel, cement, increase in minimum wages and regulatory changes are the areas where business is susceptible to risks. L&T Realty has appropriate/adequate risk mitigation plans for business processes at all levels.

Outlook

The Indian Real Estate sector aims to reach USD 180 billion by the year 2020, with both commercial and residential segments gaining momentum. Cities like Bengaluru, Chennai, and Hyderabad have become development hubs. The steady demand for residential real estate from the IT sector and the implementation of various infrastructure initiatives will be amongst the key reasons for higher demand in these areas. Brands like L&T Realty are well accepted by customers for transparency and delivery capabilities, apart from providing well designed projects in premium locations and strong liquidity. It is ideally placed to strengthen its development foot print by joining hands with owners of land parcels.

The business is confident about steady growth in the Commercial segment. It will continue to launch new residential projects in Mumbai, Chennai and a few other large cities.



VlavTrac - a revolutionary traceability solution for L&T valves

L&T VALVES LIMITED

Overview:

L&T Valves (LTVL) is a leading manufacturer of industrial valves. The business leverages fifty years of manufacturing excellence to serve key sectors of the economy such as oil and gas, power, petrochemicals, chemicals, water as well as defence and aerospace. L&T Valves manufactures a wide range of products such as Gate, Globe, Check, Ball, Butterfly and Plug valves as well as automation solutions.

LTVL is a market leader in India. Over the years, it also has made forays into international markets in select geographies. It operates two manufacturing facilities in southern India (Kancheepuram and Coimbatore) which are equipped with state-of-the-art design and manufacturing infrastructure, while maintaining high standards in the area of health, safety and environment.

Business Environment

A large volume of the business revenues accrues from the oil and gas sector and through supplies to projects. Oil prices are a key driver. With oil prices recovering during FY 2018 -19, the consumption was driven by project activity in the domestic and international arenas. Investments in the downstream market gathered traction as refinery projects got underway in Middle East. Overall, an increased procurement activity was witnessed in oil and gas sector.

Besides oil and gas, power is another sector of interest. Owing to the structural and regulatory stress in this sector, the market growth remained muted during FY 2018-19 with no significant capacity additions in the thermal sector. Demand in process industries took a positive turn on the backdrop of favorable IIP and PMI indices.

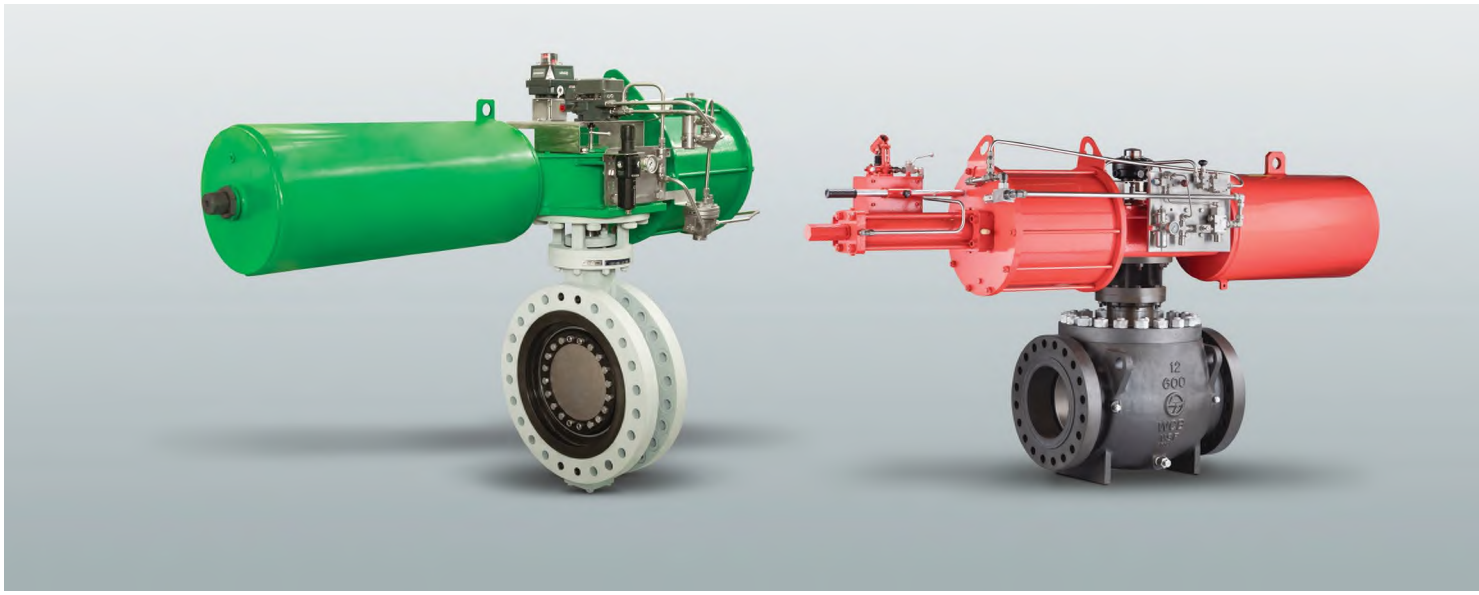
FY 2019 also witnessed an increasing trend of localization and protectionist policies across the globe. The business has taken note of such trends in specific markets like the Middle East and the US and has planned accordingly.

Industrial valves is a highly fragmented market which operates in a highly competitive environment. While the business faced intense competition during FY 2018-19, it has successfully mitigated these challenges and recorded a robust growth during the year.

Major Orders Received

The entity recorded a growth over 100%. Some of the order highlights include:

- Orders received from US distributor (QRC)
- Haradh Hawiyah Gas Compression project (Saudi Arabia) from Tecnicas Reunidas



L&T Valves' products and services enhance safety, reliability and performance worldwide

- Kuwait Oil Company's Gathering Centre GC 32 (Kuwait) from Petrofac International Ltd.
- Unique bi-directional check valve provided for defence applications
- KOCHI PDPP from BPCL

Significant Initiatives

The business implemented multiple strategic initiatives in the form of geographic, channel and product expansion during FY 2018-19.

- Expansion into US Markets:
  - Commencement of distribution business in the USA (largest market for valves) by entering into distribution agreements with a few major distribution companies
  - Strong entry in this market resulting in orders worth USD 12 Mn.
  - Successful pilot run for assembly and testing of valves in USA on contract basis – demonstrating local presence and strengthening the brand image there
- Expanding spread to Europe by establishing distribution network
- Expansion of product range to increase its share of revenue from the existing customer base
- Initiated brand labelling products from other manufacturers based in USA, Europe and India
- Introduced a new line of business, 'After Market' to cater to service and spares needs of customers across the globe
- Embarked upon a major cost reduction journey through design optimization and other initiatives in the areas of sourcing and logistics, helping to remain competitive and benchmark costs with competitors
- Initiated a number of operational excellence initiatives during the year to improve cost competitiveness, on- time delivery performance, quality and lead time reduction

Digitalisation

A few of the major digital initiatives taken include:

- Smart Glass – Real time tour for customers from off-sites and inspections from customer locations
- Digitalisation of stores and material handling through Bar coding, RFID, etc.
- Design automation and Test Stand automation
- Integration of Product Life Cycle Management tool with ERP (SAP)
- Search Engine - single door access to customers for product documentation



The first HIPPS (High Integrity Pressure Protection System) designed and manufactured in India.

Environment, Health and Safety

Environment, Health and Safety consciousness is a core value and the business is committed to achieving EHS excellence at all workplaces. Various initiatives in the area of health, safety and environment helped the Company achieve a 'zero man days lost' record during the year as also receive recognition and awards in these areas.

- Awarded the state level Health & Safety award by National Safety Council, Tamil Nadu chapter
- 10KW solar lighting systems installed in KPM for office lighting
- Water Consumption is down to 46.5 litres/employee/day compared to 63.43 litres in FY 17-18
- Single use, throw-away plastic items restricted at both the plants

Human Resources

The business has built a committed and experienced team of professionals across its manufacturing plants and corporate and marketing offices. Special emphasis is given to training and development of the workforce through various training programs. In addition to the competency building programs, focus is also on soft skills and leadership development. Various engagement initiatives are undertaken to motivate employees and maintain a harmonious work place.

Risks and Concerns

The entity has a robust risk management framework in place and has implemented a risk management policy to identify, monitor and mitigate major risks faced by the business. Taking note of the large quantum of 'projects' business, it has implemented a pre-bid risk review process during FY 2018-19.

Increased competition, low entry barriers, aggressive pricing strategies, increasing trend in protectionist policies, supply chain capacity constraints and execution delays affecting delivery performance are seen as some of the main risks faced.

During FY 2018-19, the business undertook various risk mitigation initiatives including:

- Geographic, product and channel expansion
- Improving cost competitiveness through cost reduction measures
- Special efforts to expand its sourcing base, both locally and overseas
- Addressed supply chain constraints in terms of cost, capacity and lead times by altering processes



Komatsu HD785 Dump Truck



Komatsu PC350LC-8M0 Hydraulic Excavator

- Introduced a variety of operational excellence initiatives to enhance execution efficiency and improve the on-time delivery performance. These include:
  - Shop-floor lean improvements
  - Digitised planning and procurement
  - Online integration of shop floor activities

Outlook

A comprehensive analysis of the market provides pointers to immense opportunities in terms of head room available in the oil and gas sector as also the high potential for growth in geographies like America, Europe, Middle East, Africa and Asia Pacific. A focused effort to pursue prospects in Europe and America will not only help expand its customer base but also help in de-risking its dependence on existing markets. Similarly, opportunities in the distribution space, which is the preferred channel in some of the major markets, will also help in mitigating high exposure to projects.

On the domestic front and in the oil and gas sector, investments are expected in debottlenecking and capacity expansion projects in the year FY 2019-20. It also shall track investments in pipeline and marketing terminals which are likely to come up. Opportunities are opening up in defence and nuclear space which augur well for the business's established track record in this area.

Globally, in an environment of stable oil prices, the business outlook shall remain positive. Investments in oil and gas projects are expected to continue in the Middle East and some parts of Africa. Similarly, project implementations in downstream and gas development are expected to continue in Europe. Overall, prospects from EPC players are expected to continue at the same levels.

Setting up of an 'after-market' business has opened up new opportunities across the world and the Company expects a positive impact of this initiative on its order inflows during FY 2019-20.

CONSTRUCTION EQUIPMENT & OTHERS

Overview:

The Construction Equipment & Others (CE&O) business manufactures, distributes and provides after-sales support for construction and mining equipment for diverse industries and applications. The business also manufactures and markets Tyre Curing Presses, Tyre Building Machines and provides solutions for the tyre manufacturing industry globally.

The CE&O business consists of two broad segments, namely, Construction & Mining Machinery



L&T 1190D Soil Compactor



L&T 2490HD Pneumatic Tyred Roller

(CMM) and Rubber Processing Machinery (RPM). CMM further comprises the Construction & Mining Machinery business unit (CMB) and L&T Construction Equipment Limited (LTCEL), a wholly-owned subsidiary of L&T. The RPM business comprises L&T Rubber Processing Machinery business unit (LTRPM) and L&T Kobelco Machinery Private Limited (LTKMPL), a Joint Venture with Kobe Steel, Ltd., Japan (with L&T holding a 51% stake and 49% by Kobe). In April 2019, L&T fully exited its investment in LTKMPL with Kobe buying over the 51% stake held by L&T in LTKMPL, while LTRPM continues to represent LTKMPL for marketing its products.

The CMB division focuses on distribution and after sales service for hydraulic excavators and dump trucks manufactured by Komatsu India Private Limited (KIPL) and other mining and construction equipment manufactured by Komatsu worldwide. It also handles the distribution of a range of construction equipment including hydraulic excavators, wheel loaders and compactors manufactured by LTCEL and Mining Tipper Trucks manufactured by Scania India.

LTCEL, located in Doddaballapur near Bangalore, manufactures vibratory compactors, wheel loaders, hydraulic excavators, asphalt paver finishers, pneumatic tyred rollers, skid steer loaders, hydraulic power packs, cylinders, pumps and other components.

LTRPM, located in Kancheepuram near Chennai, manufactures and markets rubber processing machinery i.e. mechanical and hydraulic tyre curing presses, tyre building machines, conveyor systems and tyre automation systems for the tyre industry both domestically and globally. LTKMPL is in the business of designing, engineering, manufacturing, installation and servicing of rubber processing machinery (mixers and twin-screw roller head extruders) and spares.

The Product Development Centre (PDC) based at Coimbatore, renders engineering and product development support for all the businesses.

Business Environment

Construction and Mining Machinery Business

Construction and mining sectors are the key demand drivers of CMM business.

During the year, highway construction increased from 27 Km/day to 29 Km/day, rail-track construction increased from 5.1 Km/day to 5.8 Km/day and cargo handling capacity at major ports increased from 1451 MMT to 1540 MMT.

In the mining sector, coal production registered a growth of ~ 5.7% over the previous year. In the cement sector, the installed capacity increased from 455 MT to 478 MT with an increase in overall production from 296 MT to 328 MT in FY 19. The auction of around 24 limestone mines was completed during FY 2018-19.



L&T 9020sx Wheel Loader



Scania P440 Tipper Truck

However, with NBFC crisis impacting liquidity in the economy, stiff competition from domestic equipment manufacturers and a number of Chinese mining equipment manufacturers – especially in dump truck, tipper and wheel loader segments – impacted growth.

Rubber Processing Machinery Business

The performance of the automobile and tyre industries are the major influencing factors for the business. The global auto industry registered a moderate growth and did well in markets like India, Russia and Brazil in the current year. However, China saw a steep fall in passenger car sales and the US market remained flat.

India produces about 3.5 million passenger cars per year, although the last quarter of FY 2018-19 did see a bit of de-growth. In the commercial vehicles (CV) segment, the current year has witnessed growth as high as 25%, because of the low base effect.

In the OTR (Off The Road) market in India, the demand for tyres has been good and many of the customers have gone ahead with expansion plans, providing good business opportunities. The segment saw a growth of 20 % over the previous year.

Major Orders Received in CMB

The following major orders were received during the year:

- Singareni Collieries Company Limited – Komatsu mining equipment and spares
- VPR Mining Infra – Scania mining trucks
- National Mineral Development Corp. – Komatsu mining equipment and spares
- PC Patel Infra – Komatsu mining equipment

Significant Initiatives

Construction and Mining Machinery Business

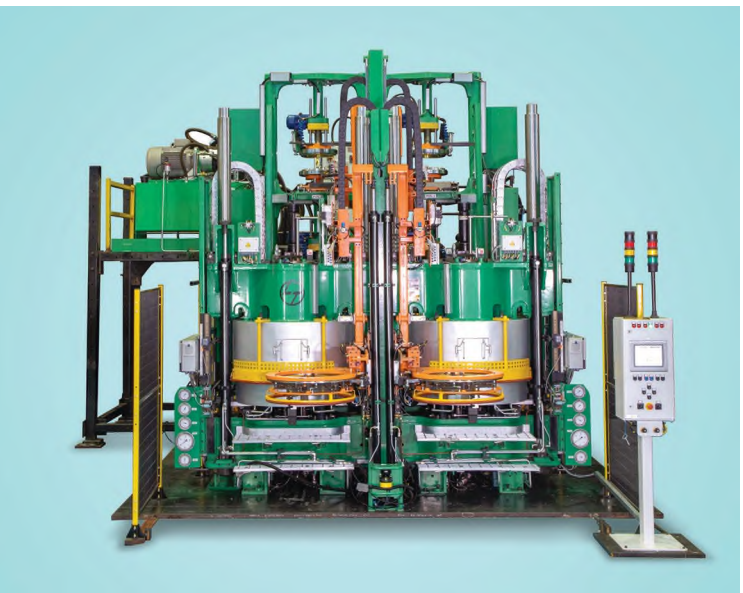
CMB introduced a number of business expansion activities during FY 2018-19. It introduced new equipment models for the construction and mining equipment such as an 80T excavator with a large bucket, rock body Scania tippers, etc., which helped in delivering additional sales. With the availability of spares being brought closer to customer sites, the availability guarantee of the machines has increased from 84% to 92% and thereby increasing sales of spares for the business.

With the continued focus on capturing the hiring segment, CMB promoted lease financing programmes with low investment and low EMI. In order to retain customers and overcome the competition, CMB has been educating customers to evaluate the equipment on the basis of lower life-cycle costs, quick serviceability, etc.

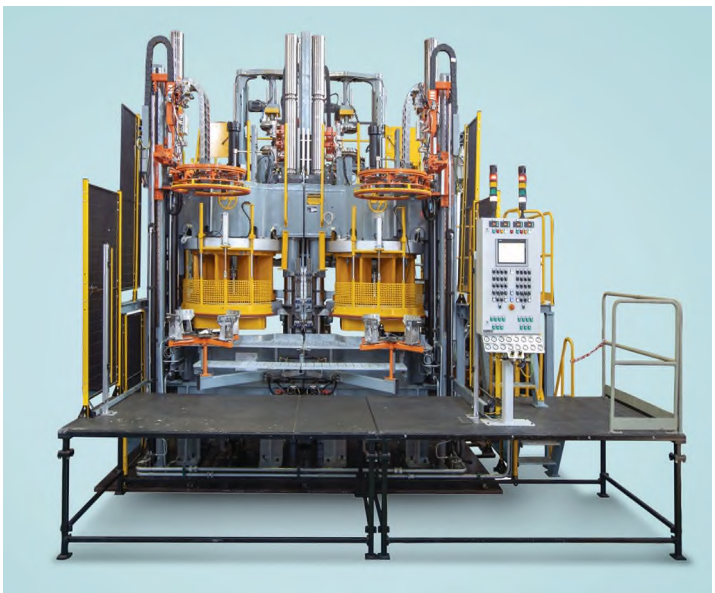
CMB's 6th Service centre was opened in May 2018 in Singrauli covering over 800 machines in the region.

Rubber Processing Machinery Business

An array of newer models was developed and newer variants were introduced into the market viz. a new low



PCR Floor Mounted Hydraulic Press



PCR Hydraulic press

deck height series of passenger car tyre hydraulic press and a new variant of tyre building machine (TBM) called Zeus being exported to a tyre manufacturer in US and targeting new customers in the US and European markets.

LTRPM also strengthened its portfolio on Tyre Handling Automation Solutions and increased its focus on product support and services. Apart from these, LTRPM also focused on a number of process-related initiatives such as design process modernisation, long-term vendor contracts with 360-degree support, product reliability enhancements, digitalisation, etc.

As part of the plan of expanding global reach, LTRPM also set up its office in the United States and has identified a similar plan for Europe. During the year 2018-19, a new technology called Hyper Cooled Rotor KCS 3.0, with a higher cooling capacity was introduced by LTKMPL, which is suitable for mixing rubber at lower temperatures.

Digitalisation

On the digital front, the LTRPM business has established a system for updating the material status on a continuous basis, both for in-house and purchased parts. QR code based traceability for the components has been introduced.

Digitalisation in CMB was implemented in stages throughout the year, which offered superior ICT tools, customer savings through machine performance monitoring and enhanced financier comfort.

Environment, Health and Safety

Safety Officers have been appointed at all the units and report to management personnel responsible for ensuring the safety practices are strictly adhered to. Safety audits are conducted regularly to ensure that the safety practices are in place and being followed.

The manufacturing unit of LTCEL has been certified for its Integrated Management System (Environmental management systems as per ISO 14001:2004 and OHSAS 18001:2007 for Occupational Health and Safety Management systems).

Human Resources

The Company has progressively built a team of committed professionals across its manufacturing plants and corporate offices. Emphasis on training and development of the workforce has been the focus area. Additionally, competency building programs for leadership development and various engagement initiatives have been undertaken to sustain the employees' motivation and maintain a harmonious work place. Consequently, the Industrial Relations scenario has remained cordial in the manufacturing units of the group. There were no cases of violations during the year under the whistle blower policy and policy on 'Protection of Women's Rights at Workplace'.

Risks and Concerns

Foreign currency fluctuation poses one of the major risks, as the LTRPM business has significant portion of imports



OTR Mechanical press



TBR Hydraulic Press

and also exports goods. However, the business has mitigation plans in place to counter the impacts of currency volatility. Increased market competition and macro-economic volatility is a continuing concern for the business.

Outlook

Construction and Mining Machinery Business

CMB plans to strengthen position in the premium segment and also increase its focus on large contractors, large irrigation projects and coal OB (overburden) removal contractors.

Government initiatives in infrastructure development, affordable housing etc. are expected to drive demand in the cement sector, which in-turn will boost demand for dump trucks, dozers and other mining equipment.

The dozer segment is expected to grow by ~25%. Demand for Komatsu excavators is expected to increase by ~11% for FY 2019-20. The motor graders segment is expected to increase by ~14%.

CMB also expects the spares and auxiliaries business to grow by ~13% and plans to introduce newer attachments to boost sales.

With ~60% of demand for mining equipment coming from Coal PSUs, CMB is planning to target selective tenders along with Komatsu.

In the parts and services segment, CMB plans to introduce newer and more innovative, user-friendly spares. It also plans to develop dealers for construction equipment component repairs.

Rubber Processing Machinery Business

The global tyre market totalled USD 73.9 Bn in 2017 and is expected to grow up to USD 98.56 Bn in 2024 at a CAGR of 4.2% as per the market research, with light-vehicle tyres accounting for around 60% of sales and truck tyres 30%.

Few brownfield projects have been announced in the Truck Bus Radial and Off The Road segments. In the international market, tyre industries have announced few projects for investment. LTRPM's discussions with some of the leading players in Europe and US should give the unit good opportunities for better order inflow in FY 2019-20.

In the domestic market, with the Indian auto slow down and the general elections held in Q1 of FY 2019-20, the order inflow for FY 2019-20 may face some difficulties.

Financial Review 2018-19

I. L&T CONSOLIDATED

A. PERFORMANCE REVIEW

Indian economy is poised to gain out of structural reforms like GST, IBC etc. and initiatives such as Demonetisation. The year witnessed pick up in project awards and improved execution environment. Backed by incremental tax revenues and widening tax base, it is likely to give Central Government good financial wherewithal to fund infrastructure capex as well as uplift weaker sections of society through social spending. State governments have also steadily increased investment in public sector infrastructure projects such as state roads, transmission and distribution networks, metro rail networks and irrigation facilities. With Insolvency & Bankruptcy Code maturing, bank finances were channelled to growth prone areas, resulting in pick up in private sector investments, especially in health sector and in other services sector. This added with Governments thrust on infrastructure growth saw pick up in airports expansion although decision making in areas such as defence manufacturing towards Make in India programme is yet to gather the required momentum.

Public sector spends reflects strong investment momentum in areas of compliance requirements in refinery, reduction in import dependence in fertiliser, water supply & distribution, Metro Rail Networks, Road adjacencies (special bridges, expressways and city flyovers) and Transmission & Distribution. The strong underlying macro drivers of investments in these sectors are expected to continue well into FY 2019-20 and beyond, though the General Elections in first quarter of FY 2019-20 may have some impact on decision making process.

On the global front, the year gone by has seen significant volatility. Increase in protectionist barriers, sensitive geo-political developments, moderation of growth in China, oil price & commodity price fluctuations, are impacting the way of doing business. The business environment remained competitive, with surplus capacity causing pricing pressures.

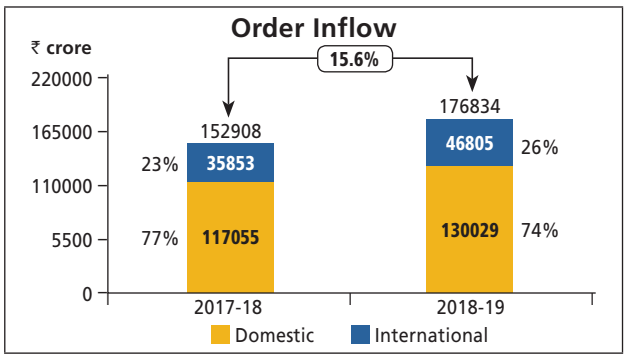
In this backdrop, the Group recorded stellar performance of its businesses in diverse sectors. The Company continued to focus on its goal of maximizing shareholder value by divesting assets identified for sale, achieving operational excellence through digital initiatives in furtherance to improve cost competitiveness, containing working capital along with better funds management and investing in value accretive acquisitions. During the year the Company concluded the stake sale in a container port in Tamil Nadu on receipt of regulatory approvals. The Company also monetized 5 road projects by transferring them to a listed Infrastructure Investment Trust (IndInfravit Trust). The Company has received an approval from Competition Commission of India (CCI) for divestment of its Electrical & Automation business, subject to compliance to certain conditions the details of which are awaited. L&T Metro Rail (Hyderabad) Limited, a subsidiary company, commissioned additional 26 km stretch of metro rail network in the city of Hyderabad during the year. The year also saw growth momentum in its listed subsidiaries namely L&T Infotech Limited, L&T Technology Services and L&T Financial Services with all three of them recording notable growth.

As at March 31, 2019, L&T Group comprises 110 subsidiaries, 8 associates, 27 joint venture companies and 31 joint operations. Most of the group companies are strategic extensions of the project and product businesses of L&T, while hydrocarbon business is housed in a separate set of group companies to provide the desired focus and independent functioning. 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 and Financial Services are housed in separate listed subsidiaries. The development projects business reside in separate subsidiaries and joint venture Companies.

Order Inflow and Order Book

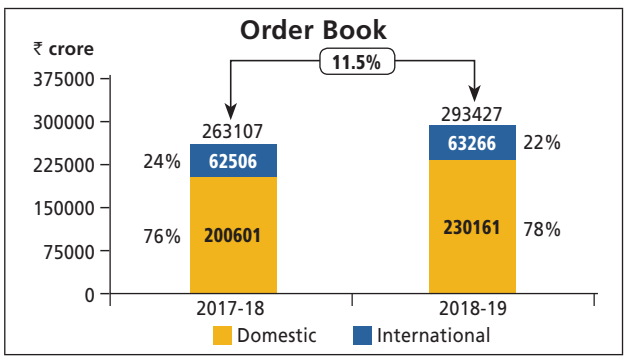
L&T Group achieved order inflow of ₹ 176834 crore during the year 2018-19, registering a growth of 15.6% over the previous year. Focus on infrastructure at both the Centre and States, coupled with pick up in select private sector investments, have resulted in order inflow growth. The year witnessed increased investment by State authorities, especially in water supply & distribution and irrigation sectors. Big ticket orders were received from public sector entities mainly in Infrastructure and Hydrocarbon. During the year, Hydrocarbon business achieved a breakthrough in Algeria on receipt of large value order which boosted International order inflow. This resulted in lowering the composition of business from Middle East.

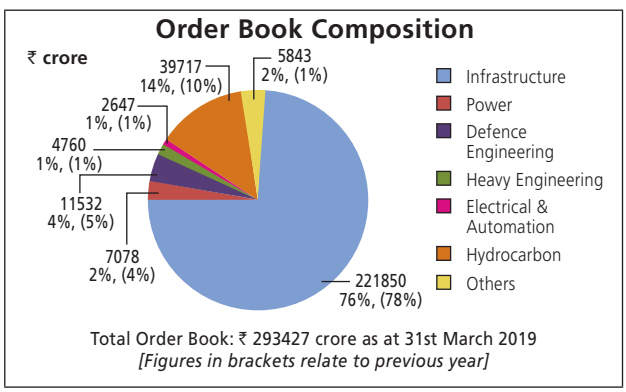
Order Inflow growth was mainly driven by Infrastructure segment, contributing 54% of the total order inflow for the year and Hydrocarbon contributing 16%. Growth was achieved with increased large value orders received from airport, metro, water supply & distribution, lift irrigation, health and refinery segment.



A robust order book of ₹ 293427 crore as at March 31, 2019 gives multi-year revenue and margin visibility to the Company. With current year order inflow being largely domestic centric, the composition of international order book declined to 22% as at March 31, 2019, as compared to 24% in the previous year.

Infrastructure segment continues to contribute 76% of the consolidated order book. With increased opportunities in Hydrocarbon sector, the share in order book has increased from 10% to 14%. As the year saw major order awards from State Government's, the share of order book from State Governments has increased, with reduced share of orders from Central Government.

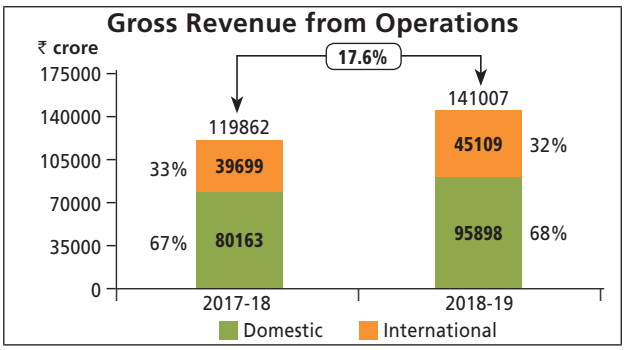




Total Order Book: ₹ 293427 crore as at 31st March 2019
[Figures in brackets relate to previous year]

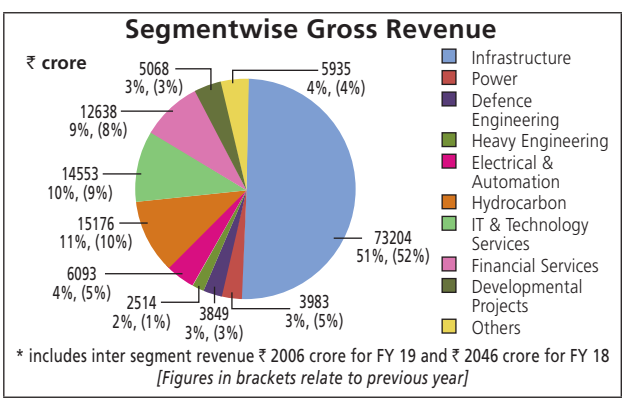
Consolidated Revenue from Operations

L&T Group recorded revenue of ₹ 141007 crore during the year, registering a growth of 17.6%. Revenue earned from international operations comprised 32% as compared to 33% in the previous year.



The growth in revenue was achieved with pick up of execution momentum in project businesses and substantial growth in services businesses. In product business, Electrical & Automation business achieved good growth on better offtake in Electrical Standard Products & higher demands in Metering Protection Systems, while Valves revenue was impacted due to delays in client clearances. Pick up in execution momentum in large value orders in order book in Transportation Infra, Heavy Civil Infra, Water Effluent and Treatment, Hydrocarbon and Defence, led the revenue growth in project business. Revenue in Realty business on application of Ind AS 115 from April 1, 2018, is now recognized based on 'Hand-over' of residential units, change from earlier cost based percentage completion method. This may lead to lumpiness in revenue and profit recognition for a given period.

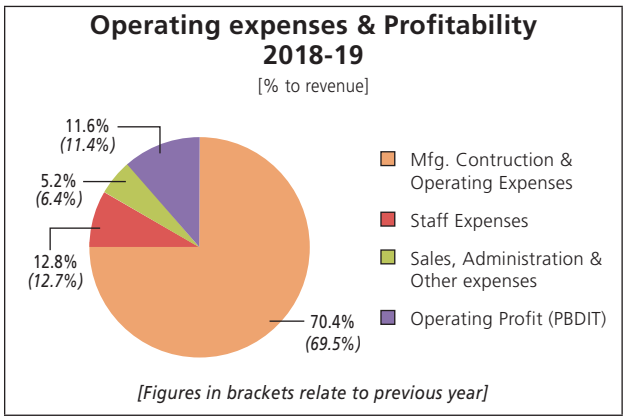
Share of revenue of Services business increased from 18% to 19%, with similar share being reduced of Infrastructure segment.



* includes inter segment revenue ₹ 2006 crore for FY 19 and ₹ 2046 crore for FY 18
[Figures in brackets relate to previous year]

Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses at ₹ 99281 increased by 19.2% over FY 2017-18. These expenses mainly comprise cost of construction material, raw materials and components, subcontracting expenses and interest costs in Financial Services business. This represent 70.4% of revenue, an increase by 90 bps, mainly due to cost overruns encountered in some roads, elevated corridor projects in the Transportation Infrastructure vertical.



Staff expenses for the year 2018-19 at ₹ 18101 crore increased by 18.5% over the previous year. Staff Cost as a percentage of revenue marginally increased to 12.8% from 12.7%, representing normal increments and increase in manpower in the services business. The Group is sustaining its focus on improved productivity, digitalisation and manpower rationalisation.

Sales and administration expenses decreased by 4.3% y-o-y to ₹ 7301 crore, mainly on lower provisions towards customer receivables and credit losses.

The Group operating profit at ₹ 16325 crore for the year 2018-19 registered a healthy growth of 19.7% y-o-y. The EBITDA margins for the year also improved by 20 basis points to 11.6%. Favourable job mix, coupled with execution efficiencies in Defence, Heavy Engineering and Hydrocarbon, cost optimization measures in product businesses, monetization of a Realty asset and container port at Kattupalli and strong growth in IT & TS businesses, contributed in offsetting the impact of cost overruns encountered in some projects in the Infrastructure segment.

Depreciation and Amortization charge

Depreciation and amortization charge for the year 2018-19 increased by 8.1% to ₹ 2084 crore, compared to ₹ 1929 crore in previous year. The increase was largely due to impairment of assets in hydel projects.

Other Income

Other income at ₹ 1852 crore, increased by 38% over ₹ 1342 crore, consists of profit on sale of liquid investments, interest and dividend income from treasury investments. The growth was on account of higher interest income, lower charge towards mark-to-market (MTM) of derivatives and higher cross-sell income in Financial Services.

Finance cost

The interest expenses for the year 2018-19 at ₹ 1806 crore was higher by 17.4% in comparison to ₹ 1539 crore for the previous year. The increase was attributable to the higher interest cost in L&T Hyderabad Metro Rail upon partial commencement of operations. Further, higher proportion of interest bearing advances in Infrastructure businesses resulted in increase in average borrowing cost for the year to 7.9%, as compared to 7.3% in the previous year.

Exceptional Items

Exceptional items of ₹ 295 crore during the year represents recognition of certain customer dues (covered in insolvency proceedings), now considered as recoverable based on favourable NCLAT order received during this year.

Tax Expense

Income Tax charge for FY 2018-19 increased to ₹ 4343 crore compared to ₹ 3199 crore in FY 2017-18 on increased profits and higher effective tax rate.

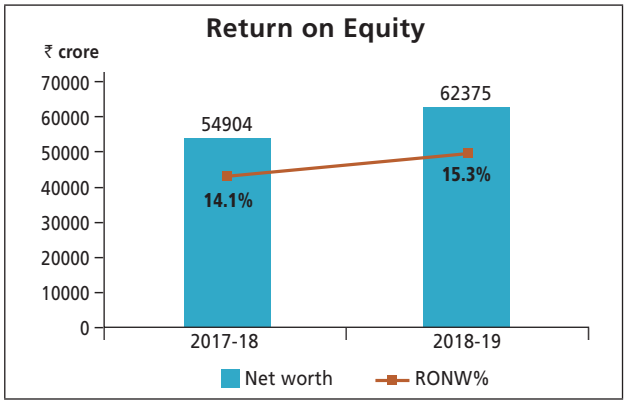
Consolidated Profit after Tax and EPS

Consolidated Profit after Tax (PAT) at ₹ 8905 crore for the year 2018-19 rose by 20.8% over the previous year at ₹ 7370 crore.

Consolidated Basic Earnings per Share (EPS) for the year 2018-19 at ₹ 63.51 registered a substantial growth over previous year at ₹ 52.62.

Return on Consolidated Net Worth

The Net Worth, as on March 31, 2019, at ₹ 62375 crore, reflects net increase of ₹ 7471 crore, as compared to the position as on March 31, 2018. Return on Net worth (RONW) for the year 2018-19 was higher at 15.3%, compared to 14.1% in the previous year, driven by increase in net earnings.



Liquidity & Gearing

Cash flow from operations (excluding change in loans and advances towards financing activities) increased to ₹ 9139 crore as compared to ₹ 6428 crore in the previous year due to better operational efficiencies and thrust on customer collections. Borrowings increased by ₹ 4319 crore to sustain higher level of operations. During the year, additional funds were generated from divestment of stake in subsidiary companies and treasury income.

Funds were used for strategic investments and investments in S&A companies. Further, the group incurred capital expenditure of ₹ 3475 crore, payment of dividend ₹ 2647 crore and net interest expense of ₹ 2982 crore during the year. There was a net decrease of ₹ 275 crore in the cash balances as at March 31, 2019 as compared to the beginning of the year.

Consolidated Fund Flow Statement	**₹ crore**	
Particulars	**FY 18-19**	*FY 17-18*
Operating activities	9139	*6428*
Borrowings/(Repayment) of Borrowings	4319	*(3691)*
Receipt from/(Payment to) minority interest (net)	2885	*1413*
Treasury and dividend income	987	*3278*
ESOP Proceeds (net)	11	*50*
Decrease/(Increase) in cash balance	275	*(3254)*
Sources of Funds	**17616**	*4224*
Capital expenditure (net)	3475	*2015*
Purchase/(Sale) of other investments	8252	*(2175)*
Net investment/(divestment)	260	*(477)*
Dividend paid	2647	*2390*
Interest paid	2982	*2471*
Utilisation of Funds	**17616**	*4224*

The total borrowings as at March 31, 2019 stood at ₹ 125555 crore as compared to ₹ 107524 crore as at March 2019. The gross debt equity ratio increased to 1.81:1 as at March 31, 2019 from 1.79:1 as at March 31, 2018. The net debt equity ratio stood at 1.52:1, same as at March 31, 2018.

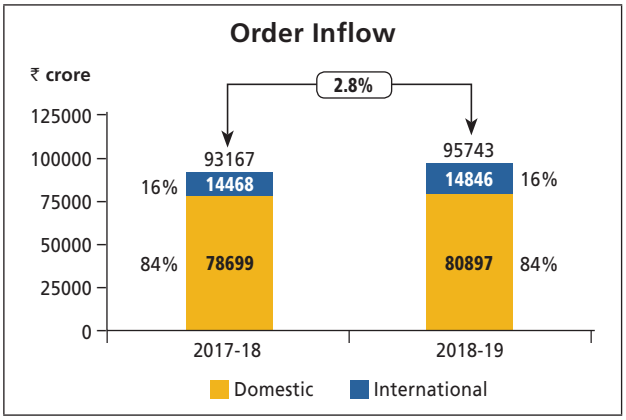
B. SEGMENT WISE PERFORMANCE (GROUP)

1. Infrastructure Segment

Infrastructure segment now includes Metallurgical and Material Handling (MMH) business, which was reported under "Other" segment last year. Accordingly, previous year figures have been regrouped wherever necessary.

Infrastructure segment won orders worth ₹ 95743 crore, higher by 2.8% over the previous year, mainly from domestic state government and private customers. Large value orders were bagged by Building & Factories, Heavy Civil Infrastructure, Transportation Infrastructure and Water Effluent Treatment businesses. Strong investment by private sector in the airport segment and health segment boosted the order inflow momentum of Building and Factories. The demand from Housing segment however grew meagerly on account of unsold inventory. Water Effluent & Treatment business registered a significant growth with order wins from Madhya Pradesh for Water Supply & distribution and irrigation projects. Smart World & Communication registered growth benefitting from social sectors like E-shiksha and growth in communication network. The order inflow momentum was maintained in Power Transmission and Distribution business on orders received from Power Utilities and Middle East. The Order Inflow growth was impacted in the Heavy Civil Infrastructure, Transportation Infrastructure and Metallurgical and Material Handling business by deferral of some large value orders.

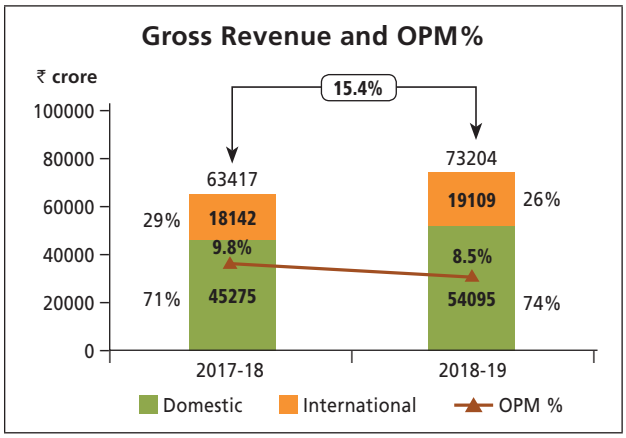
The share of international order inflow remained at 16%, same as previous year, with reduced contribution from Middle East compensated by higher proportion of orders from South East Asian and African countries. International order wins were predominantly in Power Transmission & Distribution, with Buildings & Factories and Transportation Infrastructure each receiving one large value order from international market.



Infrastructure segment clocked gross revenue of ₹ 73204 crore for the year 2018-19 registering 15.4% growth over the previous year. With strong executable opening order book, supported by necessary operational actions and statutory clearances, the execution progress picked up, resulting in revenue growth. All businesses of the segment registered a strong growth, except Smart World & Communications due to delay in receipt of clearances and new awards and in Metallurgical & Material Handling business on two large value projects in the portfolio encountering challenges for execution clearances.

Revenue from international operations constituted 26% of the total revenues of the segment during the year as compared to 29% in the previous year, with reduced mix of international orders in opening order book.

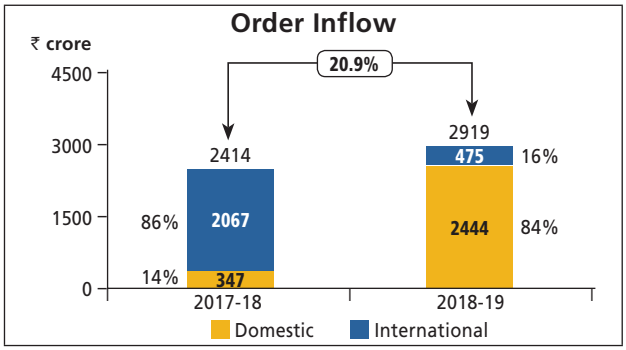
Infrastructure Segment earned operating profit of ₹ 6154 crore. There was a decline in margins from 9.8% to 8.5% due to cost and time overruns in certain projects in roads and elevated corridors in Transportation Infrastructure, lower capacity utilization in Smart World & Communications and Metallurgical & Material Handling business.



The Funds employed by the segment at ₹ 23940 crore as at March 31, 2019 increased by 7.6% vis-à-vis March 31, 2018, reflecting larger scale of operations. Increase in Gross Working Capital due to buildup of project work-in-progress and increase in receivables was partially compensated by better vendor credit management and increase in customer advances on new order wins.

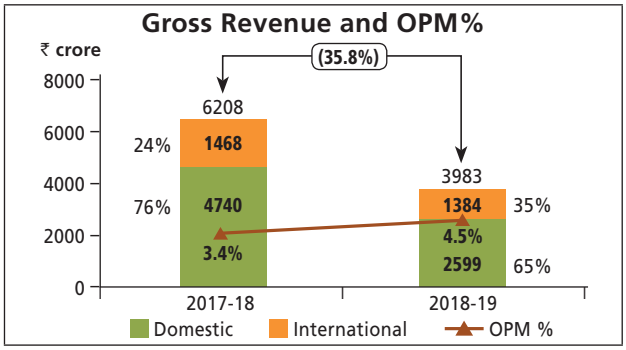
2. Power Segment

Power segment bagged orders worth ₹ 2919 crore as compared to ₹ 2414 crore in the previous year. The current year order inflow was mainly on back of domestic orders won for Flue Gas Desulphurisation projects as a result of the mandate from Ministry of Environment, Forest and Climate Change. However, in the main stream of EPC jobs in coal based projects, the tender pipeline during FY 2018-19 was quite thin.



Power segment revenue declined y-o-y by 35.8% to ₹ 3983 crore, on the back of declining order book and delay in receipt of new awards. With pick up in execution momentum for order received from Bangladesh in previous year, composition of revenue from international projects increased to 35% of total revenue for the segment, from 24% in previous year.

Segment operating profit though reduced to ₹ 177 crore from ₹ 208 crore from previous year, the margins improved from 3.4% in FY 2017-18 to 4.5% in FY 2018-19 on higher proportion of international orders.



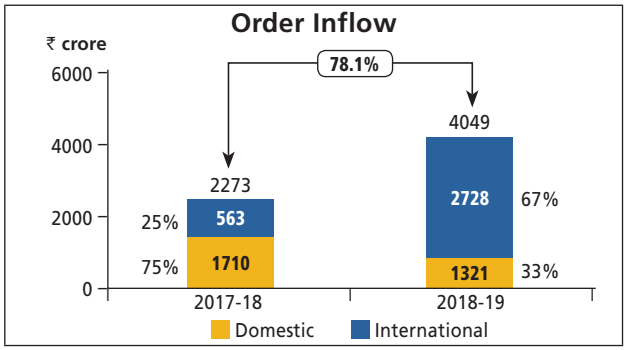
The Funds employed by the segment stood at ₹ 1192 crore as at March 31, 2019 higher than ₹ 844 crore as on March 31, 2018 due to delay in collection of retention amount in jobs nearing completion and higher carrying value of Investment in Joint Ventures under Power Group, consolidated through equity method under Ind AS.

3. Heavy Engineering Segment

Defence and Aerospace business which was part of Heavy Engineering segment last year is reported as a separate segment from the current financial year. Accordingly, previous year figures have been regrouped wherever necessary.

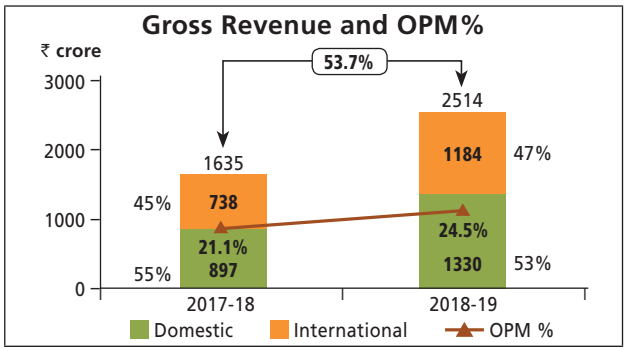
Heavy Engineering segment comprises of engineered-to-order critical equipment, piping and systems for core sector industries like fertiliser, petrochemical, refinery, oil & gas, gasification, thermal and nuclear power.

Heavy Engineering segment recorded order inflow of ₹ 4049 crore for the year ending March 31, 2019, higher by 78.1% as compared to the previous year. Growth during the year was mainly driven by increased demand for clean fuel projects complying with EUR6/BS-VI norms and change in MARPOL regulation norms by 2020. With significant orders received from EPC customers from Europe & USA in oil & gas segment, share of orders from international increased from 25% in previous year to 67% in current year.



Segment gross revenue of ₹ 2514 crore registered a growth of 53.7% compared to the previous year on the back of improved order book coupled with good execution progress in refinery, oil and gas equipment business. Revenue from international operations constituted 47% of the total revenue for the segment.

The segment recorded a significant increase in the operating profit for the year at ₹ 532 crore, registering margin growth from 21.1% to 24.5% on accrual of other income and write back of provisions that were no longer required.

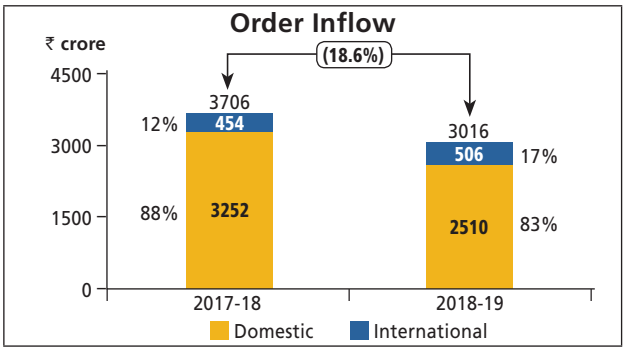


Funds employed by the segment as on March 31, 2019 at ₹ 2503 crore, registered an increase of 3% over the previous year on additional capex and increase in working capital to support increased business volume.

4. Defence Engineering Segment

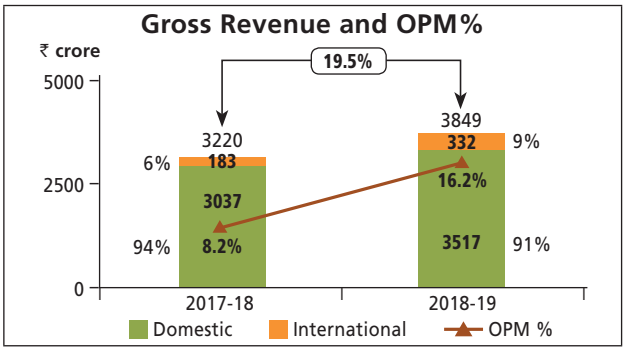
Defence Engineering comprising Defence and Aerospace business (part of Heavy Engineering Segment till end FY 2017-18) & Shipbuilding business (part of "Others" segment till end FY 2017-18) is being reported as a separate segment since April 2018. Marine switchgear business which was earlier part of Electrical & Automation Segment is a part of the segment from October 2018 onwards.

Defence engineering segment recorded order inflow of ₹ 3016 crore for the year ending March 31, 2019, lower by 18.6% as compared to the previous year due to deferral of a major order in Shipbuilding business. International orders constitutes 17% of the total order inflows compared to 12% in the previous year.



Segment gross revenue of ₹ 3849 crore improved by 19.5% compared to the previous year. Growth was mainly contributed by better execution of certain defence order partially offset by de-growth in Shipbuilding business. Revenue from international operations constituted 9% of the total revenue for the segment.

The operating margin improved from 8.2% in previous year to 16.2% in current year upon accelerated progress on a defence order and cost savings in a project in the shipbuilding business.

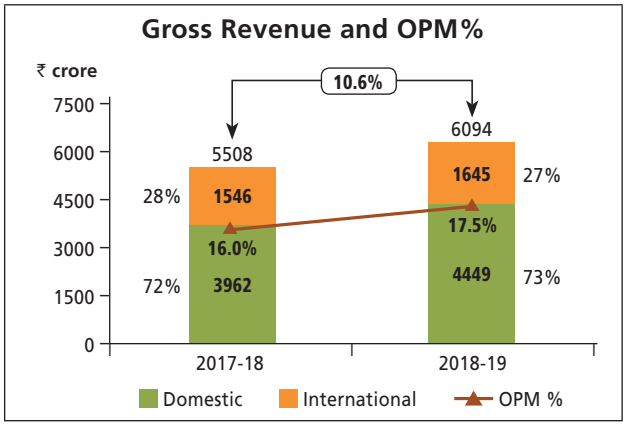


Funds employed by the segment as on March 31, 2019 at ₹ 2862 crore decreased 8.1% y-o-y, on account of better collections.

5. Electrical & Automation Segment (E&A)

E&A business recorded gross revenue of ₹ 6094 crore for the year, an increase of 10.6% over the previous year. Revenue from international operations marginally declined to 27% of the total revenues of the segment.

Segment operating profit for the year improved to ₹ 1012 crore, a 23.1% increase over previous year. Operating margins improved during the year by 150 basis points to 17.5%, owing to better operational efficiencies and favourable product mix.



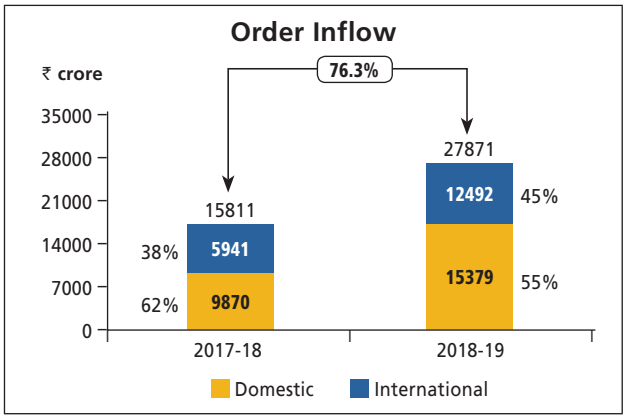
Funds employed at ₹ 2280 crore marginally decreased by 1.3% y-o-y aided by better collections from customer

Segment performance is after adjusting performance of marine switchgear business which was part of the segment till September 2018, thereafter transferred to Defence Engineering segment as a part of business portfolio restructuring.

The Company entered into a definitive agreement 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. CCI approval, subject to certain amendments details of which is awaited, is received. The business transfer will be effected on acceptance of the amendments and consequent completion of all formalities and approvals.

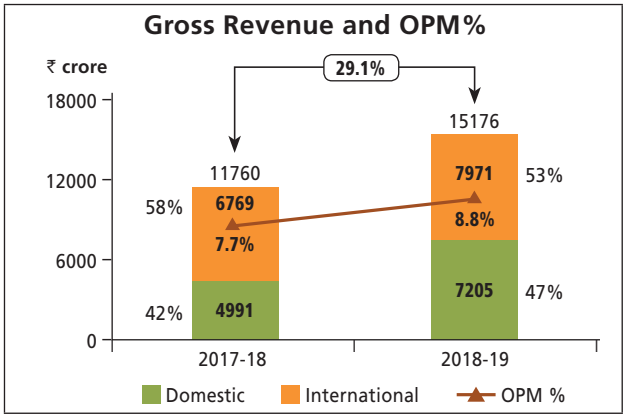
6. Hydrocarbon Segment

Hydrocarbon segment registered a strong performance with large growth in order inflow and profitable revenue growth. The segment secured fresh orders aggregating to ₹ 27871 crore during the year, driven by a number of large value onshore orders, recording a growth of 76.3%. The business achieved break through success in new region – Algeria during the year, resulting in composition of international orders increasing to 45% from 38% in the previous year.



Segment revenue at ₹ 15176 crore for the year grew by 29.1% y-o-y, enabled by on time execution of large orders in onshore and fast track projects in offshore business. International revenue declined to 53% of the total revenue of the segment as compared to 58% in the previous year, due to reduced share of international orders in opening order book and orders received during the year are yet to pick up execution momentum.

Segment operating profit for the year improved to ₹ 1330 crore, with margins improving by 110 basis points from 7.7% to 8.8% reflecting operational / execution efficiencies.

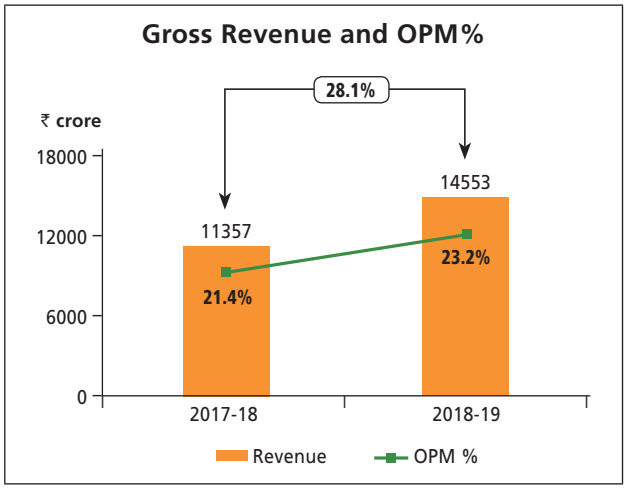


Funds employed by the segment at ₹ 2128 crore increased by 53.6% as compared to March 31, 2018 reflecting higher investible surplus.

7. IT & Technology Services (IT & TS)

IT & TS segment comprises Larsen & Toubro Infotech group of companies and Larsen & Toubro Technology Services group of companies, which were listed in FY 2016-17. Segment recorded gross revenue of ₹ 14553 crore for the year ended March 31, 2019 registering a growth of 28.1% over the previous year. International revenue constitutes a steady 90% the total revenue of the segment.

The Segment Operating profit was at ₹ 3336 crore for the year 2018-19 as compared to ₹ 2391 crore in the previous year. Operating margin improved by 180 basis points mainly on account of depreciation of rupee and better operational efficiencies.

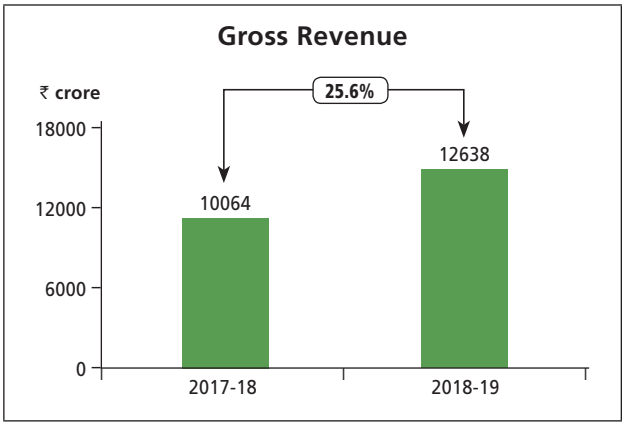


The Funds employed by the segment at ₹ 7071 crore as at March 31, 2019 is higher by 31.4% as compared to March 31, 2018 due to investment on acquisition of new subsidiaries.

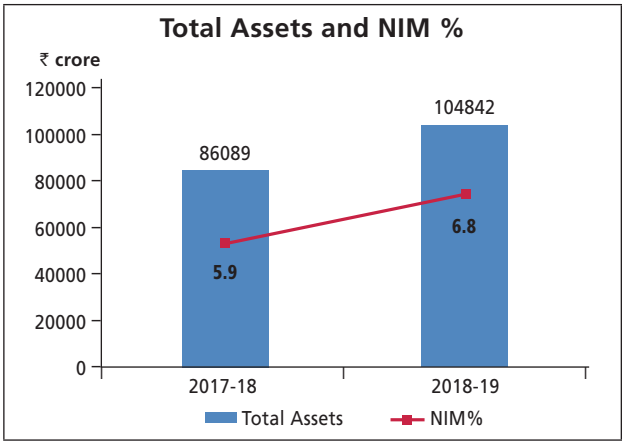
During the year, the company divested 7.5% stake in L&T Infotech and 8.5% stake in L&T Technology Services, towards meeting the regulatory requirement of minimum public shareholding of 25% within three years from listing of its shares. L&T's shareholding in LTI and LTTS as on March 31, 2019 is 74.80% and 78.88% respectively.

8. Financial Services (FS)

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. Segment revenue grew 25.6% y-o-y at ₹ 12638 crore during the year ended March 31, 2019 aided by growth in the loan assets.



Disbursal of fresh Loans and Advances in Wholesale, Real Estate, Micro Loans and Farm portfolio amounted to ₹ 58224 crore during the year ended March 31, 2019, a decline of 13% y-o-y. The Asset Book stood at ₹ 99121 crore as at March 31, 2019 recording a growth of 16% y-o-y. The Net interest margins at 6.8% improved over 5.9% in the previous year.



The Gross Non-Performing Assets (GNPA) ratio decreased from 8.7% (restated) as at March 31, 2018 to 5.9% as at March 31, 2019. LTFH has been strengthening its balance sheet throughout the year by building macro prudential provisions for unanticipated future event risk, over and above the expected credit losses on GS3 and standard asset provisions. The coverage on GNPA is maintained at 61% (restated as per new RBI norms) for the year ended March 31, 2019. Net NPA ratio has reduced to 2.40% (restated) as at 31st March 2019 against 3.34% as on 31st March 2018.

LTFH also witnessed growth in its Investment & Wealth Management businesses. Average Assets under

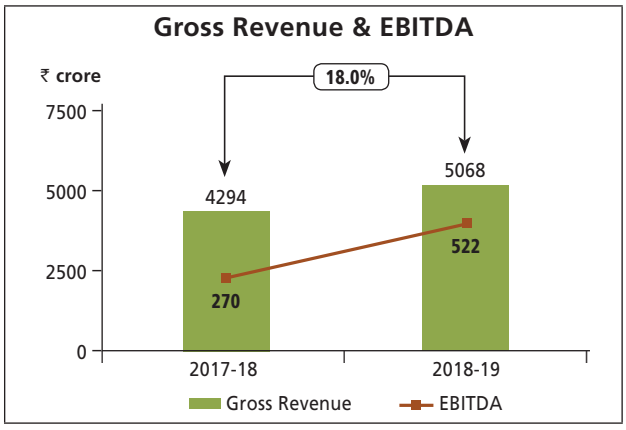
Management (AAUM) in Investment Management business increased to ₹ 70944 crore during the year ended March 31, 2019, a growth of 8%. Average Assets under Service (AAUS) in Wealth Management business increased to ₹ 28164 crore during the year ended March 31, 2018, registering a growth of 53% over the previous year.

9. Developmental Projects (DP)

Development projects comprises concessions acquired through competitive bidding process for the development of Power projects, Roads, Bridges, Hyderabad Metro Rail and a Power Transmission Line project. Total portfolio of the group consists of 2 power projects, 10 roads & bridges projects, 1 transmission line project & 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 developmental projects, not considering the 3 hydel power projects under hold, is pegged at ₹ 42809 crore, for which equity commitment is ₹ 9256 crore with ₹ 8411 crore having been infused as at March 2019.

The segment recorded revenue of ₹ 5068 crore for the year ended March 31, 2019, higher as compared to ₹ 4294 crore in the previous year with pick up in operational revenue on progressive commissioning of Hyderabad Metro, sale of container port at Kattupalli and higher revenue from Rajpura power plant.

The segment clocked operating profit of ₹ 522 crore for the year 2018-19, improving over ₹ 270 crore earned in FY 2017-18, on higher operational revenue from Hyderabad Metro coupled with divestment gain on sale of Kattupalli port which were partly offset by impairment in hydel projects.

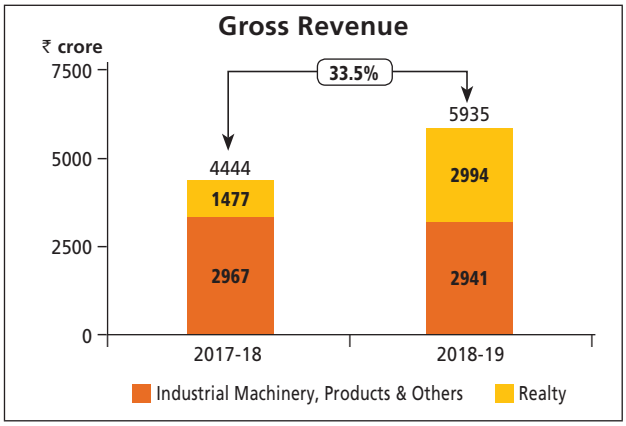


The Company received regulatory clearances and divested its investment in a container port in Kattupalli, Tamil Nadu. The company also transferred during the year 5 road projects to IndInfravit, an investment trust, sponsored by L&T IDPL limited.

10. "Others" Segment

Others Segment covers Realty, Construction and Mining Machinery, Industrial machinery and Products and Valves businesses. Metallurgical and Material Handling (MMH) and Shipbuilding businesses, which were reported under "Other" segment last year, now reported under Infrastructure segment and Defence Engineering Segment from April 1st, 2018 respectively. Accordingly, previous year figures have been regrouped wherever necessary.

Revenue for the segment registered a growth of 33.5% from ₹ 4444 crore in 2017-18 to ₹ 5935 crore in 2018-19 mainly from Realty business on recognition of revenue on completed performances under the newly introduced accounting standard for revenue recognition (Ind AS 115). Construction Equipment and others has recorded growth with higher demand for wheel loaders and compactors and receipt of a major order in RPM business. Valves business, despite growth in order intake, faced revenue slowdown due to delay in customer clearances and supply chain challenges. Operating margin declined as compared to previous year mainly due to provisioning for inventory, an unrecoverable advance in a project in Realty and write off of sticky receivables and non-moving inventory in valves business.



II. L&T STANDALONE

PERFORMANCE REVIEW

L&T's standalone financials captures the performance of Infrastructure segment, Power, Heavy Engineering, Defence Engineering, Electrical & Automation, Realty

and Others segment comprising, a part of Hydrocarbon business and Construction & Mining Machinery business. Realty business is a separate reportable segment for FY 2018-19, as it crossed the profit threshold.

L&T standalone continues to be major contributor to topline as well as bottom-line of the group performance. In line with group performance, the standalone performance has equally delivered good performance on all operational parameters.

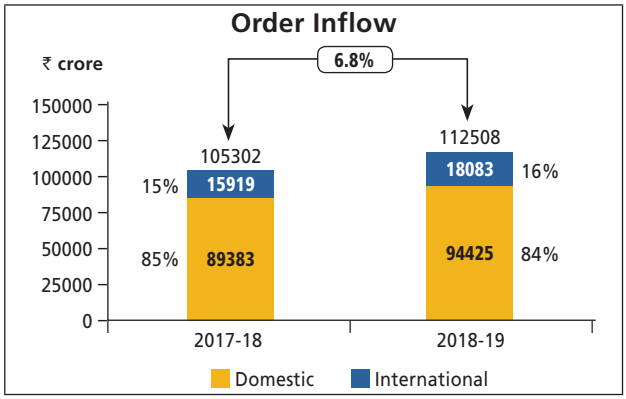
The Company continued to focus on shareholder value enhancement driven by operating margin improvement, working capital reduction and unlocking of capital earning sub-par returns.

Order Inflow and Order Book

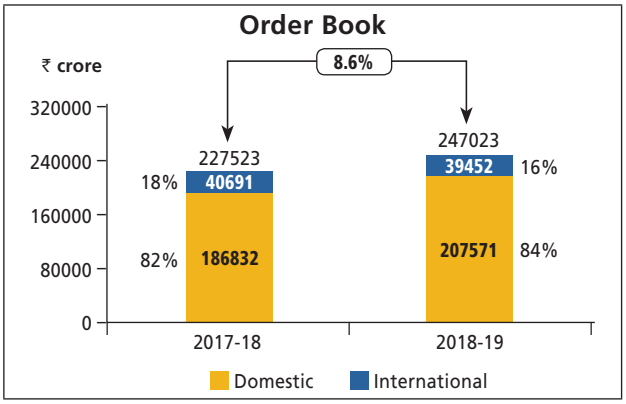
Order inflow during 2018-19 grew by 6.8% at ₹ 112508 crore as compared to ₹ 105302 crore in the previous year. Infrastructure segment contributed 82% of the total order inflow during the year as compared to 85% in the previous year. Power business registered growth with receipt of awards for Flue Gas De-sulpharisation projects.

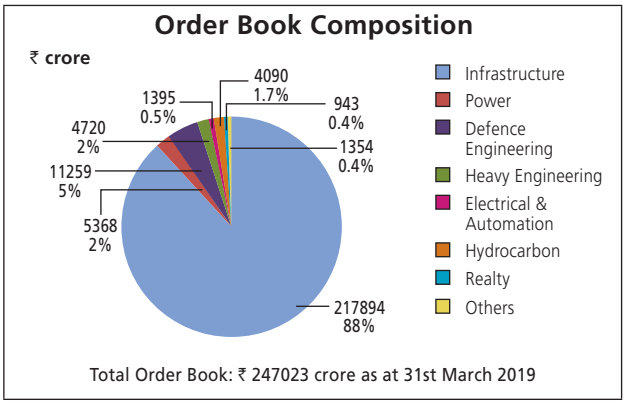
Heavy Engineering order inflow reported growth due to step up of capex in overseas market. E&A business is witnessing some pick up in industrial demand, mainly in Electrical Standard Products which is reflected through modest growth in order inflow.

International order inflow increased to 16% of the total order inflow for 2018-19 as compared to 15% in the previous year.



Order Book as at March 31, 2019 stood at ₹ 247023 crore, 88% of which is contributed by Infrastructure segment. International orders constituted 16% of the current order book. L&T continues to carry a healthy order book to revenue ratio at 2.84 providing better visibility of revenue over the medium term.

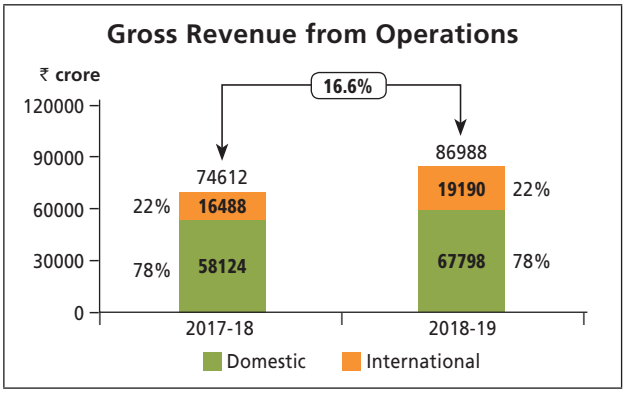




Revenue from Operations

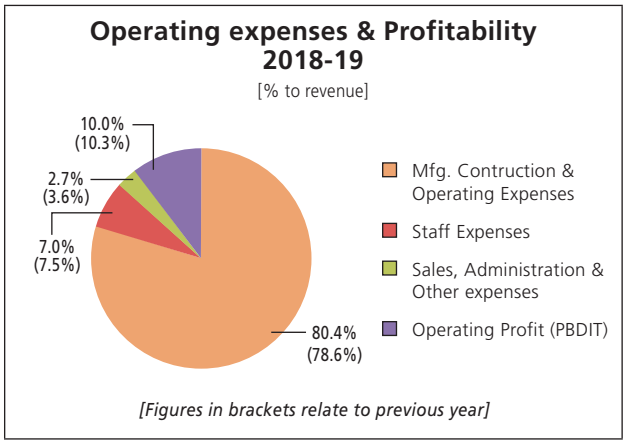
L&T achieved revenue of ₹ 86988 crore reflecting growth of 16.6% over the previous year. The growth was mainly driven by infrastructure projects in Transportation Infra, Heavy Civil Infra, Power Transmission and Distribution Infra and Water Effluent Treatment business.

Power segment revenue declined over the previous year as a result of depleted order book. Defence engineering segment registered growth of 13.6%, Electrical & Automation grew by 11.6%.



Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses, comprising cost of construction material, raw materials, components and subcontracting expenses, amounted to ₹ 69903 crore registering an increase of 19.2%. MCO expenses as percentage of revenue increased by 180 basis point over the previous year mainly due to cost overruns in some of the infrastructure projects and increase in commodity prices.



Staff expenses for the year at ₹ 6082 crore increased by 8.3% y-o-y mainly due to increase in manpower strength to 44761 as on March 31, 2019 compared to 42924 as at March 31, 2018 and annual pay revisions.

Sales and administration expenses for the year at ₹ 2318 crore decreased by 13.4% y-o-y, mainly due to lower provision of doubtful debts.

Profit before depreciation, interest and tax excluding other income (PBDIT) was ₹ 8684 crore for the year, higher by 12.8% over the previous year.

Depreciation and Amortization charge

Depreciation and amortization charge for the year 2018-19 marginally increased by 1.8% and was at ₹ 1068 crore, as compared to ₹ 1049 crore in the previous year.

Other Income

Other income mainly comprises income from company's treasury operations, dividends and income from group companies. Other income for the year 2018-19 at ₹ 2769 crore, increased as compared to ₹ 1613 crore for the previous year mainly due to higher earnings on larger treasury investment and dividend from subsidiaries.

Finance cost

The interest expenses for the year at ₹ 1641 crore were higher by 14.6% vis-à-vis ₹ 1432 crore for the previous year. The increase is attributable to higher quantum of interest bearing customer advances, increased borrowings from group companies and higher interest on leave liability due to decrease in discount rate. The average borrowing cost for the year 2018-19 was majorly in line with previous year at 7.6%.

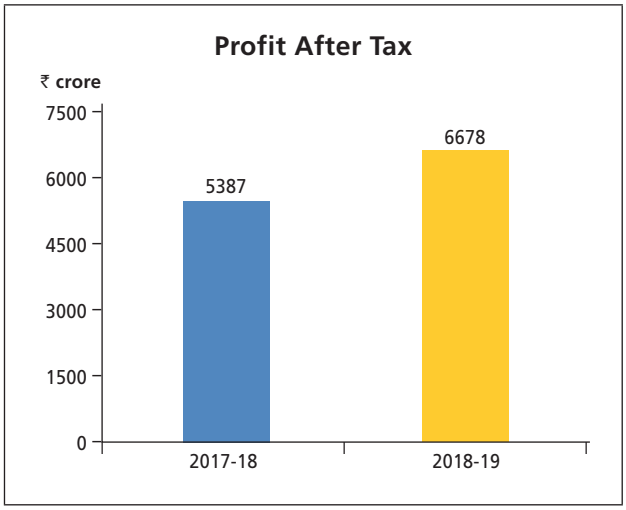
Exceptional Items

Exceptional items of ₹ 475 crore for the year 2018-19 include gain on dilution of stake in L&T Infotech and L&T Technology Services and recovery of an outstanding under Insolvency & Bankruptcy Code. The company provided for impairment of its investment in a subsidiary and a JV.

Profit after Tax and EPS

Profit after Tax (PAT), including exceptional items, for the year 2018-19 at ₹ 6678 crore, registered a growth of 24% as compared to ₹ 5387 crore in the previous year.

The Basic Earnings per Share (EPS) for the year 2018-19 at ₹ 47.63 showed significant growth compared to previous year at ₹ 38.46.

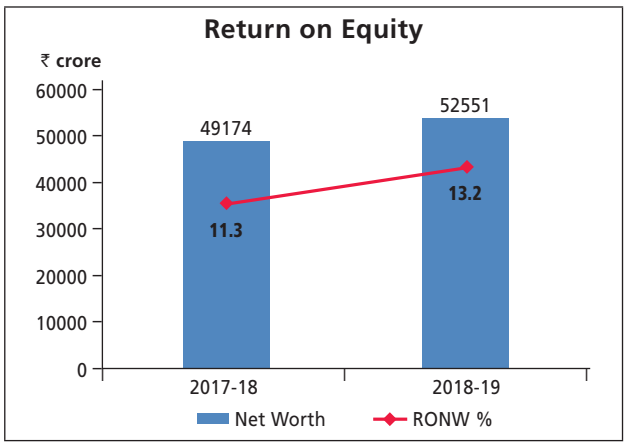


Other comprehensive income (OCI)

Other Comprehensive income during year reflected a loss of ₹ 119 crore, vis-à-vis loss of ₹ 51 crore in the previous year, mainly due to impact of fair valuation of Corporate Bonds.

Return on Net Worth

Net worth of the Company as on March 31, 2019 at ₹ 52551 crore increased by ₹ 3377 as compared to the position as on March 31, 2018 representing largely the net earnings accretion, including gains on divestment of stake in L&T Infotech, L&T Technology Services.



Return on Net worth (RONW) including exceptional items for the year 2018-19 at 13.2% is higher as compared to 11.3% in the previous year.

Liquidity & Gearing

Business operations generated cash flows of ₹ 2249 crore during the year as compared to ₹ 2952 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, divestment of stake in S&A companies, treasury income and liquidation of other investments was mainly used for investments in S&A Companies of ₹ 1012 crore and capex of ₹ 786 crore, in addition to payment of dividend and interest of ₹ 2597 crore and ₹ 1381 crore respectively, besides loan repayment of ₹ 483 crore.

Fund flow statement	**₹ crore**	
Particulars	**2018-19**	*2017-18*
Operating activities	2249	*2952*
Net divestment/ (investment)	3169	*(1456)*
Treasury and dividend income	1962	*3635*
(Increase)/decrease in cash balance	447	*(1250)*
ESOP Proceeds (net of buyback expenses)	11	*50*
Sources of Funds	**7838**	*3931*
Capital expenditure (net)	786	*1013*
Repayment of Borrowings (net of additional borrovvings)	483	*(62)*
Purchase/(Sale) of Other investments	2591	*(621)*
Dividend paid	2597	*2279*
Interest paid	1381	*1322*
Utilisation of Funds	**7838**	*3931*

Total borrowings as at March 31, 2019 stood at ₹ 10192 crore as compared to ₹ 10561 crore in the previous year. Proportion of short term borrowings decreased to 36% as compared to 39% as at March 2019. The loan portfolio of the Company comprises a mix of domestic and suitably hedged foreign currency loans. The gross debt equity ratio decreased to 0.19:1 as at March 31, 2019 from 0.21:1 as at March 31, 2018. The net debt equity ratio was nominal at 0.04:1 as at March 31, 2019 same as previous year.

III. STRATEGY, BUSINESS MODEL AND RESOURCE ALLOCATION

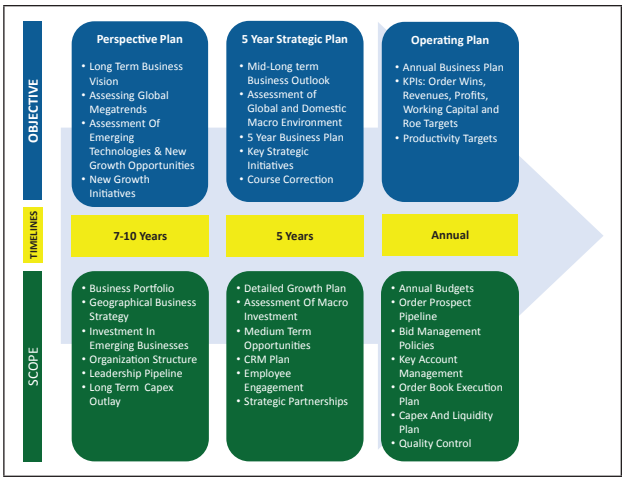
Strategy Formulation

Business strategy formulation underpins the Company's long-term growth plans. Strategic plan covers a period of 5 years through a collaborative and consultative process across the organisation. In addition, given the emerging trends in technology and digitalisation and emergence of new business models, the company has embarked on development of a Perspective Plan with a horizon of 7-10 years. The objective is to identify new businesses and offerings that have significant potential to scale up, given the underlying macro trends. The focus would be on identifying new areas for expansion that would need to be seeded now, so that they could evolve into large -scale businesses over the long term.

The inputs from the Perspective Plan, the 5-year strategic plan and broad financial goals are built into annual budgets every financial year.

The current 5-year strategic plan sharply focused on improvement in Return on Equity (RoE) ends in 2020-21.

Strategy Formulation Schematic



Business Model and Portfolio Strategy

The Company serves the Government and large corporate customers across multiple sectors, both in India as well as globally. The Realty and Financial Services businesses provide B2C offerings as well in addition to B2B products/ services.

The Company focuses on its proven core competencies of conceptualising, executing and commissioning large, complex infrastructure projects in the areas of Roads and Bridges, Power Transmission & Distribution, Thermal, Hydel, Solar and Nuclear Power Plants, Water and Irrigation Infrastructure, Residential, Commercial, Institutional and Factory Buildings, Real Estate Development, Airports, Metro and Conventional Railways, Onshore and Offshore Hydrocarbon facilities and Metallurgical projects. An integrated EPC (Engineering, Procurement & Construction) business strategy forms the backbone of the Company's business portfolio. The Company has also undertaken development projects such as Hyderabad Metro, road operations and tolling (through IDPL) and Nabha Power among others.

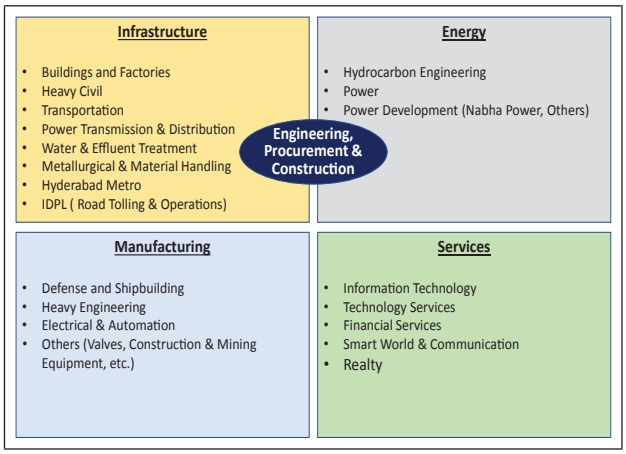
The diversified but cyclical nature of the EPC business is counterbalanced through a portfolio of manufacturing and services businesses. Manufacturing is mainly concentrated around defence and shipbuilding, heavy custom-built equipment catering to process industries, electrical products and systems (made-to-stock and made-to-order), material handling equipment and industrial products & machinery. The services businesses cater to sectors of Information Technology, Technology Services, Smart World & Communication, Realty and Financial Services.

The Company has extensive manufacturing facilities at Hazira, Vadodara, Ahmednagar, Talegaon, Chennai, Coimbatore, Kattupalli and Oman. Partnerships with several large global process and technology licensors have also been established. The construction projects follow the EPC model, executing large, complex turnkey projects. These are executed by deploying a combination of the Company's own employees and an extensive contract workforce. The IT and Technology Services companies also have extensive partnerships with established global software product and technology companies.

The Company is increasingly leveraging digital solutions and analytics across various parts of its businesses, spanning areas such as remote asset management, material tracking, employee productivity enhancement, safety and procurement, among others.

The business portfolio spans across domestic and international markets in line with the strategy of having a well-balanced, geographically diversified business.

Business Portfolio Schematic:



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 and tactical elements such as:

- Enabling growth of the profitable services segment
- Incubating new businesses to tap future growth opportunities – asset light, capex light, new-age businesses
- Maintaining an optimum mix between domestic and international business
- Ensuring realisation of margins embedded in the Order Book through execution, operational excellence and digitalisation initiatives
- Unlocking Capital from asset earning sub par returns

In the first 3 years of the plan, RoE has improved from 9.9% in 2016-17 (base year) to 15.3% in 2018-19 and is on course to achieve the target of 18% by 2021.

Resource Allocation

The Company has a well laid-out plan for resource allocation to meet its strategic objectives. Strategic initiatives 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
- 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

Over the past decade, the Company institutionalized an enterprise-wide Risk Management framework. The framework provides process of identifying, quantifying and mitigating risks which is well integrated with the business of the Company. Guided by the Corporate Risk Management framework, each business vertical has in place a Risk Management Policy, structure and procedures to cater to the unique nature of its business. The Company's risk management processes ensure that the Company accepts risks as per the boundary conditions based on the risk appetite of the organisation.

The Audit Committee of the Board and a board appointed Apex Risk Management Committee (ARMC) oversee the efficacy of the risk management processes. The risk level of each business is discussed in detail in the respective management / business Board meetings. The ARMC is regularly informed of the critical risks affecting the Company for their review and guidance. Mitigation plans are drawn up and implemented as deemed appropriate within the overall Enterprise Risk Management framework of the company.

The risk management processes are developed especially for project businesses, which constitute a larger portfolio in the group. The key stages specifically covered by risk reviews include country clearance in case of venturing into a new country, pre-bid proposal clearance, execution risk reviews and project close-out reviews. Based on an authorization matrix as determined by the Risk Management Committee, the proposals are reviewed and cleared for submitting the bid. Execution risk reviews of the projects are held at regular intervals to track the project performance with an emphasis on identification of risks and their mitigation. An evaluation of the effectiveness of mitigation measures is periodically carried out. Close-out risk reviews are held to capture key learnings from the projects and what went right/wrong analysis, which helps in factoring in the learnings while making future bids. The principles of risk management have been strongly embedded at various levels of the organisation, with business treating it as an enabler and not just a process to comply with.

The Company emphasises on continuous learning and has initiated several initiatives to improve risk awareness across the organization. These include workshops, knowledge sessions and training content deployed on online learning platforms.

The top enterprise-level risks for the Company and the mitigation measures being implemented are:

Geopolitical Risks: The Company monitors the risks such as sanctions, trade barriers, protectionist policies and geopolitical conflicts. Appropriate mitigation strategies are in place addressing geographical concentration, strategic sourcing options, regular monitoring of international sanctions and other economic measures.

Underperformance of key sectors: Growth in key sectors like power, nuclear, defence and metals & minerals, etc., could be impacted by a number of factors, such as budgetary allocation, slow pace of decision-making, lack of investment demand, green initiatives and delays in environmental clearances. Being a diversified conglomerate helps mitigate the risk of such a slowdown in some sectors as we see compensating growth in certain other sectors.

Competition: Competition from foreign and domestic players has considerably increased in the past few years. Customers have found it easier to impose less attractive commercial terms and also shrink project duration. The Company's competitive strength is derived from excellence in executing projects of varying sizes, reputation for quality, technology, cost-effectiveness and project management expertise.

Reputation and Brand: The Company addresses the potential risk of erosion of reputation and brand value through a strong corporate governance framework. It has a Compliance Policy in place, mandating adherence to a Code of Conduct and Internal Controls, complemented by regular knowledge-sharing across the organisation.

Cyber security: As IT systems get increasingly inter-connected, cyber security has become a key concern for Governments and businesses. The Company has taken several steps to mitigate the cyber risks. These include roll-out of an enterprise-wide cyber security framework that provides for technology solutions to enforce

detective and preventive controls and employee education to create awareness of cyber risk.

Other Operational Risks:

Execution challenges: The Company faces execution challenges like 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 ensure timely mitigation.

Counter Party Risks: The 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 is crucial for project success. Learnings from the past projects are incorporated in the inter-se agreements with the partners and clauses on liability of each partner is carefully drafted after legal due diligence is exercised.

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. It ensures regular follow-up for delay in payments from clients, and has ensured improvement in the 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.

FINANCIAL RISKS

Inflation remained broadly contained in India, however growth concerns remained. Indian currency depreciated in line with other emerging market currencies for the year.

Capital structure, liquidity and interest rate risks

The Company maintains a conservative capital structure. Low gearing levels equip the Company to balance business stresses on one hand and raise growth capital on the other. This policy also provides flexibility for fund-raising options in the future, which is especially important in times of global economic volatility.

The US Dollar remained strong in 2018-19, primarily on the back of strong growth divergence between the US and rest of the world including emerging market countries. While the Indian currency depreciated in line with other emerging market currencies. The last quarter of 2018-19 witnessed elevated financial market volatility primarily due to fading impact of stimulus in the US and emerging growth concerns in Europe and China. Inflation in India remained broadly contained, though growth concerns continued.

Despite the lower liquidity environment in FY 18-19 on the back of slower consumer demand and sluggishness around investments in the private sector, the Company managed to restrain the working capital usage, both at a gross and net level. The Company has been investing capital into subsidiaries as scheduled and also to optimise overall Group interest rate costs. The Company also decided to use the surplus cash available with it to acquire shares of Mindtree Limited from some existing shareholders of Mindtree and launched an open offer with an intent to acquire controlling stake in the Company. The acquisition is in line with the stated strategy of growing the Company's services business; however, the transaction is not expected to result in material impact on gearing.

The Company plans to maintain adequate liquidity on the Balance Sheet to deal with slow recovery / downturn in economic conditions. With the implementation of the Large Exposure Framework guidelines of RBI from April 1, 2019, the banking limits sanctioned by domestic banks to any of the Group companies will need to fit within 25% of Tier 1 capital of banks v/s 40% of Tier 1 and Tier 2 capital prevalent till now. This is likely to constrain the availability of bank limits (both fund-based and non-fund-based) and also impact the pricing of the same for the Group (unless some regulatory relaxation is granted) and may have some adverse impact on the growth plans of the Group.

The Company judiciously deploys its periodical surplus funds in short-term investments in line with the Corporate 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 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 rate risks and residual commodity price risks are managed by treasury products.

The disclosure of commodity exposures as required under clause 9(n) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the format specified vide SEBI Circular dated 15th November 2018 is given on page 299 of this Annual Report.

Financial risk management is governed by the Risk Management framework and policy approved by the Audit Committee and authorised by the Board. Financial risks in each business portfolio are measured and managed by corporate treasury.

Despite currency weakness and elevated financial market volatility, the Company's robust financial risk management processes ensured financial costs remain under control.

V. INTERNAL CONTROLS

At L&T, Internal Controls are a key pillar of Corporate Governance. The Company has a robust Internal Control framework in place, developed on COSO-model. The framework provides for Internal Controls commensurate with the nature, size and complexity of business both at entity level and process level.

Internal Controls at L&T cover not only Disclosure and Reporting systems and activities ("Internal Controls on Financial Reporting") but also the entire gamut of business operations and processes ("Operational Controls") to meet the requirements of the Companies Act, 2013. They are seen as an aid to efficient business operations and not as a set of rules that circumscribe authority. A well-defined Authorisation / Authority matrix is at the heart of Internal Controls in the Organisation to ensure that all transactions are genuine and are authorised at appropriate level of management.

The responsibility for establishing, operating and upgrading the internal controls system is on the executive management assisted by Internal Control teams operating at Corporate level as well as in the businesses. The teams formulate and upgrade processes and standard operating procedures on an ongoing basis and share best practices across the organisation. The Corporate Audit department is tasked with testing of internal controls (design as well as operating effectiveness) and follow up for adequate remedial actions where controls gaps and weaknesses are observed. The Audit Committee guides and evaluates the efficacy of the Corporate Audit function and reviews the major observations each quarter.

Employees are guided by the 'Code of Conduct' that reflects and reinforces the unique corporate culture and values. A separate 'Code of Conduct' for Business Partners seeks to ensure they align to Company's values.

Whistleblower mechanism is an important element of the internal control system encouraging both employees and business partners to report genuine concerns, misconduct or fraud without any fear of punishment or unfair treatment. The operation of Whistleblower mechanism is overseen by the Audit Committee.

Disclosure of commodity exposures as required under clause 9(n) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr No	Commodity Name	Exposure in INR towards the particular commodity (₹ crore)	Exposure in Quantity terms towards the particular commodity (Tn)	% of such exposure hedged through commodity derivatives				
				Domestic market		International market		Total
				OTC	Exchange	OTC	Exchange	
1	Silver (Buy)	348.02	75.76	–	–	–	–	–
2	Copper (Buy)	898.91	19,492.24	–	–	51.18	–	51.18
3	Copper (Sell)	(550.25)	(12,224.00)	–	–	100.00	–	100.00
4	Steel (Buy)	8,882.57	18,79,071.36	–	–	–	–	–
5	Aluminium (Buy)	800.93	48,661.81	–	–	60.89	–	60.89
6	Aluminium (Sell)	(121.36)	(9,200.00)	–	–	20.27	–	20.27
7	Iron Ore (Buy)	60.30	1,26,582.00	–	–	55.35	–	55.35
8	Coking Coal (Buy)	59.26	52,122.00	–	–	55.27	–	55.27
9	Zinc (Buy)	52.82	2,740.00	–	–	81.75	–	81.75
10	Lead (Buy)	55.79	3,928.80	–	–	73.86	–	73.86
11	Cement (Buy)	2,297.62	41,80,105.46	–	–	–	–	–

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Larsen & Toubro Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and 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 significant accounting policies and other explanatory information and which includes 29 joint operations whose legal status is an entity.(Hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit/loss, total comprehensive income/loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition – accounting for construction contracts	
Key audit matter description	There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition. The Company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.

	The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable. Refer to Note Number. 1(e) of the Standalone Financial Statements
Principal Audit Procedures	Our procedures included : • Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness; • Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard; • Testing a sample of contracts for appropriate identification of performance obligations; • For the sample selected, reviewing for change orders and the impact on the estimated costs to complete; • Engaging technical experts to review estimates of costs to complete for sample contracts; and • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings
Assessment of the carrying value of unquoted equity instruments in loss making subsidiaries and joint ventures.	
Key audit matter description	The impairment review of unquoted equity instruments and debt, with a carrying value of ₹ 2,669 crore, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override. The carrying value of such unquoted equity instruments and debt is at risk of recoverability. The net worth of the underlying entities has significantly eroded and the orders in hand are below the break-even production levels of this facilities. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. Refer to Note Number 1(j) of the Standalone Financial Statements
Principal Audit Procedures	Besides obtaining an understanding of Management's processes and controls with regard to testing the impairment of the unquoted equity instruments in loss making subsidiaries and joint ventures. Our procedures included the following: • Engaged internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used; • Compared the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates; • Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience; • Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved; and • Performed a sensitivity analysis in relation to key assumptions.
Revenue recognition and measurement of contract assets in respect of un-invoiced amounts and measurement of receivables in respect of overdue invoices.	
Key audit matter description	The Company, in its contract with customers, promises to transfer distinct services to its customers which may be rendered in the form of engineering, procurement and construction (EPC) services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could range from cost plus fee to agreed unit price to lump-sum arrangements. At each reporting date, revenue is accrued for costs incurred against work performed that may not have been invoiced. Identifying whether the Company's performance have resulted in a service that would be billable and collectable where the works carried out have not been acknowledged by customers as of the reporting date, or in the case of certain defence contracts, where the evidence of work carried out and cost incurred are covered by confidentiality arrangements involves a significant amount of judgment.

	• Recognition of revenue before formal acknowledgment of receipt of services by the customer could lead to an over or under-statement of revenue and profit, whether intentionally or in error; and • Assessing the recoverability of amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period also involves a significant amount of judgment. Refer to Note Number 1(e) and 1(m) of the Standalone Financial Statements
Principal Audit Procedures	The procedures performed included the following: • Obtained an understanding of the Company's processes in collating the evidence supporting execution of work for each disaggregated type of revenue. Auditors have also obtained an understanding of the design of key controls for quantifying units of items / services that would be invoiced and the application of appropriate prices for each of such services; • Tested the design and operating effectiveness of management's key controls in collating the units of services delivered and in the application of accurate prices for each of such services for samples of the un-invoiced revenue entries, which included testing of access and change management controls exercised in respect of related information systems; • Tested samples of un-invoiced revenue entries with reference to the reports from the information system that records the costs incurred against the services delivered to confirm the work performed and application of appropriate margin applied for the respective services. The auditors have also tested whether appropriate adjustments have been made for the element of variable consideration related to committed service levels of performance. With regard to incentives, auditors tests were focused to ensure that accruals were restricted to only those items where contingencies were minimal; • Tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost; • For defence contracts which are covered under by statutory confidentiality arrangements, the auditors have compared the revenue recognised with amounts collected from customers to ensure that the gap between revenue recognised and collections is below the materiality threshold; • Extended the testing upto the date of approval of financial statements by the Board of Directors of the Parent entity to verify adjustments, if any, that may have been necessary upon receipt of approvals from customers for services delivered prior to the reporting date and/or collections there against; • Reviewed the delivery and collection history of customers against whose contracts un-invoiced revenue is recognised; and • Verification of subsequent receipts, post balance sheet date.
Evaluation of uncertain tax positions	
Key audit matter description	The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer to Note. Number 1(u) and 1(w) of the Standalone Financial Statements
Principal Audit Procedures	Our procedures included the following: • Obtained understanding of key uncertain tax positions; • Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from the management; • We along with our internal tax experts – i. Discussed with appropriate senior management and evaluated the Management's underlying key assumptions in estimating the tax provision; ii. Assessed management's estimate of the possible outcome of the disputed cases; and iii. Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. • Additionally, considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Standalone Financial Statements and Auditor's Report

The respective Board of Directors of the Company and its Joint Operation Companies are responsible for the preparation of other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company including its joint operation companies in accordance with the Ind AS and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entities included in the standalone financial statements.

Materiality

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

Communication with those charged with governance

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial information of 24 joint operations included in the standalone financial statements whose financial information reflect total assets of ₹ 4,540.71 crore as at March 31, 2019, total revenues of ₹ 6,018.63 crore and net cash outflows amounting to ₹ 170 crore for the year ended on that date, as considered in the standalone financial statements. The financial information of these joint operations have been audited by the other auditors whose reports has 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 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 these matters.

(b) The standalone financial statements also includes the financial information of 4 joint operations which have not been audited by their auditors, whose financial information reflect total assets of ₹ 41.12 crore as at March 31, 2019 and total revenues of ₹ 4.99 crore and net cash outflows amounting to ₹ 0.13 crore for the year ended on that date, as considered in the standalone financial statements. The financial information of these joint operations has been unaudited and has been furnished to us by the Management and our opinion on the standalone 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 which is certified by management. In our opinion and according to the information and explanation given to us by the Management, the financial information of these joint operations are not material to the Company.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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, 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 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;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

SANJIV V. PILGAONKAR
(Partner)
(Membership No. 039826)

MUMBAI, May 10, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Larsen & Toubro Limited (the "Company") as at March 31, 2019 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, which is applicable to 1 of the 29 joint operations, being a Company incorporated in India audited by another auditor.

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 report 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, 2019, 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 corresponding report of 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)

SANJIV V. PILGAONKAR
(Partner)
(Membership No. 039826)

MUMBAI, May 10, 2019

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 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, 2019	Net block as at March 31, 2019	Remarks
Land	3	Freehold	1.27	1.27	Conveyance deed pending to be executed as the matter is sub judice.
Buildings	2	Freehold	3.53	0.59	

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 Companies Act, 2013 (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, 2019 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, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 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, 2019 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)
The Central Excise Act,1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Classification dispute and other matters	Supreme Court	2002-2003, 2003-2004, 2011-12 to 2015-16	7.34	6.79
	Dispute regarding questions of law, classification dispute and other matters	High Court	2003-04 to 2012-13	114.28	85.25
	Disallowance of CENVAT credit, short payment of service tax, MRP Valuation disputes, dispute regarding classification of services, disallowances of excise duty exemption, Non Maintenance of Separate Books of Accounts, Export rebate disallowance, and other matters.	CESTAT	1991-92, 2001-02 to 2013-14, 2016-17	303.46	297.35
	Disallowance of CENVAT credit, short payment of service tax ,service tax rate dispute, valuation dispute and other matters	Commissioner (Appeal)	2006-07 to 2012-13	7.27	6.13
The Central Sales Tax Act, Entry tax, Local Sales Tax Act, Works Contract Tax Act and Goods & Services Tax Act	Taxability of sub-contractor turnover, rate of tax for declared goods, disallowance of labour turnover and non- submission of forms	Supreme Court	2000-01 to 2006-07, 2010-11	16.07	7.03
	Dispute regarding questions of law, classification dispute, local VAT and Works contract disputes.	High Court	1986-87, 1987-88, 1993-94, 1994-95, 1999-00 to 2012-13	71.55	65.18
	Non submission of Forms, classification disputes, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports & Sales in transit, Sale mismatch & levy of tax on import of goods through Way bill, Road permit issue and other matters	Sales Tax/VAT Tribunal	1989-90, 1991-92, 1993-94 to 1996-97, 1999-00 to 2015-16	593.04	510.07
	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	Commissioner (Appeal)	1999-00 to 2015-16	31.92	30.66
		Additional Commissioner	2005-06, 2007-08 to 2014-15	4.08	3.10
		Joint Commissioner	2007-08 to 2015-16	14.04	10.00
		Joint Commissioner (Appeal)	1995-96, 1996-97, 1999-00 to 2017-18	2,443.83	2,377.28

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Involved (₹ crore)	Amount Unpaid (₹ crore)
The Central Sales Tax Act, Entry tax, Local Sales Tax Act, Works Contract Tax Act and Goods & Services Tax Act	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	Assistant/ Deputy Commissioner	1996-97 to 2017-18	531.73	528.68
		Assessing / Commercial Tax Officer	1996-97 to 2016-17	8.80	8.22
Income Tax Act, 1961	Demand arising out of Regular Assessment/Reassessment	ITAT	2004-05 & 2009-10 to 2012-13	1,066.36	287.60
	Demand arising out of Regular Assessment/Reassessment	CIT(A)	2015-16	569.35	569.35

(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)

SANJIV V. PILGAONKAR
(Partner)
(Membership No. 039826)

MUMBAI, May 10, 2019

Balance Sheet as at March 31, 2019

	Note	As at 31-3-2019 ₹ crore	₹ crore	*As at 31-3-2018 ₹ crore*	*₹ crore*
ASSETS:					
Non-current assets					
Property, plant and equipment	**2**		6571.93		*6272.46*
Capital work-in-progress	**2**		580.92		*452.10*
Investment property	**3**		381.26		*474.98*
Intangible assets	**4**		228.52		*193.09*
Intangible assets under development	**4**		171.69		*200.77*
Financial assets					
Investments	**5**	20139.47		*22994.26*	
Loans	**6**	1732.65		*1684.13*	
Other financial assets	**7**	577.00		*438.54*	
			22449.12		*25116.93*
Deferred tax assets (net)	**49(e)**		841.86		*400.62*
Other non-current assets	**8**		3347.25		*3093.34*
Current assets					
Inventories	**9**		3220.44		*2500.05*
Financials assets					
Investments	**10**	4694.98		*4344.98*	
Trade receivables	**11**	28216.82		*22917.45*	
Cash and cash equivalents	**12**	2733.41		*3183.75*	
Other bank balances	**13**	4866.08		*1134.31*	
Loans	**14**	1293.86		*992.33*	
Other financial assets	**15**	1995.18		*3441.59*	
			43800.33		*36014.41*
Other current assets	**16**		44090.65		*40499.93*
Group(s) of assets classified as held for sale	**42**		41.72		*388.00*
TOTAL ASSETS			125725.69		*115606.68*

Balance Sheet as at March 31, 2019 (contd.)

	Note	As at 31-3-2019 ₹ crore	₹ crore	*As at 31-3-2018 ₹ crore*	*₹ crore*
EQUITY AND LIABILITIES:					
Equity					
Equity share capital	**17**	280.55		*280.27*	
Other equity	**18**	52270.17		*48893.98*	
Total equity			52550.72		*49174.25*
Liabilities					
Non- current liabilities					
Financial liabilities					
Borrowings	**19**	2391.87		*5495.16*	
Other financial liabilities	**20**	53.75		*108.64*	
			2445.62		*5603.80*
Provisions	**21**		497.62		*472.87*
Other non-current liabilities	**22**		0.58		*1.27*
Current liabilities					
Financial liabilities					
Borrowings	**23**	3668.25		*4129.57*	
Current maturities of long term borrowings	**24**	4131.45		*936.27*	
Trade payables:					
Due to micro enterprises and small enterprises		201.86		*137.71*	
Due to others	**25**	36076.36		*30957.29*	
Other financial liabilities	**26**	1857.85		*1878.00*	
			45935.77		*38038.84*
Other current liabilities	**27**		22550.64		*20845.46*
Provisions	**28**		1423.83		*1102.22*
Current tax liabilities(net)			320.91		*367.97*
TOTAL EQUITY AND LIABILITIES			125725.69		*115606.68*
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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

N. KUMAR
(DIN 00007848)

Directors

Mumbai, May 10, 2019

Statement of Profit and Loss for the year ended March 31, 2019

	Note	2018-19 ₹ crore	2018-19 ₹ crore	*2017-18 ₹ crore*	*2017-18 ₹ crore*
INCOME:					
Revenue from operations	**31**		86987.86		*74611.65*
Other income	**32**		2768.84		*1612.67*
Total Income			89756.70		*76224.32*
EXPENSES:					
Manufacturing ,construction and operating expenses	**33**				
Cost of raw materials components consumed		7832.79		*7942.99*	
Excise duty		–		*149.10*	
Construction materials consumed		29099.38		*22236.60*	
Purchase of stock-in-trade		1786.14		*1531.22*	
Stores,spares and tools consumed		2341.99		*1808.79*	
Sub-contracting charges		22021.74		*19620.99*	
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(1296.12)		*(1047.41)*	
Other manufacturing, construction and operating expenses		8117.47		*6378.22*	
			69903.39		*58620.50*
Employee benefits expense	**34**		6082.49		*5614.74*
Sales, administration and other expenses	**35**		2319.78		*2680.73*
Finance costs	**36**		1641.39		*1432.23*
Depreciation, amortisation, impairment and obsolescence			1067.95		*1049.46*
			81015.00		*69397.66*
Less: Overheads capitalised			1.54		*5.19*
Total Expenses			81013.46		*69392.47*
Profit before exceptional items and tax			8743.24		*6831.85*
Exceptional items	**46**		474.93		*430.53*
Profit before tax			9218.17		*7262.38*
Tax expenses					
Current tax	**49(a)**	2687.22		*1974.07*	
Deferred tax	**49(a)**	(146.75)		*(98.99)*	
			2540.47		*1875.08*
Profit after tax			6677.70		*5387.30*
Carried forward			6677.70		*5387.30*

Statement of Profit and Loss for the year ended March 31, 2019 (contd.)

	Note	2018-19 ₹ crore	2018-19 ₹ crore	*2017-18 ₹ crore*	*2017-18 ₹ crore*
Brought forward			6677.70		*5387.30*
Other Comprehensive Income					
A Items that will not be reclassified to Profit or Loss :					
Gain/(loss) on remeasurements of the defined benefits plan		(31.30)		*3.82*	
Income tax (expenses)/income on remeasurements of the defined benefits plan		10.94		*(1.32)*	
			(20.36)		*2.50*
B Items that will be reclassified to Profit and Loss					
Debt instruments through Other Comprehensive Income		(78.85)		*0.27*	
Income tax (expenses)/income on debt instruments through Other Comprehensive Income		16.68		*(11.12)*	
			(62.17)		*(10.85)*
Exchange differences in translating the financial statements of foreign operations		9.31		*(1.41)*	
Income tax (expenses)/income on exchange differences in translating the financial statements of foreign operations		(3.25)		*0.49*	
			6.06		*(0.92)*
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(89.27)		*(64.52)*	
Income tax (expenses)/income on effective portion of gains/(losses) on hedging instruments in a cash flow hedge		30.59		*22.40*	
			(58.68)		*(42.12)*
Cost of hedging reserve		25.39		*0.59*	
Income tax (expenses)/income on cost of hedging reserve		(8.87)		*(0.14)*	
			16.52		*0.45*
Other Comprehensive Income for the year [net of tax]			(118.63)		*(50.94)*
Total Comprehensive Income for the year			6559.07		*5336.36*
Basic earnings per equity share (₹)	**52**		47.63		*38.46*
Diluted earnings per equity share (₹)	**52**		47.54		*38.37*
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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
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SUBODH BHARGAVA
(DIN 00035672)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

N. KUMAR
(DIN 00007848)

Directors

Mumbai, May 10, 2019

Statement of changes in Equity for the year ended March 31, 2019

A. Equity share capital

Particulars	2018-19		*2017-18*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*
Add: Shares issued on exercise of employee stock options during the year	13,59,929	0.28	*16,38,898*	*0.33*
Add: Bonus shares alloted during the year			*46,67,64,755*	*93.35*
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,27,29,385	280.55	*1,40,13,69,456*	*280.27*

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	Employee share options (net)	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other Comprehensive Income	
Balance as at 1-4-2017	–	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 (a)	–	–	–	–	–	–	–	–	5387.30	–	–	–	5387.30
Other Comprehensive Income (b)	–	–	–	–	–	–	–	–	2.50	(0.92)	(41.67)	(10.85)	(50.94)
Total Comprehensive Income for the year (a+b)		–	–	–	–	–	–		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 amalgamation [refer note 60(b)]	–	–	–	(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
Change in accounting policy [Ind AS 115] [Note 48(h) & 1(e)]									(701.58)				(701.58)
Restated balance as at 1-4-2018	3.56	153.20	10.52	(6.36)	8363.02	108.59	458.94	25395.78	13548.43	(0.37)	102.16	54.93	48192.40
Profit for the year (c)	–	–	–	–	–	–	–	–	6677.70	–	–	–	6677.70
Other Comprehensive Income (d)	–	–	–	–	–	–	–	–	(20.36)	6.06	(42.16)	(62.17)	(118.63)
Total Comprehensive Income for the period (c+d)		–	–	–	–	–	–	–	6657.34	6.06	(42.16)	(62.17)	6559.07
Issue of equity shares	(3.56)	–	–	–	108.97	–	–	–	–	–	–	–	105.41
Transfer to non- financial assets/liability	–	–	–	–	–	–	–	–	–	–	(0.38)	–	(0.38)
Transfer from/to general reserve/retained earnings during the year	–	–	–	–	–	(12.13)	(18.68)	112.13	(81.32)	–	–	–	–
Employee share options (net)	–	–	–	–	–	10.45	–	–		–	–	–	10.45
Dividend paid for the previous year	–	–	–	–	–		–	–	(2243.18)	–	–	–	(2243.18)
Dividend distribution tax paid for the previous year	–	–	–	–	–		–	–	(353.60)	–	–	–	(353.60)
Balance as at 31-3-2019	–	153.20	10.52	(6.36)	8471.99	106.91	440.26	25507.91	17527.67	5.69	59.62	(7.24)	52270.17

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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)

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(DIN 00007848)

Directors

Mumbai, May 10, 2019

Statement of Cash Flows for the year ended March 31, 2019

	2018-19	2017-18
	₹ crore	₹ crore
A. Cash flow from operating activities:		
Profit before tax (excluding exceptional items)	8743.24	6831.85
Adjustments for:		
Dividend received	(1512.12)	(3228.67)
Depreciation, amortisation, impairment and obsolescence (net)	1067.95	1049.46
Exchange difference on items grouped under financing/investing activities	(67.59)	(19.71)
Effect of exchange rate changes on cash and cash equivalents	3.64	1.66
Expenditure on buyback	17.38	–
Interest expense	1641.39	1432.23
Interest income	(499.95)	(496.89)
(Profit)/loss on sale of fixed assets (net)	(594.24)	(60.18)
(Profit)/loss on sale of investments (net) (including fair valuation)	(251.15)	2233.22
(Gain)/loss on derivatives at fair value through Profit or Loss	22.60	125.74
Employee stock option-discount forming part of employee benefits expense	74.70	69.77
Operating profit before working capital changes	8645.85	7938.48
Adjustments for:		
(Increase)/decrease in trade and other receivables	(9810.89)	(12269.46)
(Increase)/decrease in inventories	(345.65)	(705.73)
Increase/(decrease) in trade payables and customer advances	6444.64	9753.03
Cash (used in)/generated from operations	4933.95	4716.32
Direct taxes refund/(paid) [net]	(2684.73)	(1764.32)
Net cash (used in)/from operating activities	2249.22	2952.00
B. Cash flow from investing activities:		
Expenditure on acquisition of fixed assets	(1571.41)	(1136.78)
Sale of fixed assets (including advance received)	785.16	123.32
Investment in subsidiaries, associates and joint venture companies	(469.84)	(3420.51)
Divestment of stake in subsidiaries, associates and joint venture companies	4181.49	1068.38
Purchase of non-current investments	(17.49)	(75.00)
Sale of non-current investments	3.82	–
(Purchase)/sale of current investments (net)	1146.61	375.80
Change in other bank balance and cash not available for immediate use	(3702.01)	370.98
Deposits/loans (given) - subsidiaries, associates, joint venture companies and third parties	(12969.83)	(12708.16)
Deposits/loans repaid - subsidiaries, associates, joint venture companies and third parties	12427.56	13698.56
Advance given towards equity commitment (addition)	–	(19.45)
Interest received	452.57	439.88
Dividend received from subsidiaries and joint venture companies	1330.60	502.51
Dividend received from other investments	178.70	2693.08
Settlement of derivative contracts related to current investments	(22.60)	(125.74)
Net cash (used in)/from investing activities	1753.33	1786.87

Statement of Cash Flows for the year ended March 31, 2019 (contd.)

	2018-19	*2017-18*
	₹ crore	*₹ crore*
C. Cash flow from financing activities:		
Proceeds from fresh issue of share capital (including share application money)[net]	11.31	*49.50*
Proceeds from non-current borrowings [Note 62]	789.05	*1922.70*
Repayments of non-curent borrowings [Note 62]	(974.33)	*(3794.12)*
(Repayments)/Proceeds from other borrowings (net) [Note 62]	(606.49)	*1783.81*
Settlement of derivative contracts related to borrowings	308.95	*149.31*
Dividends paid	(2243.18)	*(1960.76)*
Additional tax on dividend	(353.60)	*(317.93)*
Interest paid (including cash flows from interest rate swaps)	(1380.96)	*(1321.87)*
Net cash (used in)/from financing activities	(4449.25)	*(3489.36)*
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(446.70)	*1249.51*
Cash and cash equivalents at beginning of the year {2017-18: included ₹ 0.09 crore transferred under scheme of amalgamation [Note 60(b)]}	3187.75	*1938.24*
Cash and cash equivalents at end of the year	2741.05	*3187.75*

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 :

	2018-19	*2017-18*
	₹ crore	*₹ crore*
(a) Cash and cash equivalents disclosed under current assets [Note 12]	2733.41	*3183.75*
(b) Other bank balances disclosed under current assets [Note 13]	4866.08	*1134.31*
(c) Cash and bank balances disclosed under non-current assets [Note 7]	289.76	*319.52*
Total Cash and cash equivalents as per Balance Sheet	7889.25	*4637.58*
Add : Unrealised exchange (gain)/loss on cash and cash equivalents	7.64	*4.00*
Less : Other bank balances disclosed under current assets [Note 13]	4866.08	*1134.31*
Less : Cash and bank balances disclosed under non-current assets [Note 7]	289.76	*319.52*
Total Cash and cash equivalents as per Statement of Cash Flows	2741.05	*3187.75*

4. Previous year's figures have been regrouped/reclassified wherever applicable.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
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by the hand of

SANJIV V. PILGAONKAR
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Directors

Mumbai, May 10, 2019

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 the 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 its meeting held on May 10, 2019.

(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:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

(ii) 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

(iii) 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

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*
Significant Accounting Policies *(contd.)*

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

(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. Revenue from sale of goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Revenue from sale of manufactured and traded goods is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the company does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the company has either explicit or implicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time.

B. Revenue from construction/project related activity is recognised as follows:

1. Cost plus contracts: Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

2. Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the 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.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Group recognises impairment loss (termed as provision for expected

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*
Significant Accounting Policies *(contd.)*

credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

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 contract asset and termed 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 contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

C. Revenue from property development activities:

(i) Effective April 1, 2018, Revenue from property development activities is recognised when performance obligation is satisfied, customer obtains control of the property transferred and a reasonable expectation of collection of the sale consideration from the customer exists. The costs incurred on property development activities are carried as "Inventories" till such time the aforesaid conditions are fulfilled.

(ii) For the periods ended on or before March 31, 2018, the revenue from the 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

D. Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the company's performance and the Company has an enforceable right to payment for services transferred.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

E. 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.

F. Commission income is recognised as and when the terms of the contract are fulfilled.

G. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*
Significant Accounting Policies *(contd.)*

(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. Government grants, which are revenue in nature and are towards compensation for the qualifying costs, incurred by the Company, are recognised as other 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 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.

D. 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.

(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 are 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.

Notes forming part of the Financial Statements (contd.)

NOTE [1] ***(contd.)***
Significant Accounting Policies ***(contd.)***

(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 Company 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 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 financial year with the effect of any changes in the estimate being accounted for on 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 financial 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, intangible assets and investments are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*

Significant Accounting Policies *(contd.)*

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, such 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.

(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 such 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.

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*
Significant Accounting Policies *(contd.)*

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. 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. 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 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 taken 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. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in Profit or Loss.

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*
Significant Accounting Policies *(contd.)*

2. Investments in debt instruments that meet the following conditions are subsequently measured 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.
4. Investment in equity instruments issued by subsidiary, associate and joint venture companies are measured at cost less impairment.
5. 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.
6. Investments in equity instruments issued by other than subsidiaries 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.

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*
Significant Accounting Policies *(contd.)*

(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.

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 premium 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 premium 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 premium 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.

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*

Significant Accounting Policies *(contd.)*

(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 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 bank balances.

(p) Securities premium

(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.

(q) Borrowing Costs

Borrowing costs include finance costs 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 finance costs. In cases where hedging instruments are acquired for protection against exchange rate risk related to borrowings and are accounted as hedging a time-period related hedge item, the borrowing costs also include the amortization of premium element of the forward contract and foreign currency basis spread as applicable, over the period of the hedging instrument.

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. The share based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

(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 finance costs on those foreign currency borrowings; and

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*
Significant Accounting Policies *(contd.)*

B. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

(iii) Exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, expense or income.

(iv) 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 finance costs 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.

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*

Significant Accounting Policies *(contd.)*

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 at 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 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;

Notes forming part of the Financial Statements (contd.)

NOTE [1] *(contd.)*
Significant Accounting Policies *(contd.)*

(iii) funding related commitment to subsidiary, associate and joint venture companies; and

(iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

(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 the 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 & intangible assets, allowance for expected credit loss, 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/Valuation							Depreciation							Impairment		Book value	
	As at 1-4-2018	Additions	Business combination $	Trf (to)/from investment property	Foreign currency fluctuation	Deductions	As at 31-3-2019	*Up to 31-3-2018*	For the period*	Business combination$	Trf (to)/from investment property	Foreign currency fluctuation	Deductions	Up to 31-3-2019	*Up to 31-3-2018*	Up to 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
Land																		
Freehold	*370.85*	352.34	–	0.43	–	20.80	701.96	–	–		–	–	–	–		–	701.96	*370.85*
Leasehold ^	*85.97*	0.05		–	–	–	86.02	*3.51*	1.02		–	–	–	4.53		–	81.49	*82.46*
Sub total - Land	*456.82*	352.39		0.43	–	20.80	787.98	*3.51*	1.02		–	–	–	4.53		–	783.45	*453.31*
Buildings ^	*2198.99*	159.96	–	(6.46)	3.79	17.66	2351.54	*300.04*	91.40	–	*(1.19)*	3.08	2.39	393.32	*87.25*	87.25	1870.97	*1811.70*
Plant and equipment																		
Owned	*5558.46*	694.55	–	–	19.72	186.06	6086.67	*2156.75*	717.56	–	–	11.13	116.37	2769.07	*15.01*	15.01	3302.59	*3386.70*
Leased out	*2.11*	–	–	–	–	–	2.11	*1.23*	0.20	–	–	–	–	1.43	–	–	0.68	*0.88*
Sub total- Plant & equipment	*5560.57*	694.55	–	–	19.72	186.06	6088.78	*2157.98*	717.76	–	–	11.13	116.37	2770.50	*15.01*	15.01	3303.27	*3387.58*
Computers	*337.79*	84.15	–	–	0.25	17.67	404.52	*202.68*	69.49	–	–	0.18	16.81	255.54	–	–	148.98	*135.11*
Office equipment	*154.28*	32.04	–	–	0.48	5.77	181.03	*93.03*	30.70	–	–	0.32	5.53	118.52	*0.01*	0.01	62.50	*61.24*
Furniture and fixtures	*154.11*	8.99	–	–	0.42	6.72	156.80	*68.95*	22.13	–	–	0.22	4.10	87.20	*0.24*	0.24	69.36	*84.92*
Vehicles	*208.75*	53.73	–	–	1.59	29.77	234.30	*81.74*	35.05	–	–	0.86	20.13	97.52	–	–	136.78	*127.01*
Other assets																		
Ships	*36.73*	–	–	–	–	–	36.73	*14.21*	4.72	–	–	–	–	18.93	–	–	17.80	*22.52*
Aircraft	*195.22*	–	–			–	195.22	*6.15*	10.26	–			–	16.41			178.81	*189.07*
Sub total - Other Assets	*231.95*	–	–	–	–	–	231.95	*20.36*	14.98	–	–	–	–	35.34	–	–	196.61	*211.59*
Total	*9303.26*	1385.81	–	(6.03)	26.25	284.45	10436.90	*2928.29*	982.53	–	*(1.19)*	15.79	165.33	3762.47	*102.51*	102.51	6571.93	*6272.46*
Previous year	*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	–	102.51		
Add: Capital work-in-progress																	580.92	*452.10*
																	7152.85	*6724.56*

* ₹ 0.38 crore pertains to foreign currency fluctuation $ Refer Note [60(b)]

^ The Company has signed an agreement with Gargi Brew Spirit Training Alliance Private Limited for assignment and sale of its leasehold land together with buildings and superstructures situated at Nashik, Maharashtra for a consideration of ₹ 11 crore (Book value as at March 31, 2019 ₹ 0.62 crore). The memorandum of understanding is executed on April 6, 2019.

The criteria for classifying the said land and building as held for sale is met after the reporting date, hence the same is not shown as held for sale in the financial statement as at reporting date.

The above land and building is presented in assets of EAIC segment. [Note 47(a)].

Notes forming part of the Financial Statements (contd.)

NOTE [2] *(contd.)*

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 : ₹ 65.75 crore, including 2615 shares of ₹ 50 each, 80 shares of ₹ 100 each. *(previous year: 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).*

B. in various apartments : ₹ 9.42 crore. *(previous year: ₹ 9.42 crore).*

C. in various co-operative societies : ₹ 0.36 crore *(previous year: ₹ 0.36 crore)* for which share certificates are yet to be issued.

D. in proposed co-operative societies ₹ 30.59 crore. *(previous year: ₹ 29.90 crore).*

(ii) ownership accommodations of ₹ 3.53 crore in respect of which the deed of conveyance is yet to be executed. *(previous year: of ₹ 3.53 crore).*

(iii) ownership accommodations of ₹ 11.75 crore representing undivided share in properties at various locations. *(previous year: of ₹ 7.68 crore).*

c) Additions during the year and capital work-in-progress include ₹ 26.72 crore *(previous year: ₹ 11.42 crore)* being borrowing cost capitalised in accordance with Accounting Standard (Ind AS) 23 on "Borrowing Costs". Asset class wise break-up of borrowing costs capitalised during the year is as follows:

₹ crore

Class of assets	2018-2019	*2017-2018*
Buildings (owned)	25.99	*11.35*
Plant and Equipment	0.73	*0.07*
Total	26.72	*11.42*

d) The average capitalisation rate for borrowing cost is 7.68 % *(previous year: 7.24 %).*

e) In addition to depreciation, obsolescence amounting to ₹ 6.35 crore *(previous year: ₹ 4.54 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, 2018 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 joint venture 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.	Buildings	3	60
2.	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

Notes forming part of the Financial Statements (contd.)

NOTE [2] *(contd.)*

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

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	Specialized 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.	Office Equipment	Assets deployed at project site	5	3
2.	Air conditioning and refrigeration equipment	Assets deployed at project site	15	3
3.	Canteen Equipment	Assets deployed at project site	15	3
4.	Laboratory Equipment	Assets deployed at project site	10	3
5.	Photographic equipment	Assets deployed at project site	15	3

D 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, 2019 - ₹ 0.09 crore *(as at March 31, 2018: ₹ 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 1-4-2018	Additions	Transferred from/(to) PPE/ Inventory	Deductions	As at 31-3-2019	*As at 31-3-2018*	For the year	Transferred from/(to) PPE/ Inventory	Deductions	Upto 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
Land	*50.41*	7.08	0.43	5.14	52.78	–	–	–	–	–	52.78	*50.41*
Buildings	*472.75*	0.54	(9.36)	106.74	357.19	*48.18*	15.49	(1.34)	13.54	48.79	308.40	*424.57*
Total	*523.16*	7.62	(8.93)	111.88	409.97	*48.18*	15.49	(1.34)	13.54	48.79	361.18	*474.98*
Previous year	*431.76*	57.58	37.00	3.19	523.16	*35.06*	13.96	0.39	1.23	48.18		
Add: Capital work-in-progress											20.08	–
											381.26	*474.98*

(a) Additions during the year and capital work-in-progress include ₹ 1.38 crore *(previous year: ₹ 5.80 crore)* being borrowing cost capitalised in accordance with Accounting Standard (Ind AS) 23 on "Borrowing Costs". Asset class wise break-up of borrowing costs capitalised during the year is as follows:

₹ crore

Class of assets	2018-2019	*2017-2018*
Buildings (owned)	1.38	*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:

Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
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	2018-19	*2017-18*
1	Rental income derived from investment property	179.92	*171.63*
2	Direct operating expenses arising from investment property that generated rental income	67.41	*64.32*

(ii) Fair value of investment property : ₹ 2932.97 crore as at March 31, 2019 (₹ 2487.24 crore as at March 31, 2018)

(iii) The fair values of investment properties have been determined with the help of independent valuers on a case to case basis. Fair value of properties that are evaluated by independent valuers ₹ 2932.97 crore (₹ 2487.24 crore as at March 31, 2018). 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]

Intangible assets & Intangible assets under development

₹ crore

Class of assets	Cost					Amortisation					Book value	
	As at 1-4-2018	Additions	Business Transfer $	Deductions	As at 31-3-2019	*Up to 31-3-2018*	For the period	Business Transfer $	Deductions	Up to 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
Specialised softwares	*195.64*	23.16	–	–	218.80	*160.23*	14.16	–	–	174.39	44.41	*35.41*
Technical knowhow	*99.06*	7.48	–	–	106.54	*29.65*	13.37	–	–	43.02	63.52	*69.41*
New product design and development	*161.40*	67.99	–	–	229.39	*73.13*	35.67	–	–	108.80	120.59	*88.27*
Total	*456.10*	98.63	–	–	554.73	*263.01*	63.20	–	–	326.21	228.52	*193.09*
Previous year	*339.67*	*115.05*	*1.38*		*456.10*	*215.00*	*47.33*	*0.68*		*263.01*		
Add: Intangible assets under development											171.69	*200.77*
											400.21	*393.86*

$ Refer to Note [60(b)]

(a) Additions during the year

₹ crore

Class of assets	FY 2018-19			*FY 2017-18*		
	Internal development	Acquired - external	Total	*Internal development*	*Acquired - external*	*Total*
Specialised softwares	–	23.16	23.16	*0.11*	*11.31*	*11.42*
Technical knowhow	–	7.48	7.48	–	*55.10*	*55.10*
New product design and development	67.99	–	67.99	*48.53*	–	*48.53*
Total	67.99	30.64	98.63	*48.64*	*66.41*	*115.05*

(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 knowhow	3	10
3.	New product design and development	3	6

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Non-current Assets: Financial Assets - Investments

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
(A) Investment in equity instruments				
(a) Subsidiary companies	17591.01		*18776.86*	
(b) Associate companies	4.42		*4.42*	
(c) Joint venture companies	1539.51		*2991.26*	
(d) Other companies	97.35		*136.64*	
		19232.29		*21909.18*
(B) Investment in preference shares (Debt portion) of				
(a) Subsidiary company	888.68		*867.35*	
(b) Joint venture company	–		*217.73*	
		888.68		*1085.08*
(C) Other investments in Subsidiary company		18.50		–
		20139.47		*22994.26*

Details of Non-current Assets: Financial Assets - Investments

Particulars	Face value per unit	Number of units As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
	₹		₹ 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*
Hi-Tech Rock Products & Aggregates Limited	10	50,000	0.05	*0.05*
Kesun Iron & 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: ₹ 0.05 crore)*]	10	50,000	–	–
L&T Finance Holdings Limited (quoted)	10	1,27,75,20,203	3468.17	*3468.17*
L&T Construction Equipment Limited	10	12,00,00,000	82.82	*82.82*
L&T Metro Rail (Hyderabad) Limited	10	2,42,71,75,964	2427.18	*2206.98*
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	1,65,45,50,000	1654.55	*1999.55*
L&T Shipbuilding Limited [Net of provision ₹ 430.68 crore *(previous year: ₹ Nil)*]	10	43,06,80,000	–	*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	7,80,09,994	805.49	*937.78*
Larsen & Toubro Infotech Limited (quoted)	1	12,97,84,034	108.05	*118.80*
Carried forward			12953.57	*13652.09*

Notes forming part of the Financial Statements (contd.)

NOTE [5] *(contd.)*

Details of Non-current Assets: Financial Assets - Investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
	₹		₹ crore	*₹ crore*
(i) Investments in fully paid equity instruments: *(contd.)*				
Brought forward			12953.57	*13652.09*
Larsen & Toubro Hydrocarbon International Limited LLC [Net of provision ₹ 0.68 crore *(previous year: ₹ 0.68 crore)*]	SAR 1000	450	–	–
Larsen & Toubro LLC	USD 1	50,000	0.23	*0.23*
L&T Construction Machinery Limited		10,000	0.01	
Larsen & Toubro (Saudi Arabia) LLC	SAR 1000	625	1.05	*1.06*
L&T Infrastructure Engineering Limited	10	36,00,000	21.85	*21.85*
L&T Global Holdings Limited	USD 100	80,000	53.16	*53.16*
Seawoods Realty Private Limited			–	*–**
Seawoods Retail Private Limited			–	*–***
			13029.87	*13728.39*
(ii) Preference shares-(equity portion):				
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, October 22, 2028 [Net of provision ₹ 67.78 crore *(previous year: ₹ Nil)*]	10	9,00,00,000	–	*67.78*
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, June 24 2029 [Net of provision ₹ 37.06 crore *(previous year: ₹ Nil)*]	10	5,00,00,000	–	*37.06*
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, April 16, 2030 [Net of provision ₹ 77.26 crore *(previous year: ₹ Nil)*]	10	11,00,00,000	–	*77.26*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, May 28, 2030 [Net of provision ₹ 300.25 crore *(previous year: ₹ Nil)*]	10	42,18,60,000	–	*300.25*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, August 10, 2030 [Net of provision ₹ 177.98 crore *(previous year: ₹ Nil)*]	10	25,00,00,000	–	*177.98*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, September 29, 2030 [Net of provision ₹ 47.67 crore *(previous year: ₹ Nil)*]	10	7,50,00,000	5.57	*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	*276.24*
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, November 19, 2032	10	41,61,29,994	295.40	*295.40*
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, November 23, 2032	10	1,28,70,000	9.17	*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	*132.00*
			1053.49	*1761.49*
(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	*826.00*
Carried forward			826.00	*826.00*

Notes forming part of the Financial Statements (contd.)

NOTE [5] *(contd.)*

Details of Non-current Assets: Financial Assets - Investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
	₹		₹ crore	*₹ crore*
(iii) Preference share considered Equity as per terms: *(contd.)*				
Brought forward			826.00	*826.00*
L&T Seawoods Limited -10% Non-cumulative, optionally, convertible redeemable preference shares, May 12, 2022	2	4,80,00,000	48.00	*48.00*
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 Limited -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 Limited -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 Limited -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	1,14,04,50,000	1140.45	*891.05*
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*
			3507.00	*3257.60*
(iv) Other equity investments:				
L&T Aviation Services Private Limited			0.65	*0.64*
L&T Shipbuilding Limited [Net of provision ₹ 28.74 crore *(previous year: ₹ Nil)*]			–	*28.74*
			0.65	*29.38*
Total - (a) = (i)+(ii)+(iii)+(iv)			17591.01	*18776.86*
(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 [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Chennai-TADA Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
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 ₹ 1723 crore *(previous year: ₹ 950 crore)*]	10	31,28,69,096	973.48	*1746.48*
L&T Kobelco Machinery Private Limited ^	10	2,55,00,000	25.50	*25.50*
L&T-MHPS Boilers Private Limited	10	11,93,91,000	119.39	*119.39*
Carried forward			1133.40	*1906.40*

Notes forming part of the Financial Statements (contd.)

NOTE [5] *(contd.)*

Details of Non-current Assets: Financial Assets - Investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
	₹		₹ crore	*₹ crore*
(i) Investments in fully paid equity instruments: *(contd.)*				
Brought forward			1133.40	*1906.40*
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	–	*–*
L&T Samakhiali Gandhidham Tollway Limited	10	13,000	0.01	*0.01*
L&T Special Steels and Heavy Forgings Private Limited [Net of provision ₹ 419.28 crore *(previous year: ₹ Nil)*]	10	41,92,84,000	–	*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	5,10,000	0.51	*0.03*
			1530.47	*2722.27*
(ii) Other equity investments:				
L&T-MHPS Boilers Private Limited			2.24	*2.24*
L&T-MHPS Turbine Generators Private Limited			6.80	*6.10*
			9.04	*8.34*
(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 [Net of provision ₹ 78.33 crore *(previous year: ₹ Nil)*]	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 [Net of provision ₹ 97.91 crore *(previous year: ₹ Nil)*]	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 [Net of provision ₹ 84.41 crore *(previous year: ₹ Nil)*]	10	14,20,80,000	–	*84.41*
			–	*260.65*
Total - (c) = (i)+(ii)+(iii)			1539.51	*2991.26*
(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) [₹ 30,000 *(previous year: ₹ 30,000)*]	100	300	–	*–*
Tidel Park Limited [Note 45(f)]	10	40,00,000	65.58	*64.27*
VP Global Fibre and Yarns Private Limited [₹ 22,900 *(previous year: ₹ 20,600)*]	100	229	–	*–*
New Vision Wind Power Private Limited [₹ 27,000 *(previous year: ₹ Nil)*]	10	2,700	–	*–*
The New India Assurance Company Limited	10	6,24,996	11.93	*22.28*
ICICI Securities Limited	5	8,13,720	19.74	*50.00*
			97.35	*136.64*
Total - (A) =(a)+(b)+(c)+(d)			19232.29	*21909.18*

Notes forming part of the Financial Statements (contd.)

NOTE [5] ***(contd.)***

Details of Non-current Assets: Financial Assets - Investments ***(contd.)***

Particulars	Face value per unit	Number of units As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
	₹		₹ crore	*₹ crore*
(B) Investment in preference shares (Debt portion) of:				
(a) Subsidiary company:				
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, October 22, 2028	10	9,00,00,000	40.73	*38.70*
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, June 24 2029	10	5,00,00,000	21.29	*20.36*
L&T Shipbuilding Limited -12% Cumulative, non-convertible redeemable at par preference shares, April 16, 2030	10	11,00,00,000	43.48	*41.93*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, May 28, 2030	10	42,18,60,000	165.00	*159.32*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, August 10, 2030	10	25,00,00,000	95.96	*92.87*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, September 29, 2030	10	7,50,00,000	28.42	*27.55*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, December 8, 2030	10	25,90,00,000	96.42	*93.67*
L&T Shipbuilding Limited -9% Non-cumulative, non-convertible redeemable at par preference shares, February 4, 2031	10	21,60,00,000	79.23	*77.11*
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, March 28, 2032	10	38,80,00,000	127.74	*126.12*
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, November 19, 2032	10	41,61,29,994	128.45	*127.95*
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, November 23, 2032	10	1,28,70,000	3.97	*3.95*
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, December 19, 2032	10	18,93,29,994	57.99	*57.82*
Total - (a)			888.68	*867.35*
(b) Joint Venture company:				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024 [Net of provision ₹ 77.77 crore *(previous year: ₹ Nil)*]	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 [Net of provision ₹ 79.12 crore *(previous year: ₹ Nil)*]	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 [Net of provision ₹ 56.28 crore *(previous year: ₹ Nil)*]	10	14,20,80,000	–	*58.09*
Total - (b)			–	*217.73*
Total - (B)			888.68	*1085.08*
(C) Other investments:				
Subsidiary companies: In limited liability partnership:				
L&T Geo structure LLP			18.50	–
Total - (C)			18.50	–
Total Non Current Investment = (A)+(B)+(C)			20139.47	*22994.26*

Notes forming part of the Financial Statements (contd.)

NOTE [5] *(contd.)*

Details of Non-current Assets: Financial Assets - Investments *(contd.)*

Details of quoted / unquoted investments:

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	4413.37	*4597.03*
Market Value	53882.38	*50537.78*
(b) Aggregate amount of unquoted investments;		
Book Value	15726.10	*18397.23*
(c) Aggregate amount of Impairment in value of investments	3800.71	*967.21*

^ Subsequent to the year under review, the Company has divested its entire stake in L&T Kobelco Machinery Private Limited to Kobe Steel, Ltd. on April 17, 2019. Since the criteria for classifying the said investment as held for sale is not met as at reporting date, the same has not been classified as held for sale in the financial statements.

The above investment forms part of the unallocable corporate assets. [Note 47(a)].

* Previous period included provision of ₹ 0.01 crore.

** Previous period included provision of ₹ 0.01 crore.

NOTE [6]

Non-current Assets: Financial Assets - Loans

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured security deposits, considered good:	104.71		*104.44*	
Less: Allowance for expected credit loss	28.30		*26.15*	
		76.41		*78.29*
Unsecured long term loan and advances to related parties:				
Subsidiary companies, cosidered good [Note 37 & 38 (A)]		454.50		*225.50*
Joint venture companies, considered good [Note 37 & 38 (A)]	1463.59		*1379.11*	
Less: Allowance for expected credit loss	263.00		–	
		1200.59		*1379.11*
Other loans, considered good:				
Secured		0.08		*0.23*
Unsecured		1.07		*1.00*
		1732.65		*1684.13*

NOTE [7]

Non-current Assets: Financial Assets - Others

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Cash and bank balances not available for immediate use [Note 7(a)]	289.76	*319.52*
Forward contract receivables	102.43	*91.54*
Embedded derivative receivables	–	*0.02*
Premium receivable on financial guarantee contracts	10.54	*1.99*
Advance towards equity commitment -Subsidiary company [Note 38(B)]	–	*19.45*
Other receivables	174.27	*6.02*
	577.00	*438.54*

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 31-3-2019	*As at 31-3-2018*
1	Amount received (including interest accrued thereon) from customers of property development business - to be handed over to housing society on its formation	25.25	*24.51*
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	25.97	*24.18*
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, acquisition, etc.	4372.34	*464.80*
	Total	4423.56	*513.49*
	Less: Amount reflected under current assets [Note 13]	4133.80	*193.97*
	Amount reflected under other financial assets - non-current [Note 7]	289.76	*319.52*

NOTE [8]
Other non-current assets

Particulars	As at 31-3-2019 ₹ crore	*As at 31-3-2018 ₹ crore*
Capital advances:		
Secured	1.84	*7.84*
Unsecured	19.29	*28.28*
Advance recoverable other than in cash	1636.04	*1405.00*
Current tax receivable (net)	1690.08	*1652.22*
	3347.25	*3093.34*

NOTE [9]
Current Assets: Inventories

Particulars	As at 31-3-2019 ₹ crore	*As at 31-3-2018 ₹ crore*
Raw materials [include goods-in-transit ₹ 14.83 crore *(previous year: ₹ 2.46 crore)*]	332.93	*318.49*
Components [include goods-in-transit ₹ 19.29 crore *(previous year: ₹ 17.19 crore)*]	296.27	*286.15*
Construction materials [include goods-in-transit ₹ 114.39 crore *(previous year: ₹ 56.16 crore)*]	144.09	*63.10*
Manufacturing work-in-progress	372.92	*333.96*
Finished goods	230.41	*154.24*
Stock-in-trade [include goods-in-transit ₹ 38.79 crore *(previous year: ₹ 26.31 crore)*]	386.27	*285.20*
Stores and spares [include goods-in-transit ₹ 2.10 crore *(previous year: ₹ 3.61 crore)*]	118.89	*68.70*
Loose tools	3.69	*3.81*
Property development related work-in-progress	1334.97	*986.40*
	3220.44	*2500.05*

Note: During the year ₹ 1.09 crore *(previous year: ₹ 12.87 crore)* was recognised as expense towards write-down of inventories

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Current Assets: Financial Assets - Investments

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
(A) Government and trust securities		924.53		*1205.99*
(B) Debentures and bonds				
(i) Subsidiary companies	273.07		–	
(ii) Joint venture companies	741.94		*769.84*	
(iii) Other debentures & bonds	1123.75		*1298.35*	
		2138.76		*2068.19*
(C) Mutual funds		1631.69		*1070.80*
		4694.98		*4344.98*

Details of Current Assets: Financial Assets - Investments

Particulars	Face value per unit	Number of units As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
	₹		₹ crore	*₹ crore*
(A) Government and trust securities (quoted):				
8.28% Government of India Bonds 2032	100	–	–	*5.29*
8.15% Government of India Bonds 2022	100	–	–	*21.09*
8.33% Government of India Bonds 2026	100	–	–	*79.57*
8.28% Government of India Bonds 2027	100	–	–	*24.97*
9.20% Government of India Bonds 2030	100	–	–	*198.93*
8.33% Government of India Bonds 2026	100	75,00,000	80.47	–
8.32% Government of India Bonds 2032	100	–	–	*15.98*
6.90% Oil Mktg Cos GOI Special Bonds 2026	100	–	–	*12.41*
9.20% Government of India Bonds 2030	100	1,77,84,000	199.04	–
9.23% Government of India Bonds 2043	100	2,45,00,000	293.64	*293.97*
7.59% Government of India Bonds 2026	100	10,00,000	10.32	*10.14*
6.79% Government of India Bonds 2029	100	2,10,00,000	202.02	*9.69*
7.80% Government of India Bonds 2020	100	1,33,00,000	139.04	*34.65*
6.35% Government of India Bonds 2020	100	–	–	*100.89*
6.79% Government of India Bonds 2029	100	–	–	*193.82*
7.80% Government of India Bonds 2020	100	–	–	*104.99*
7.59% Government of India Bonds 2029	100	–	–	*99.60*
Total - (A)			924.53	*1205.99*
(B) Debentures and bonds (quoted):				
(i) Subsidiary companies:				
9.50% L&T Metro Rail (Hyderabad) Limited SR-F NCD November 26, 2030	1000000	1,500	162.61	–
9.55% L&T Metro Rail(Hyderabad) Limited SR-F NCD September 28, 2030	1000000	1,000	110.46	–
Total- (i)			273.07	–
(ii) Joint venture companies:				
8.80% Kudgi Transmission Limited SR-F NCD April 25, 2023	1000000	–	–	*16.93*
8.80% Kudgi Transmission Limited SR-G NCD April 25, 2024	1000000	–	–	*19.25*
8.80% Kudgi Transmission Limited SR-H NCD April 25, 2025	1000000	–	–	*20.45*
8.80% Kudgi Transmission Limited SR-I NCD April 25, 2026	1000000	–	–	*22.75*
8.80% Kudgi Transmission Limited SR-J NCD April 25, 2027	1000000	–	–	*23.94*
9.14% Kudgi Transmission Limited SR-K NCD April 25, 2028	1000000	230	25.84	*26.81*
9.14% Kudgi Transmission Limited SR-L NCD April 25, 2029	1000000	240	26.96	*27.63*
9.14% Kudgi Transmission Limited SR-M NCD April 25, 2030	1000000	270	30.19	*31.08*
9.14% Kudgi Transmission Limited SR-N NCD April 25, 2031	1000000	280	31.00	*32.55*
9.14% Kudgi Transmission Limited SR-O NCD April 25, 2032	1000000	290	31.94	*33.95*
9.50% Kudgi Transmission Limited SR-P NCD April 25, 2033	1000000	310	35.03	*37.24*
Carried forward			180.96	*292.58*

Notes forming part of the Financial Statements (contd.)

NOTE [10] *(contd.)*

Details of Current Assets: Financial Assets - Investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
(ii) Joint venture companies: *(contd.)*				
Brought forward			180.96	*292.58*
9.50% Kudgi Transmission Limited SR-Q NCD April 25, 2034	1000000	–	–	*39.60*
9.50% Kudgi Transmission Limited SR-R NCD April 25, 2035	1000000	360	40.64	*43.25*
9.50% Kudgi Transmission Limited SR-S NCD April 25, 2036	1000000	390	44.08	*46.92*
9.50% Kudgi Transmission Limited SR-T NCD April 25, 2037	1000000	410	46.39	–
9.50% Kudgi Transmission Limited SR-U NCD April 25, 2038	1000000	350	39.64	–
9.50% Kudgi Transmission Limited SR-V NCD April 25, 2039	1000000	960	108.82	*41.78*
9.50% Kudgi Transmission Limited SR-W NCD April 25, 2040	1000000	250	28.36	*45.35*
8.60% LTIDPL NCD December 26, 2026	1000000	2,500	253.05	*260.36*
Total- (ii)			741.94	*769.84*
(iii) Other debentures and bonds:				
10.75% The Tata Power Company Limited NCD August 21, 2072	1000000	1,037	110.64	*136.81*
8.20% PFC Limited Tax Free Bonds February 01, 2022	1000	3,54,355	37.36	*72.17*
8.46% PFC Limited Tax Free Bonds August 30, 2028	1000000	67	7.11	*3.74*
1.44% Inflation Indexed Bonds Junuary 05, 2023	100	50,00,000	55.03	*50.71*
8.41% NTPC Limited Tax Free Bonds SR-1A December 16, 2023	1000	79,162	8.32	*9.87*
8.46% REC Limited Tax Free Bonds SR-3B August 29, 2028	1000000	370	39.26	*9.70*
9.48% BOB Basel III Perpetual Bonds Series V January 09, 2020	1000000	–	–	*20.71*
8.65% BOB Basel III Perpetual Bonds Series IX August 11, 2022	1000000	–	–	*10.40*
9.08% Union Bank Sr-XXIV Perpetual Bond May 03, 2022	1000000	500	55.34	*54.23*
9.00% YES Bank Limited Pertetual October 18, 2022	1000000	1,000	105.52	*103.68*
9.50% YES Bank Limited AT1 Pertetual December 23, 2021	1000000	–	–	*26.03*
Ecap Equities Limited SR-B9A801A March 04, 2019	10000000	–	–	*26.68*
Ecap Equities Limited SR-B9A801B March 05, 2019	10000000	–	–	*26.68*
Ecap Equities Limited SR-B9A801C March 06, 2019	10000000	–	–	*26.68*
Ecap Equities Limited SR-B9A801D March 07, 2019	10000000	–	–	*26.68*
Ecap Equities Limited SR-B9B801A March 06, 2019	10000000	–	–	*26.59*
Ecap Equities Limited SR-B9B801B March 07, 2019	10000000	–	–	*26.59*
Ecap Equities Limited SR-B9B801C March 08, 2019	10000000	–	–	*26.59*
Ecap Equities Limited SR-B9B801D March 11, 2019	10000000	–	–	*26.59*
Ecap Equities Limited SR-B9B802A March 11, 2019	10000000	–	–	*26.80*
Ecap Equities Limited SR-B9B802B March 12, 2019	10000000	–	–	*26.80*
Ecap Equities Limited SR-B9B802C March 13, 2019	10000000	–	–	*26.80*
Ecap Equities Limited SR-B9B802D March 14, 2019	10000000	–	–	*26.80*
Ecap Equities Limited SR-B9B803A March 11, 2019	10000000	–	–	*26.40*
Ecap Equities Limited SR-B9B803B March 12, 2019	10000000	–	–	*26.40*
Ecap Equities Limited SR-B9B804A March 12, 2019	10000000	–	–	*25.70*
Ecap Equities Limited SR-B9B804B March 13, 2019	10000000	–	–	*25.70*
Ecap Equities Limited SR-G9G806B August 27, 2019	10000000	25	28.35	–
Ecap Equities Limited SR-G9G806C August 28, 2019	10000000	25	28.35	–
Ecap Equities Limited SR-G9G806D August 29, 2019	10000000	25	28.35	–
Ecap Equities Limited SR-G9H804A September 02, 2019	10000000	25	28.80	–
Ecap Equities Limited SR-G9H804B September 03, 2019	10000000	25	28.14	–
Ecap Equities Limited SR-G9H804C September 04, 2019	10000000	25	28.58	–
Ecap Equities Limited SR-G9H804D September 05, 2019	10000000	25	28.60	–
Ecap Equities Limited SR-I9J804A November 11, 2019	10000000	25	28.63	–
Ecap Equities Limited SR-I9J804B November 12, 2019	10000000	25	28.63	–
Ecap Equities Limited SR-I9J804C November 13, 2019	10000000	25	29.12	–
Ecap Equities Limited SR-L9K801A December 30, 2019	10000000	25	26.87	–
Ecap Equities Limited SR-L9K801B December 31, 2019	10000000	25	26.92	–
Carried forward			757.92	*922.53*

Notes forming part of the Financial Statements (contd.)

NOTE [10] *(contd.)*

Details of Current Assets: Financial Assets - Investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
(iii) Other debentures and bonds: *(contd.)*				
Brought forward			757.92	*922.53*
Ecap Equities Limited SR- L9K801C January 01, 2020	10000000	25	26.77	–
Ecap Equities Limited SR- L9K801D January 02, 2020	10000000	25	26.65	–
Ecap Equities Limited SR- H9G801A August 23, 2019	10000000	25	26.33	–
Ecap Equities Limited SR- G9G806A August 26, 2019	10000000	25	26.56	–
Ecap Equities Limited SR- B0A901A February 17, 2020	10000000	25	26.78	–
Ecap Equities Limited SR- B0A9011B February 18, 2020	10000000	25	26.78	–
Ecap Equities Limited SR- B0B905A March 13, 2020	10000000	25	26.21	–
Ecap Equities Limited SR- B0B905B March 16, 2020	10000000	25	26.21	–
Ecap Equities Limited SR- B0B905C March 17, 2020	10000000	25	26.21	–
Ecap Equities Limited SR- B0B905D March 18, 2020	10000000	25	26.21	–
Ecap Equities Limited SR- B0B905E March 19, 2020	10000000	25	26.21	–
Ecap Equities Limited SR- B0B905F March 20, 2020	10000000	25	26.11	–
6.86% IIFCL Tax Free Bonds March 26, 2023	1000	1,35,000	13.16	*27.76*
7.18% IRFC Limited Tax Free Bonds February 19, 2023	1000	3,50,000	35.64	*348.06*
Total- (iii)			1123.75	*1298.35*
			2138.76	*2068.19*
(C) Mutual funds (unquoted):				
JM Arbitrage Advantage Fund-Direct-Monthly Dividend Payout	10	–	–	*203.48*
JM Balanced Fund Direct Plan-Annual Dividend Payout Option	10	–	–	*571.42*
L&T Short Term Bond Fund-Direct Growth	100	28,01,47,507	514.42	–
Aditya Birla Sun Life Corporate Bond Fund-Direct-Growth	100	7,59,81,604	548.08	
JM Equity Fund Monthly Dividend Payout	10	–	–	*295.89*
L&T Emerging Businesses Fund-Direct Plan-Growth	10	1,98,02,764	51.53	–
Kotak Emerging Equity-Direct-Growth	100	2,48,95,439	103.98	–
L&T Midcap Fund-Growth-Direct	100	73,29,229	104.59	
LIC MF Arbitrage Fund-Direct Plan-Growth	10	1,50,00,000	15.16	
LIC MF Short Term Debt Fund-Direct Plan-Growth	10	4,00,00,000	40.81	
Aditya Birla Sun Life Midcap Fund-Direct Plan-Growth	100	50,48,149	155.97	
Kotak Small Cap Fund-Direct-Growth	10	66,98,911	52.09	
AXIS Overnight Fund-Direct-Growth	10	2,00,000	20.06	
HSBC Large & Midcap Equity Fund-Growth-Direct	10	2,50,00,000	25.00	
Total - (C)			1631.69	*1070.80*
Total Current Investments (A)+(B)+ (C)			4694.98	*4344.98*

Details of quoted/unquoted investments:

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted current investments and market value thereof:		
Book Value	3063.29	*3274.18*
Market Value	3063.29	*3274.18*
(b) Aggregate amount of unquoted current investments:		
Book Value (accounted based on NAV)	1631.69	*1070.80*

Notes forming part of the Financial Statements (contd.)

NOTE [11]

Current Assets: Financial Assets - Trade receivables

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Considered good Unsecured	29443.07		*24164.69*	
Less: Allowance for expected credit loss	1411.31		*1437.24*	
		28031.76		*22727.45*
Credit Impaired	1044.25		*977.73*	
Less: Allowance for expected credit loss	859.19		*787.73*	
		185.06		*190.00*
		28216.82		*22917.45*

NOTE [12]

Current Assets: Financial Assets - Cash and cash equivalents

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Balance with banks	1862.18	*1798.20*
Cheques and draft on hand	174.42	*435.01*
Cash on hand	2.04	*2.37*
Fixed deposits with banks (maturity less than 3 months)	694.77	*948.17*
	2733.41	*3183.75*

NOTE [13]

Current Assets: Financial Assets - Other bank balances

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Fixed deposits with banks	647.64	*869.24*
Earmarked balances with banks-unclaimed dividend	84.64	*63.69*
Earmarked balances with banks-Section 4(2)(1)(D)RERA*	–	*7.38*
Margin money deposits with banks	–	*0.03*
Cash and bank balances not available for immediate use [Note 7(a)]	4133.80	*193.97*
	4866.08	*1134.31*

* Real Estate (Regulation and Development) Act, 2016

Notes forming part of the Financial Statements (contd.)

NOTE [14]

Current Assets: Financial Assets - Loans

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured security deposits, considered good	317.14		*296.27*	
Less: Allowance for expected credit loss	0.45		*0.45*	
		316.69		*295.82*
Unsecured security deposits, credit impaired	5.07		*5.89*	
Less: Allowance for expected credit loss	5.07		*5.89*	
		–		–
Unsecured long term loans and advances to related parties:				
Subsidiary companies, considered good [Note 37&38 (A)]		914.75		*678.04*
Joint venture companies, considered good [Note 37&38 (A)]		62.27		*18.20*
Other secured loans, considered good		0.15		*0.27*
		1293.86		*992.33*

NOTE [15]

Current Assets: Financial Assets - Others

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Advances to related parties:				
Subsidiary companies	675.69		*700.51*	
Associate companies	4.94		*0.80*	
Joint venture companies	53.95		*54.21*	
		734.58		*755.52*
Advances recoverable in cash		730.02		*2387.73*
Premium receivable on financial guarantee contracts		8.07		*4.34*
Forward contract receivable		509.92		*270.73*
Embedded derivative receivable		12.59		*23.27*
Doubtful advances:				
Deferred credit sale of ships	27.11		*27.11*	
Other loans and advances	88.48		*129.60*	
	115.59		*156.71*	
Less: Allowance for expected credit loss	115.59		*156.71*	
		–		–
		1995.18		*3441.59*

Notes forming part of the Financial Statements (contd.)

NOTE [16]

Other current assets

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Contract Assets [Refer Note 48(d)]				
Due from customers (construction and project related activity)	28277.43		*25587.80*	
Retention money including unbilled revenue	11953.54		*10937.36*	
		40230.97		*36525.16*
Advance recoverable other than in cash		3770.60		*3878.62*
Government grants receivable		89.08		*93.56*
Others		–		*2.59*
Doubtful other loans and advances	7.00		*6.99*	
Less: Provision for doubtful advances	7.00		*6.99*	
		–		–
		44090.65		*40499.93*

NOTE [17]

Equity share capital

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

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	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	1,40,27,29,385	280.55	*1,40,13,69,456*	*280.27*

(b) Reconciliation of the number of equity shares and share capital:

Particulars	2018-19		*2017-18*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*
Add: Shares issued on exercise of employee stock options during the year	13,59,929	0.28	*16,38,898*	*0.33*
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	1,40,27,29,385	280.55	*1,40,13,69,456*	*280.27*

(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] *(contd.)*

Equity share capital *(contd.)*

(d) Shareholder holding more than 5% of equity shares:

Name of the shareholders	As at 31-3-2019		*As at 31-3-2018*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	24,66,76,682	17.59	*24,63,52,777*	*17.58*
L&T Employees Welfare Foundation	17,21,28,421	12.27	*17,21,28,421*	*12.28*

(e) Shares reserved for issue under options outstanding on un-issued share capital:

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	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 #	28,85,240	0.58*	*42,65,623@*	*0.85**
0.675% 5 years & 1 day US$ denominated foreign currency convertible bonds (FCCB) ##	95,20,455	1.90**	*95,20,455@*	*1.90***

* The equity shares will be issued at a premium of ₹ 71.99 crore *(previous year: ₹ 94.42 crore)*

** The equity shares will be issued at a premium of ₹ 1214.50 crore *(previous year: ₹ 1214.50 crore)* on the exercise of options by the bond holders

\# Note 17(h)(i) 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, 2019 are 46,67,64,755 (previous period of five years ended March 31, 2018: 77,50,59,331 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, 2019 – Nil (previous period of five years ended March 31, 2018: 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] *(contd.)*

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)	
		2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
1	Grant price - (₹)	2.00	*2.00*	2.00	*2.00*	2.00	*2.00*	7.80	*7.80*	7.80	*7.80*	267.10	*267.10*	267.10	*267.10*
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	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*
5	Options lapsed prior to bonus	–	–	–	–	–	–	–	–	–	–	–	–	–	*1,08,685*
6	Options granted prior to bonus	–	–	–	–	–	–	–	–	–	*17,700*	–	–	–	*6,200*
7	Options exercised prior to bonus	–	–	–	–	–	–	–	–	–	*29,789*	–	*39,708*	–	*4,94,210*
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	19,800	–	48,375	–	89,325	–	70,767	–	1,05,342	*49,313*	–	*2,02,516*	3,51,935	*4,51,376*
11	Options granted post bonus issue	–	–		–		–		–	25,200	*71,600*		–	6,39,890	*5,73,580*
12	Options exercised post bonus issue	–	–		–		–		–	2,34,441	*1,56,962*	–	*2,805*	11,25,488	*9,15,424*
13	Options granted and outstanding at the end of the year	–	*19,800*	–	*48,375*	–	*89,325*	–	*70,767*	1,73,309	*4,87,892*	–	–	27,11,931	*35,49,464*
	Of which:														
	Options vested	–	*19,800*	–	*48,375*	–	*89,325*	–	*70,767*	10,750	*1,30,806*		–	9,76,795	*15,63,209*
	Options yet to vest		–		–		–		–	1,62,559	*3,57,086*	–	–	17,35,136	*19,86,255*
14	Weighted average remaining contractual life of options (in years)	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	4.95	*4.72*	–	*Nil*	4.15	*3.74*

* Record date: July 14, 2017

iii. The number and weighted average exercise price of stock options are as follows:

Particulars	2018-19		*2017-18*	
	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	42,65,623	223.35	*42,47,360*	*347.41*
(B) Options granted pre bonus issue	–	–	*23,900*	*112.61*
(C) Options allotted pre bonus issue	–	–	*5,63,707*	*380.14*
(D) Options lapsed pre bonus issue	–	–	*1,08,685*	*400.70*
(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	6,65,090	257.28	*6,45,180*	*238.32*
(H) Options allotted post bonus issue	13,59,929	222.40	*10,75,191*	*229.25*
(I) Options lapsed post bonus issue	6,85,544	139.58	*7,03,205*	*248.92*
(J) Options granted and outstanding at the end of the year	28,85,240	251.52	*42,65,623*	*223.35*
(K) Options exercisable at the end of the year out of (J) *supra*	9,87,545	264.28	*19,22,282*	*218.19*

Notes forming part of the Financial Statements (contd.)

NOTE [17] *(contd.)*

Equity share capital *(contd.)*

iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1272.80 *(previous year: ₹ 1106.67)* 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 2018-19 is ₹ 73.07 crore *(previous year: ₹ 68.98 crore)* net of recoveries of ₹ 1.63 crore *(previous year: ₹ 0.79 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 ₹ 17.15 crore *(previous year: ₹ 7.16 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 ₹ 986.95 *(previous year: ₹ 965.25)* 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	2018-19	*2017-18*
(A)	Weighted average risk-free interest rate	7.44%	*6.83%*
(B)	Weighted average expected life of options	4.09 years	*4.17 years*
(C)	Weighted average expected volatility	25.73%	*27.92%*
(D)	Weighted average expected dividends over the life of the option	₹ 65.41 per option	*₹ 58.37 per option*
(E)	Weighted average share price	₹ 1225.00 per option	*₹ 1178.47 per option*
(F)	Weighted average exercise price	₹ 257.28 per share	*₹ 229.73 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, 2019 is ₹ 106.91 crore *(previous year: ₹ 108.59 crore)*, including ₹ 52.29 crore *(previous year: ₹ 76.12 crore)* for which the options have been vested to employees as at March 31, 2019.

(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 0.19:1 as at March 31, 2019 *(as at March 31, 2018 0.21:1)*.

(j) During the year ended March 31, 2019, the Company paid the final dividend of ₹16 per equity share for the year ended March 31, 2018 amounting to ₹ 2243.18 crore and dividend distribution tax of ₹ 353.60 crore.

(k) On May 10, 2019, the Board of Directors has recommended the final dividend of ₹18 per equity share for the year ended March 31, 2019 subject to approval of shareholders. On approval, the total dividend payment based on number of shares outstanding as at March 31, 2019 is expected to be ₹2524.91 crore and the payment of dividend distribution tax is expected to be ₹ 233.66 crore.

Notes forming part of the Financial Statements (contd.)

NOTE [18]
Other equity

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ 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)		*(6.36)*
Securities Premium [Note 1(p)]		8471.99		*8363.02*
Employee share options (net) [Note 1(r)]				
Employee share options outstanding	177.63		*211.51*	
Deferred employee compensation expense	(70.72)		*(102.92)*	
		106.91		*108.59*
Debenture redemption reserve ^		440.26		*458.94*
General reserve #		25507.91		*25395.78*
Retained earnings		17527.67		*14250.01*
Foreign currency translation reserve [Note 1(s)(iv)]		5.69		*(0.37)*
Hedging reserve [Note 1(m)] & [Note 45(l)]				
Cash flow hedging reserve	55.45		*114.50*	
Cost of hedging reserve	4.17		*(12.34)*	
		59.62		*102.16*
Debt instruments through Other Comprehensive Income [Note 1(m)]		(7.24)		*54.93*
		52270.17		*48893.98*

* **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 is not to be utilised by the Company except to redeem debentures.

\# **General Reserve :** The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits was 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]

Non-current liabilities: Financial liabilities-Borrowings

Particulars	As at 31-3-2019 ₹ crore	*As at 31-3-2018* *₹ crore*
Unsecured:		
Redeemable non-convertible fixed rate debentures [Note 19(a)(ii)]	2180.66	*2179.85*
Redeemable non-convertible inflation linked debentures [Note 19(a)(iii)]	120.48	*116.96*
0.675% Foreign currency convertible bonds [Note 19(b)]	–	*1245.64*
Term loan from banks [Note 19(c)]	90.67	*1952.51*
Finance lease	0.06	*0.20*
	2391.87	*5495.16*

19(a) (i) Secured redeemable non-convertible fixed rate debentures (privately placed):

Face value per debenture (₹)	Date of allotment	As at 31-3-2019 ₹ crore	*As at 31-3-2018 ₹ crore*	Interest for the year 2018-2019	Terms of repayment for debentures outstanding as at 31-3-2019
1000000	January 5, 2009	–	*408.58*	–	–
Less:		–	*408.58*	Current maturity of long term borrowings [Note 24]	
		–	–	Borrowings non-current [Note 19]	

Security: The debentures were 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 31-3-2019 ₹ crore	*As at 31-3-2018 ₹ crore*	Interest for the year 2018-19	Terms of repayment for debentures outstanding as at 31-3-2019
1	1000000	April 10,2012	273.56	*273.51*	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	322.71	*322.61*	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	324.32	*324.22*	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
4	1000000	April 13,2010	216.95	*216.89*	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	1043.12	*1042.62*	8.40% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
	Total		2180.66	*2179.85*		Borrowings – non-current [Note 19]

Notes forming part of the Financial Statements (contd.)

NOTE [19] ***(contd.)***

19 (a)(iii) Unsecured redeemable non-convertible inflation linked debentures:

Face value per debenture (₹)	Date of allotment	As at 31-3-2019 ₹ crore	*As at 31-3-2018 ₹ crore*	Interest for the year 2018-19	Terms of repayment for debentures outstanding as at 31-3-2019
1000000	May 23,2013	120.48@	*116.96@*	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 ₹ 1363.39 crore as at March 31, 2019 *(as at March 2018: ₹ 1245.64 crore)* represent 200000 bonds of $1000 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 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.

19(c) Details of term Loans (Unsecured):

Sr. No.	As at 31-3-2019 ₹ crore	*As at 31-3-2018 ₹ crore*	Rate of Interest	Terms of repayment of term loan outstanding as at 31-3-2019
1	–	*326.21*	USD LIBOR + Spread	Repaid on July 2, 2018
2	–	*38.04*	USD LIBOR + Spread	Repaid on June 18, 2018
3	–	*163.36*	USD LIBOR + Spread	Repaid on October 19, 2018
4	1382.59	*1301.68*	USD LIBOR + Spread	Repayable on October 21, 2019
5	691.28	*650.83*	USD LIBOR + Spread	Repayable on November 4, 2019
6	694.19	–	USD LIBOR + Spread	Repayable on January 20, 2020
7	31.79	–	8.40% p.a. payable monthly	Repayable on May 7, 2023
8	58.88	–	9.00% p.a. payable monthly	Repayable on October 19, 2023
Total	2858.73	*2480.12*		
Less:	2768.06	*527.61*	Current maturity of long term borrowings [Note 24]	
	90.67	*1952.51*	Borrowings non–current [Note 19]	

Loans guaranteed by directors - ₹ nil *(previous year: ₹ nil)*

19(d) Sales tax deferment loan (unsecured):

Sr. No.	As at 31-3-2019 ₹ crore	*As at 31-3-2018 ₹ crore*	Rate of Interest	Terms of repayment as at March 31, 2019
1	–	*0.08*	Interest Free	
Total	–	*0.08*		Current maturity of long term borrowings [Note 24]

Notes forming part of the Financial Statements (contd.)

NOTE [20]

Non-current liabilities: Other financial liabilities

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Forward contract payables	6.76	*17.82*
Embedded derivative payables	26.63	*75.79*
Financial guarantee contracts	16.64	*9.27*
Due to others	3.72	*5.76*
	53.75	*108.64*

NOTE [21]

Non-current liabilities: Provisions

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Employee pension scheme [Note 50(ii)(a)]	308.36	*301.13*
Post -retirement medical benefits plan [Note 50(ii)(a)]	189.26	*171.74*
	497.62	*472.87*

NOTE [22]

Other non- current liabilities

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Other Payables (Deferred income on day one fair valuation of financial instruments)	0.58	*1.27*

NOTE [23]

Current liabilities: Financial liabilities - Borrowings

Particulars	As at 31-3-2019			*As at 31-3-2018*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand from banks [Note 23(b)]	24.54	–	24.54	*20.06*	–	*20.06*
Short term loan and advances from banks [Note 23(b)]	–	3610.98	3610.98	*96.53*	*3586.68*	*3683.21*
Loans from related parties:						
Subsidiary companies	–	32.73	32.73	–	*426.30*	*426.30*
	24.54	3643.71	3668.25	*116.59*	*4012.98*	*4129.57*

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: ₹ 5930.00 crore as at March 31, 2019 *(March 31, 2018 : ₹ 6026.53 crore)*

Notes forming part of the Financial Statements (contd.)

NOTE [24]

Current liabilities: Financial liabilities - Current maturities of long term borrowings

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Secured:		
Redeemable non-convertible fixed rate debentures [Note 19(a)(i)]	–	*408.58*
Unsecured:		
Term loans from banks [Note 19(c)]	2768.06	*527.61*
0.675% Foreign currency convertible bonds [Note 19(b)]	1363.39	–
Sales tax deferment loan [Note 19(d)]	–	*0.08*
	4131.45	*936.27*

24(a) Loans guaraneed by directors ₹ Nil *(previous year: ₹ Nil)*

NOTE [25]

Current liabilities: Financial liabilities - Other trade payables

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Acceptances		520.39		*478.07*
Due to related parties:				
Subsidiary companies	928.65		*767.28*	
Associate companies	4.04		*2.92*	
Joint venture companies	1006.51		*995.18*	
		1939.20		*1765.38*
Due to others		33616.77		*28713.84*
		36076.36		*30957.29*

NOTE [26]

Current liabilities: Other financial liabilities

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Unclaimed dividend	84.64	*63.69*
Forward contract payable	234.15	*127.90*
Embedded derivative payable	68.17	*61.34*
Financial guarantee contracts	9.87	*6.22*
Due to others [Note 26(a)]	1461.02	*1618.85*
	1857.85	*1878.00*

26(a) Due to others include due to directors ₹ 57.00 crore *(previous year: ₹ 49.11 crore)*

Notes forming part of the Financial Statements (contd.)

NOTE [27]

Other current liabilities

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Contract liabilities [Refer Note 48(d)]				
Due to customers (Construction and project related activity)	6678.88		*5346.45*	
Advances from customers	14593.29		*14070.34*	
		21272.17		*19416.79*
Other Payables		1278.47		*1428.67*
		22550.64		*20845.46*

NOTE [28]

Current liabilities- provisions

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity [Note 50(ii)(a)]	103.26		*91.10*	
Compensated absences	585.25		*515.34*	
Employee pension scheme [Note 50(ii)(a)]	24.52		*22.58*	
Post-retirement medical benefits plan [Note 50(ii)(a)]	7.84		*7.09*	
		720.87		*636.11*
Other Provisions (Ind AS 37 Related) [Note 54]		702.96		*466.11*
		1423.83		*1102.22*

NOTE [29]

Contingent liabilities

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
(a) Claims against the Company not acknowledged as debts	2145.93	*2113.67*
(b) Sales tax liability that may arise in respect of matters in appeal	157.68	*170.25*
(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	218.41	*193.33*
(d) Income tax liability that may arise in respect of which the Company is in appeal	676.38	*423.22*
(e) Corporate guarantees for debt given on behalf of subsidiary companies/ joint venture companies	7520.77	*7424.61*
(f) Corporate and bank guarantees for performance given on behalf of subsidiaries/joint venture companies	30986.48	*20305.06*
(g) Contingent liabilities, if any, incurred in relation to interests in joint operations	7586.12	*7267.96*
(h) Share in contingent liabilities of joint operations for which the Company is contingently liable	84.92	*139.20*
(i) Contingent liabilities in respect of liabilities of other joint operators of joint operations	7187.07	*6576.16*

Notes forming part of the Financial Statements (contd.)

NOTE [29] ***(contd.)***

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 twelve 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 six 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.

NOTE [30]
Commitments

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ 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	658.86		*675.07*	
(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	3.64		*0.05*	
		662.50		*675.13*
(b) Funding committed by way of equity/loans to subsidiary companies	845.00			*715.45*
(c) Funding committed by way of equity (including investment through purchase of investments from other parties*)	10732.85			–

* The Company has entered into a definitive share purchase agreement to acquire 20.32% stake in Mindtree Limited on March 18, 2019 at a price of ₹ 980 per share aggregating to consideration of ₹ 3269.00 crore. Further, the company has placed a purchase order with its stock broker for acquiring 15% stake through on-market purchases for an overall consideration amount not exceeding ₹ 2434.00 crore from any recognised stock exchange, but only after receipt of relevant approvals from regulatory authorities. The Company will also make an open offer to acquire 31% stake for a consideration of ₹ 5029.85 crore in accordance with the requirements of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. The completion of these transactions are subject to receipt of necessary regulatory approvals.

Subsequent to March 31, 2019 and up to May 9,2019, the Company acquired 4,25,90,088 equity shares of Mindtree Limited (representing 25.94% of the share capital of that company) at a cost of ₹ 4180.91 crore through block deal purchase from a major shareholder (and his associate entities) and on- market purchases.

Notes forming part of the Financial Statements (contd.)

NOTE [31]

Revenue from operations

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales and service:				
Construction and project related activity	77799.03		*66978.07*	
Manufacturing and trading activity	6238.01		*5575.56*	
Property development activity	642.08		*96.68*	
Engineering and service fees	10.06		*18.74*	
Servicing	933.61		*666.64*	
Commission	160.16		*159.80*	
		85782.95		*73495.49*
Other operational income:				
Income from hire of plant and equipment	67.65		*122.03*	
Profit/(loss) on sale of investment properties	565.60		–	
Lease rentals	58.93		*74.08*	
Income from services to Group companies	111.63		*326.71*	
Premium earned (net) on related forward exchange contracts	26.22		*36.02*	
Miscellaneous Income	374.88		*557.32*	
		1204.91		*1116.16*
		86987.86		*74611.65*

NOTE [32]

Other income

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income:				
Subsidiaries, associates and joint venture companies	213.11		*209.59*	
Others	418.32		*287.30*	
		631.43		*496.89*
Dividend income:				
Subsidiary companies	1313.98		*535.59*	
Joint venture companies	19.44		–	
Others	178.70		*2693.08*	
		1512.12		*3228.67*
Net gain /(loss) on sale or fair valuation of investments		251.15		*(2233.22)*
Net gain/(loss) on derivatives at fair value through profit or loss		(22.60)		*(125.74)*
Net gain /(loss) on sale of property, plant and equipment		28.64		*60.18*
Lease rentals		83.23		*62.75*
Miscellaneous income (net of expenses)		284.87		*123.14*
		2768.84		*1612.67*

Notes forming part of the Financial Statements (contd.)

NOTE [33]

Manufacturing, construction and operating expenses

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Materials consumed:				
Raw materials and components	7917.34		*8018.02*	
Less: Scrap sales	84.55		*75.03*	
		7832.79		*7942.99*
Excise duty		–		*149.10*
Construction materials consumed		29099.38		*22236.60*
Purchase of stock-in-trade		1786.14		*1531.22*
Stores ,spares and tools consumed		2341.99		*1808.79*
Sub-contracting charges		22021.74		*19620.99*
Changes in inventories of finished goods, stock-in-trade and work-in-progress:				
Closing stock:				
Finished goods	230.41		*154.24*	
Stock-in-trade	386.27		*285.20*	
Work-in-progress	5549.53		*4052.01*	
	6166.21		*4491.45*	
Less: Opening stock:				
Finished goods	154.24		*221.52*	
Stock-in-trade	285.20		*169.68*	
Work-in-progress*	4430.65		*3052.84*	
	4870.09		*3444.04*	
		(1296.12)		*(1047.41)*
Other manufacturing, construction and operating expenses:				
Excise duty on stock	–		*(48.37)*	
Power and fuel	1684.82		*956.70*	
Royalty and technical know-how fees	42.86		*15.49*	
Packing and forwarding	435.32		*363.01*	
Hire charges-plant and equipment and others	1411.76		*1198.37*	
Engineering ,technical and consultancy fees	1206.82		*763.52*	
Insurance	232.69		*188.96*	
Rent	444.99		*422.12*	
Rates and taxes	530.91		*375.01*	
Travelling and conveyance	728.18		*608.14*	
Repairs to plant and equipment	65.33		*52.42*	
Repairs to buildings	5.93		*5.05*	
General repairs and maintenance	396.02		*339.96*	
Bank guarantee charges	192.44		*181.91*	
Provision for foreseeable losses on construction contracts	35.37		*20.18*	
Other provisions/(reversal of provisions) [Note 54(a)]	168.17		*(38.05)*	
Miscellaneous expenses	535.86		*973.80*	
		8117.47		*6378.22*
		69903.39		*58620.50*

* Note: Current year includes opening adjustments on transition to Ind AS 115.

Notes forming part of the Financial Statements (contd.)

NOTE [34]

Employee benefits expense

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries,wages and bonus		5613.91		*5070.64*
Contribution to and provision for :				
Provident funds and pension fund	131.40		*119.90*	
Superannuation/employee pension schemes	14.46		*13.16*	
Gratuity funds [Note 50(ii)(b)]	64.40		*72.50*	
		210.26		*205.56*
Expenses on employees stock option schemes [Note 17(h)(v)(B)]		74.70		*69.77*
Insurance expenses - medical and others		90.34		*83.35*
Staff welfare expenses		579.13		*603.36*
Recoveries on account of deputation		(485.85)		*(417.94)*
		6082.49		*5614.74*

NOTE [35]

Sales, administration and other expenses

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Power and fuel		60.47		*58.22*
Packing and forwarding		119.37		*96.75*
Professional fees		358.41		*265.31*
Audit fees [Note 55]		6.00		*4.88*
Insurance		39.51		*34.48*
Rent		215.92		*244.15*
Rates and taxes		48.78		*54.56*
Travelling and conveyance		296.41		*304.71*
Repairs to buildings		19.11		*18.51*
General repairs and maintenance		241.54		*228.33*
Directors' fees		1.45		*0.77*
Telephone, postage and telegrams		108.03		*101.63*
Advertising and publicity		88.13		*67.92*
Stationery and printing		44.29		*38.18*
Commission:				
Distributors and agents		21.68		*22.47*
Others		8.20		*5.68*
Bank charges		94.60		*83.56*
Miscellaneous expenses		660.71		*536.83*
Bad debts and advances written off	252.47		*375.33*	
Less: Allowance for doubtful debts and advances written back	214.12		*354.97*	
		38.35		*20.36*
Allowance for doubtful debts and advances (net)		56.82		*745.17*
Exchange (gain)/loss [net]		(121.76)		*(148.60)*
Other provisions [Note 54]		92.12		*70.17*
Recoveries from subsidiaries, associates and joint venture companies		(178.36)		*(173.31)*
		2319.78		*2680.73*

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	2018-19				*2017-18*			
		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	1684.82	–	60.47	1745.29	*956.70*	–	*58.22*	*1014.92*
2	Packing and forwarding	435.32	–	119.37	554.69	*363.01*	–	*96.75*	*459.76*
3	Insurance	232.69	90.34	39.51	362.54	*188.96*	*83.35*	*34.48*	*306.79*
4	Rent	444.99	–	215.92	660.91	*422.12*	–	*244.15*	*666.27*
5	Rates and taxes	530.91	–	48.78	579.69	*375.01*	–	*54.56*	*429.57*
6	Travelling and conveyance	728.18	–	296.41	1024.59	*608.14*	–	*304.71*	*912.85*
7	Repairs to buildings	5.93	–	19.11	25.04	*5.05*	–	*18.51*	*23.56*
8	General repairs and maintenance	396.02	–	241.54	637.56	*339.96*	–	*228.33*	*568.29*
9	Miscellaneous expenses	535.86	–	660.71	1196.57	*973.80*	–	*536.83*	*1510.63*

NOTE [36]

Finance costs

Particulars	2018-19	*2017-18*
	₹ crore	*₹ crore*
Interest expenses	1601.50	*1415.71*
Other borrowing costs	2.78	*3.59*
Exchange loss (attributable to finance costs)	37.11	*12.93*
	1641.39	*1432.23*

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	
		31-3-2019	*31-3-2018*	2018-19	*2017-18*
	Loans and advances in the nature of loans given to subsidiaries:				
A	L&T Seawoods Private Limited	–	–	147.29	–
B	L&T Realty Limited	70.04	*76.75*	85.03	*133.10*
C	L&T Shipbuilding Limited	454.50	*225.50*	558.88	*998.12*
D	L&T Special Steels & Heavy Forgings Private Limited*	1507.65	*1379.11*	1507.65	*1401.86*
E	PNG Tollway Limited	–	*18.20*	–	*18.20*
F	L&T Hydrocarbon Engineering Limited	54.07	–	56.64	*0.31*
G	L&T Construction Equipment Limited	–	*7.00*	7.05	*42.91*
H	Nabha Power Limited	379.80	*594.29*	1009.87	*1789.97*
I	L&T Finance Limited	–	–	1506.84	–
J	L&T Metro Rail (Hyderabad) Limited	109.00	–	109.00	–
K	L&T Finance Holdings Limited	–	–	1016.16	–
L	Hi-Tech Rock Products & Aggregates Limited	301.85	–	301.85	–
M	L&T Infrastructure Development Projects Limited	18.20	–	18.20	–
	Total	2895.11	*2300.85*		

* L&T Special Steels & Heavy Forgings Private Limited ₹1507.65 crore is before adjusting for Impairment of ₹ 263 crore.

Notes forming part of the Financial Statements (contd.)

NOTE [37] *(contd.)*

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/investments made/ guarantees given/security provided)	Purpose for which the loan/guarantee/ security is proposed to be utilised by the recipient	2018-19	*2017-18*
(A)	Loans and Advances			
	Subsidiary companies:			
	(a) L&T Realty Limited	Project funding	70.04	*76.75*
	(b) L&T Shipbuilding Limited	Working capital	454.50	*225.50*
	(c) L&T Special Steels & Heavy Forgings Private Limited*	Working capital and project funding	1507.65	*1379.11*
	(d) PNG Tollway Limited	Project funding	–	*18.20*
	(e) L&T Construction Equipment Limited	Working capital	–	*7.00*
	(f) L&T Hydrocarbon Engineering Limited	Working capital	54.07	–
	(g) Nabha Power Limited	Part financing of original project cost	379.80	*594.29*
	(h) L&T Metro Rail (Hyderabad) Limited	Temporary project funding and working capital	109.00	–
	(i) Hi-Tech Rock Products & Aggregates Limited	General corporate purposes and investments	301.85	–
	(j) L&T Infrastructure Development Projects Limited	General corporate purpose	18.20	–
	Total		2895.11	*2300.85*
(B)	Other Advances:			
	Subsidiary Companies:			
	L&T Uttaranchal Hydropower Limited	Towards capital contribution	–	*19.45*
	Total		–	*19.45*
(C)	Guarantees			
	Subsidiary Companies:			
	(a) L&T Aviation Services Private Limited	Corporate guarantee given for subsidiary's Debt	11.94	*16.88*
	(b) L&T-MHPS Boilers Private Limited		–	*60.60*
	(c) L&T-MHPS Turbine Generators Private Limited		427.31	*418.95*
	(d) L&T Shipbuilding Limited		1331.00	*3156.00*
	(e) Nabha Power Limited		4025.00	*3707.00*
	(f) L&T Global Holdings Limited		735.56	*65.18*
	(g) L&T Hydrocarbon Engineering Limited		739.96	–
	(h) L&T Metro Rail (Hyderabad) Limited		250.00	–

Notes forming part of the Financial Statements (contd.)

NOTE [38] ***(contd.)***
Disclosure pursuant to section 186 of The Companies Act 2013: *(contd.)*

₹ crore

Sr. No.	Nature of the transaction (loans given/investments made/ guarantees given/security provided)	Purpose for which the loan/guarantee/ security is proposed to be utilised by the recipient	2018-19	*2017-18*
	(i) Larsen & Toubro ATCO Saudia LLC	Corporate guarantee given for subsidiary's project performance	2260.03	*2130.11*
	(j) Larsen & Toubro Arabia LLC		8442.15	*5971.38*
	(k) L&T Technology Services Limited		770.67	*787.73*
	(l) L&T Technology Services LLC		138.31	*130.35*
	(m) Larsen & Toubro Heavy Engineering LLC		–	*1047.98*
	(n) Larsen & Toubro (Saudi Arabia) LLC		1610.23	*1517.67*
	(o) L&T Hydrocarbon Engineering Limited		17736.16	*8691.05*
	(p) L&T-MHPS Boilers Private Limited	Guarantees issued by bank out of the Company's sanctioned limits to customers of L&T-MHPS Boilers Private Limited for project performance	28.93	*28.79*
			38507.25	*27729.67*
(D)	**Investments in fully paid equity instruments and current investments**		Refer to Note 5 and Note 10	

* Loan given to L&T Special Steels & Heavy Forgings Private Limited ₹ 1507.65 crore is before adjusting for impairment of ₹ 263 crore.

NOTE [39]

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 121.47 crore *(previous year: ₹ 97.29 crore)*.

The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 121.68 crore *(previous year: ₹ 100.92 crore)*, which comprises:

₹ crore

Sr. No.	Particulars	Disclosed under	2018-19			*2017-18*		
			Paid	Provided	Total	*Paid*	*Provided*	*Total*
(a)	Construction/acquisition of assets recognised as expense and shown under sales, administration and other expenses	Note 35	3.80	0.18	3.98	*4.42*	*1.52*	*5.94*
(b)	Other revenue expenses:							
	recognised as expense and shown under sales, administration and other expenses	Note 35	91.02	9.66	100.68	*70.21*	*9.19*	*79.40*
	recognised as expense and shown under employee benefits expense	Note 34	16.99	0.03	17.02	*15.54*	*0.04*	*15.58*
	Total		111.81	9.87	121.68	*90.17*	*10.75*	*100.92*

NOTE [40]

The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 168.23 crore *(previous year: ₹ 138.93 crore)*. Further, the Company has incurred capital expenditure on research and development activities as follows:

(a) on tangible assets ₹ 5.46 crore *(previous year: ₹ 6.22 crore)*;

(b) on intangible assets being expenditure on new product development ₹ 40.53 crore *(previous year: ₹ 48.08 crore)* [Note 1(i)(ii)]; and

(c) on other intangible assets ₹ 1.96 crore *(previous year: ₹ 1.84 crore)*.

In addition, the Company has incurred expenditure of ₹ 0.52 crore *(previous year: ₹ 2.70 crore)* which is 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 buildings under non-cancellable operating lease, the future minimum lease payment receivable in respect of which are as follows:

₹ crore

Sr. No.	Particulars	As at 31-3-2019	*As at 31-3-2018*
1	Receivable not later than 1 year	6.51	*49.01*
2	Receivable later than 1 year and not later than 5 years	6.79	*23.51*
3	Receivable later than 5 years	–	–
	Total	13.30	*72.52*

(b) Where the Company is a lessee:

(i) Finance leases:

(A) Assets acquired on finance lease comprises plant & 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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
1	Payable not later than 1 year	0.01	–	–	–
2	Payable later than 1 year and not later than 5 years	0.02	*0.02*	–	–
3	Payable later than 5 years	0.13	*0.28*	0.06	*0.20*
	Total (1+2+3)	0.16	*0.30*	0.06	*0.20*
	Less :Future finance charges	0.10	*0.10*	–	–
	Present value of minimum lease payments	0.06	*0.20*	0.06	*0.20*

(ii) Operating leases:

(A) The Company has taken various commercial premises and plant & equipment under cancellable operating leases. These lease agreements are renewed on expiry, based on requirement, convenience and other factors. 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 31-3-2019	*As at 31-3-2018*
1	Payable not later than 1 year	19.62	*23.79*
2	Payable later than 1 year and not later than 5years	12.43	*28.29*
3	Payable later than 5 years	0.25	*6.80*
	Total	32.30	*58.88*

(C) Lease rental expenses in respect of operating leases: ₹ 150.49 crore *(previous year: ₹ 103.49 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 31-3-2019	*As at 31-3-2018*
Investments held for sale	41.72	*388.00*

(a) Investment held for sale as at March 31, 2019 represents equity investment in L&T Technology Services Limited ₹ 41.72 crore. Regulation 38 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 requires a listed entity to comply with the minimum public shareholding requirements as specified in rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"). Rule 19(2)(b) of the SCRR requires the maintenance of a minimum public shareholding of 25% at all times of each class or kind of equity shares or convertible debentures issued by a listed company.

The company is holding 78.88% in its listed subsidiary company L&T Technology Services Limited. In order to comply with the said requirement, the Company plans to divest its investment in the said subsidiary in the open market within twelve months from the reporting date.

The above investment forms part of the unallocable corporate assets. [Note 47(a)].

(b) Investment held for sale as at March 31, 2018 represents equity investment in Marine Infrastructure Developer Private Limited (MIDPL). Through a scheme of arrangement of demerger, the Port business in L&T Shipbuilding Limited was transferred to MIDPL (effective date March 22, 2017) in financial year 2016-17. As a shareholder, the Company had received 38,80,00,000 equity shares of ₹10 each. The Company divested its stake in MIDPL to the strategic partner in June 28, 2018.

The above investment forms part of the unallocable corporate assets as at March 31, 2018. [Note 47(a)].

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 31-3-2019			*As at 31-3-2018*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
Inventories	9	2154.51	1065.93	3220.44	*1680.39*	*819.66*	*2500.05*
Trade receivables	11	27932.56	284.26	28216.82	*22391.67*	*525.78*	*22917.45*
Loans	14	1293.86	–	1293.86	*991.91*	*0.42*	*992.33*
Other financial assets	15	1995.18	–	1995.18	*3441.59*	–	*3441.59*
Other current assets	16	37120.43	6970.23	44090.66	*32752.18*	*7747.75*	*40499.93*

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

₹ crore

Particulars	Note	As at 31-3-2019			*As at 31-3-2018*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
Trade payables:							
Due to micro enterprises and small enterprises		193.70	8.16	201.86	*131.05*	*6.66*	*137.71*
Due to others	25	35289.23	787.13	36076.36	*30314.50*	*642.79*	*30957.29*
Other financial liabilities	26	1835.18	22.67	1857.85	*1858.35*	*19.65*	*1878.00*
Other current liabilities	27	18116.93	4433.71	22550.64	*16183.09*	*4662.37*	*20845.46*
Provisions	28	1301.45	122.38	1423.83	*991.53*	*110.69*	*1102.22*

Notes forming part of the Financial Statements (contd.)

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.

(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 31-3-2019			*As at 31-3-2018*		
	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)	(3190.33)	141.69	(4.02)	*(1593.16)*	*(150.69)*	*(95.77)*
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non financial assets/(liabilities)	552.57	222.95	–	*594.48*	*222.04*	–
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to firm commitments and highly probable transactions	1368.13	(833.18)	540.83	*1848.44*	*(1388.82)*	*659.25*
Receivable/(payable) exposure with respect to forward contracts and embedded derivatives not designated as cash flow hedge	(104.88)	122.63	(24.22)	*(1219.10)*	*(6.92)*	–

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

Notes forming part of the Financial Statements (contd.)

NOTE [44] *(contd.)*

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 ₹ 29.88 crore as at March 31, 2019 and ₹ 25.61 crore as at March 31, 2018.

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, 2019 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 31-3-2019	*As at 31-3-2018*
Floating rate borrowings	5508.64	*5157.15*

A hypothetical 50 basis point shift in respective currency LIBORs and other benchmarks on the unhedged loans would result in a corresponding increase/decrease in interest cost for the Company on a yearly basis as follows:

₹ crore

Particulars	Impact on Profit and Loss after tax		Impact on Equity	
	2018-19	*2017-18*	As at 31-3-2019	*As at 31-3-2018*
Indian Rupees				
Interest rates -increase by 0.5% in INR interest rate *	(0.47)	*(0.45)*	(0.47)	*(0.45)*
Interest rates -decrease by 0.5% in INR interest rate *	0.47	*0.45*	0.47	*0.45*
US Dollar				
Interest rates –increase by 0.5% in USD interest rate *	(17.45)	*(16.39)*	(17.45)	*(16.39)*
Interest rates -decrease by 0.5% in USD interest rate *	17.45	*16.39*	17.45	*16.39*

* 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

Notes forming part of the Financial Statements (contd.)

NOTE [44] *(contd.)*

market value of debt securities would result in a value change of +/- ₹ 11.08 crore as at March 31, 2019 and +/- ₹ 14.04 crore as at March 31, 2018. 5% change in the equity funds' NAV would result in a value change of +/- ₹ 38.91 crore as at March 31, 2019 and +/- ₹ 16.24 crore as at March 31, 2018 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:

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	2018-19	*2017-18*
Opening balance as at April 1	2224.97	*1916.66*
Changes in allowance for expected credit loss:		
Provision/(reversal) of allowance for expected credit loss	71.30	*171.07*
Additional provision (net) towards credit impaired receivables	188.35	*494.34*
Write off as bad debts	(214.12)	*(357.10)*
Closing balance as at March 31 [reported under Note 11]	2270.50	*2224.97*

(ii) Trade receivable written off during the year but still enforceable for recovery amounts to ₹ Nil *[previous year: ₹ 409.43 crore, out of this ₹ 243.62 crore included above and balance ₹ 165.81 crore included in exceptional items. Further, exceptional items for the year ended March 31, 2018 also included write off of retention money not due (classified as non-financial asset) amounting to ₹ 128.94 crore. (refer to Note 46)].*

NOTE [45]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Category-wise classification for applicable financial assets:

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2019	*As at 31-3-2018*
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Investment in equity instruments	5	97.35	*136.64*
	(ii) Investment in preference shares	5	888.68	*1085.08*
	(iii) Investment in mutual funds	10	1631.69	*1070.80*
	(iv) Investment in bonds	10	656.38	*424.46*
	(v) Derivative instruments not designated as cash flow hedges	7,15	9.84	*3.77*
	(vi) Embedded derivatives not designated as cash flow hedges	7,15	12.40	*21.33*
	Sub-total (I)		3296.34	*2742.08*
II.	Measured at amortised cost:			
	(i) Loans	6,14	3026.51	*2676.46*
	(ii) Trade receivables	11	28216.82	*22917.45*
	(iii) Advances recoverable in cash	15	730.02	*2387.74*
	(iv) Cash and cash equivalents and bank balances	7,12,13	7889.25	*4637.58*
	(v) Other receivables		927.46	*767.87*
	Sub-total (II)		40790.06	*33387.10*

Notes forming part of the Financial Statements (contd.)

NOTE [45] *(contd.)*

(a) Category-wise classification for applicable financial assets: *(contd.)*

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2019	*As at 31-3-2018*
III.	Measured at fair value through Other Comprehensive Income (FVTOCI):			
	(i) Investment in government securities, bonds and debentures	10	2406.91	*2849.72*
	(ii) Derivative financial instruments designated as cash flow hedges	7,15	602.52	*358.49*
	(iii) Embedded Derivatives designated as cash flow hedges	7,15	0.18	*1.96*
	Sub-total (III)		3009.61	*3210.17*
	Total (I+II+III)		47096.01	*39339.35*

(b) Category-wise classification for applicable financial liabilities:

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2019	*As at 31-3-2018*
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Derivative instruments not designated as cash flow hedges	20,26	6.86	*13.52*
	(ii) Embedded derivatives not designated as cash flow hedges	20,26	3.26	*15.79*
	Sub-total (I)		10.12	*29.31*
II.	Measured at amortised cost:			
	(i) Borrowings	19,23,24	10191.57	*10561.00*
	(ii) Trade payables:			
	Due to micro enterprises and small enterprises		201.86	*137.71*
	Due to others	25	36076.36	*30957.29*
	(iii) Others		1549.38	*1688.31*
	Sub-total (II)		48019.17	*43344.31*
III.	Derivative instruments (including embedded derivatives) through Other Comprehensive Income:			
	(i) Derivative instruments designated as cash flow hedges	20,26	234.05	*132.19*
	(ii) Embedded derivatives designated as cash flow hedges	20,26	91.54	*121.34*
	Sub-total (III)		325.59	*253.53*
IV.	Financial guarantee contracts	20,26	26.51	*15.49*
	Total (I+II+III+IV)		48381.39	*43642.64*

(c) Items of income, expense, gains or losses related to financial instruments:

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
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	314.03	*(2181.30)*
	2. Gains/(losses) on fair valuation/settlement of derivative:		
	a. On forward contracts not designated as cash flow hedges	42.02	*0.15*
	b. On embedded derivatives contracts not designated as cash flow hedges	(9.51)	*17.05*
	c. On futures not designated as cash flow hedges	(22.60)	*(125.74)*
	3. Impairment loss on investments	(213.17)	–
	Sub-total (A)	110.77	*(2289.84)*

Notes forming part of the Financial Statements (contd.)

NOTE [45] *(contd.)*

(c) Items of income, expense, gains or losses related to financial instruments: *(contd.)*

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
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.)	273.96	*123.70*
	(ii) Allowance/(reversal) for expected credit loss during the year in the Statement of Profit or Loss	(71.30)	*(171.07)*
	(iii) Provision for impairment loss (other than expected credit loss) [net]	(411.56)	*(525.60)*
	(iv) Gains/(losses) on derecognition:		
	1. Bad debts (written off)/written back (net)	256.40	*(186.17)*
	2. Gains/(losses) on transfer of financial assets (on non-recourse basis)	(32.18)	*(35.73)*
	Sub-total (B)	15.32	*(794.87)*
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.)	(420.35)	*(162.60)*
	(ii) Unclaimed credit balances written back	84.03	*117.68*
	Sub-total (C)	(336.32)	*(44.92)*
	Total [I] = (A+B+C)	(210.23)	*(3129.63)*
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.	(141.74)	*(51.22)*
	(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	(147.38)	*92.29*
	2. Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	39.09	*(79.30)*
	Sub-total (A)	(250.03)	*(38.23)*
	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.	(62.89)	*(51.49)*
	(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 asset and liability	254.95	*188.29*
	2. On embedded derivative contracts upon hedged future cash flows affecting the Profit or Loss or related asset and liability	0.64	*(21.95)*
	Sub-total (B)	192.70	*114.85*
	Net gains/(losses) recognised in Other Comprehensive Income [II]= (A)-(B)	(442.73)	*(153.08)*
III	Other income/(expenses):		
A	Dividend income:		
	Dividend income from investments measured at FVTPL	178.70	*2693.08*
	Sub-total (A)	178.70	*2693.08*

Notes forming part of the Financial Statements (contd.)

NOTE [45] *(contd.)*

(c) Items of income, expense, gains or losses related to financial instruments: *(contd.)*

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
B	Interest income:		
	(a) Financial assets measured at amortised cost	284.93	*269.00*
	(b) Financial assets measured at fair value through Other Comprehensive Income	180.69	*226.95*
	(c) Financial assets measured at fair value through Profit or Loss	32.80	*0.98*
	Sub-total (B)	498.42	*496.93*
C	Interest expense:		
	(a) Financial liabilities that are measured at amortised cost	(1001.78)	*(860.74)*
	(b) Derivative instruments (including embeded derivatives) that are measured at fair value through Other Comprehensive Income (reclassified to Profit or Loss during the year)	(259.02)	*(266.60)*
	(c) Financial liabilities that are measured at fair value through Profit or Loss	(0.06)	*(15.48)*
	Sub-total (C)	(1260.86)	*(1142.82)*
	Total [III] = (A+B+C)	(583.74)	*2047.19*

(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 31-3-2019		*As at 31-3-2018*		Fair value hierarchy
	Carrying amount	Fair Value	*Carrying amount*	*Fair Value*	
0.675 % Foreign currency convertible bond	1363.39	1375.81	*1245.64*	*1241.13*	L2*
Redeemable non-convertible fixed rate debentures	2180.66	2210.39	*2588.43*	*2647.14*	L2*
Term loan from banks	90.67	101.09	–	–	L2*
Total	3634.72	3687.29	*3834.07*	*3888.27*	

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 31-3-2019				*As at 31-3-2018*			
		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 & assosiate companies)	5	31.67	–	65.68	97.35	*72.27*	–	*64.37*	*136.64*
(ii) Preference shares	5	–	888.68	–	888.68	–	*1085.08*	–	*1085.08*
(iii) Mutual fund units	10	1631.69	–	–	1631.69	*1070.80*	–	–	*1070.80*
(iv) Bonds	10	656.38	–	–	656.38	*424.46*	–	–	*424.46*
(v) Derivative instruments not designated as cash flow hedges	7,15	–	9.84	–	9.84	–	*3.77*	–	*3.77*
(vi) Embedded derivative Instruments not designated as cash flow hedges	7,15	–	12.40	–	12.40	–	*21.33*	–	*21.33*

Notes forming part of the Financial Statements (contd.)

NOTE [45] *(contd.)*

(e) Fair value hierarchy of financial assets and liabilities measured at fair value *(contd.)*

₹ crore

Particulars	Note	As at 31-3-2019				*As at 31-3-2018*			
		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	2406.91	–	–	2406.91	*2849.72*	–	–	*2849.72*
(ii) Derivative financial instruments designated as cash flow hedges	7,15	–	602.52	–	602.52	–	*358.49*	–	*358.49*
(iii) Embedded derivative financial instruments designated as cash flow hedges	7,15	–	0.18	–	0.18	–	*1.96*	–	*1.96*
Total		4726.65	1513.62	65.68	6305.95	*4417.25*	*1470.63*	*64.37*	*5952.25*
Financial Liabilities:									
(i) At FVTPL - Designated as FVTPL:									
(a) Derivative instruments not designated as cash flow hedges	20,26	–	6.86	–	6.86	–	*13.52*	–	*13.52*
(b) Embedded derivative instruments not designated as cash flow hedges	20,26	–	3.26	–	3.26	–	*15.79*	–	*15.79*
(ii) Designated as FVTOCI:									
(a) Derivative financial instruments designated as cash flow hedges	20,26	–	234.05	–	234.05	–	*132.19*	–	*132.19*
(b) Embedded derivative financial instruments designated as cash flow hedges	20,26	–	91.54	–	91.54	–	*121.34*	–	*121.34*
Total		–	335.71	–	335.71	–	*282.84*	–	*282.84*

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 1-4-2017	55.94
Gains/(losses) recognised in Profit or Loss during 2017-18	8.32
Balance as at 31-3-2018	64.27
Gains/(losses) recognised in Profit or Loss during 2018-19	1.32
Balance as at 31-3-2019	65.58

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 31-3-2019	*Fair Value as at 31-3-2018*	Significant unobservable inputs	Sensitivity
Equity Investment in "Tidel Park Limited"	65.58	*64.27*	31-3-2019: 1. Net realisation per month ₹ 30.90 per sq/ft. 2. Capitalisation rate 12.25% 31-3-2018: 1. Net realisation per month ₹ 30 per sq/ft. 2. Capitalisation rate 12%	31-3-2019 : 1% change in net realisation would result in +/- ₹ 0.32 crore (post tax +/- ₹ 0.21 crore). 25 bps change in capitalisation rate would result in +/- ₹ 0.63 crore (post tax +/- ₹ 0.41 crore). 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).

Notes forming part of the Financial Statements (contd.)

NOTE [45] *(contd.)*

(g) Maturity profile of financial liabilities (undiscounted values)

₹ crore

Particulars	Note	As at 31-3-2019			*As at 31-3-2018*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
A. Non derivative liabilities:							
Borrowings	19, 23, 24	8116.36	2522.89	10639.25	*5370.82*	*5874.29*	*11245.11*
Trade payables:							
Due to micro enterprises and small enterprises		193.70	8.16	201.86	*131.05*	*6.66*	*137.71*
Due to others	25	35289.23	787.13	36076.36	*30314.50*	*642.79*	*30957.29*
Other financial liabilities	20, 26	1529.37	46.52	1575.89	*1669.12*	*34.68*	*1703.80*
Total		45128.66	3364.70	48493.36	*37485.49*	*6558.42*	*44043.91*
B. Derivative liabilities:							
Forward contracts	20, 26	238.25	8.10	246.35	*131.32*	*19.80*	*151.12*
Embedded derivatives	20, 26	69.75	28.91	98.66	*63.40*	*85.37*	*148.77*
Total		308.00	37.01	345.01	*194.72*	*105.17*	*299.89*

(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 31-3-2019				*As at 31-3-2018*			
	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 Dollars	5602.72	72.61	4131.54	1471.18	*4178.79*	*68.11*	*3584.90*	*593.89*
EURO	1208.19	85.76	944.89	263.30	*904.48*	*85.60*	*632.20*	*272.28*
Malaysian Ringgit	113.99	17.54	53.37	60.62	*138.38*	*17.07*	*138.38*	–
Saudi Riyal	96.64	21.04	96.64	–	–	–	–	–
Omani Riyal	230.00	187.51	150.51	79.49	*301.94*	*179.55*	*301.94*	–
Arab Emirates Dirham	1228.16	19.34	1228.16	–	*1414.99*	*18.11*	*1411.18*	*3.81*
Bangladesh Taka	873.53	0.88	854.91	18.62	–	–	–	–
British Pound	3.15	96.62	3.15	–	*4.41*	*90.74*	*4.41*	–
Japanese Yen	1449.58	0.68	1284.36	165.22	*923.19*	*0.65*	*889.42*	*33.77*
Kuwaiti Dinars	695.55	235.50	403.43	292.12	*613.52*	*225.58*	*442.85*	*170.67*
Qatari Riyals	1551.27	19.72	1227.83	323.44	*1476.18*	*18.55*	*1253.61*	*222.57*
Thai Baht	–	–	–	–	*1.43*	*2.12*	*1.43*	–

Particulars	As at 31-3-2019				*As at 31-3-2018*			
	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 Dollars	10513.68	70.53	9787.62	726.06	*10207.57*	*67.96*	*4752.99*	*5454.58*
EURO	3103.39	81.73	2969.29	134.10	*2714.06*	*80.60*	*2644.31*	*69.75*
Arab Emirates Dirham	–	–	–	–	*0.75*	*17.86*	*0.75*	–
Swiss Franc	294.76	72.76	294.76	–	*404.36*	*74.68*	*404.36*	–
Chinese Yuan	–	–	–	–	*26.03*	*10.32*	*26.03*	–
British Pound	30.52	95.54	30.52	–	*52.96*	*93.51*	*28.88*	*24.08*
Japanese Yen	1058.26	0.66	874.72	183.54	*309.02*	*0.62*	*309.02*	–
Kuwaiti Dinars	8.69	235.83	8.69	–	*12.24*	*217.71*	*12.24*	–
Swedish Krona	–	–	–	–	*16.56*	*8.83*	*16.56*	–
Omani Riyal	28.71	180.36	28.71	–	–	–	–	–
Canadian dollar	40.53	54.04	40.53	–	–	–	–	–

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 31-3-2019				*As at 31-3-2018*			
	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:								
US Dollars	28.73	71.83	28.73	–	*28.73*	*71.83*	–	*28.73*
Arab Emirates Dirham	81.20	20.46	–	81.20	–	–	–	–
Qatari Riyal	116.68	20.91	116.68	–	–	–	–	–
Saudi Riyal	51.07	19.34	51.07	–	*187.39*	*17.43*	*187.39*	–

(ii) Outstanding interest rate hedge instruments:

Interest rate swaps taken to hedge interest rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2019				*As at 31-3-2018*			
	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 Dollars	365.26	7.17	365.26	–	*760.62*	*7.60*	*520.62*	*240.00*

(iii) Outstanding commodity price hedge instruments:
Commodity forward contract:

Particulars	As at 31-3-2019				*As at 31-3-2018*			
	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)*	(305.35)	432547.41	(305.35)	–	*(223.90)*	*462821.73*	*(223.90)*	–
Aluminium(Tn)	199.84	149482.10	199.84	–	*198.62*	*139526.87*	*198.62*	–
Iron Ore(Tn)	38.32	5469.41	29.47	8.85	*60.65*	*4055.89*	*60.65*	–
Coking Coal(Tn)	39.27	13631.02	29.26	10.01	*33.91*	*11958.33*	*33.91*	–
Zinc(Tn)	42.44	189480.24	42.44	–	*19.76*	*222813.00*	*19.76*	–
Lead(Tn)	27.21	143913.20	27.21	–	*10.99*	*160606.00*	*10.99*	–

*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 31-3-2019			*As at 31-3-2018*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	382.60	–	56.94	*169.36*	–	*27.61*
Liability - Other financial liabilities	246.05	–	46.85	*134.83*	–	*23.27*
Non-current:						
Asset - Other financial assets	99.28	–	–	*72.40*	–	–
Liability - Other financial liabilities	32.58	–	–	*93.28*	–	–

Notes forming part of the Financial Statements (contd.)

NOTE [45] *(contd.)*

(i) Carrying amounts of hedge instruments for which hedge accounting is followed *(contd.)*

₹ crore

Particulars	As at 31-3-2019			*As at 31-3-2018*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(ii) Swap contracts						
Current:						
Asset - Other financial assets	48.84	0.88	–	*66.59*	*(8.43)*	–
Non current:						
Asset - Other financial assets	–	–	–	*21.03*	*(3.65)*	–

Net investment hedge:

₹ crore

Particulars	As at 31-3-2019			*As at 31-3-2018*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	11.48	–	–	*14.63*	–	–
Liability - Other financial liabilities	0.11	–	–	*2.15*	–	–
Non-current:						
Asset - Other financial assets	2.68	–	–	*0.91*	–	–

(j) Breakup of Hedging reserve & Cost of hedging reserve balance:

₹ crore

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	Cash flow hedging reserve	Cost of hedging reserve	*Cash flow hedging reserve*	*Cost of hedging reserve*
Balance towards continuing hedges	89.50	5.05	*(23.89)*	*(12.34)*
Balance for which hedge accounting discontinued	(34.05)	(0.88)	*138.39*	–

(k) Reclassification of Hedging reserve & Cost of hedging reserve to Profit or Loss:

₹ crore

Particulars	Hedging reserve/Cost of hedging reserve	
	2018-19	*2017-18*
Future cash flows are no longer expected to occur:		
Sales, administration and other expenses	(13.47)	*(1.32)*
Hedged expected future cash flows affecting Profit or Loss:		
Progress billing	(40.72)	*177.14*
Revenue from operation	(1.24)	*(15.60)*
Manufacturing ,construction and operating expenses	22.58	*2.16*
Finance costs	(259.02)	*(266.60)*
Sales, administration and other expenses	247.72	*181.10*

Notes forming part of the Financial Statements (contd.)

NOTE [45] *(contd.)*

(I) Movement of Hedging reserve & Cost of hedging reserve:

₹ crore

Hedging reserve	2018-19			*2017-18*		
	Gross	Tax	Net of Tax	*Gross*	*Tax*	*Net of Tax*
Opening balance	175.13	(60.63)	114.50	*240.09*	*(83.18)*	*156.91*
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	256.53	(87.91)	168.62	*(16.22)*	*5.81*	*(10.41)*
Changes in fair value of forward contracts designated as hedging instruments	(176.84)	60.60	(116.24)	*217.80*	*(78.02)*	*139.78*
Changes in fair value of swaps	59.67	(20.45)	39.22	*(150.03)*	*53.75*	*(96.28)*
Amount reclassified to Profit or Loss	(269.48)	92.35	(177.13)	*61.11*	*(21.89)*	*39.22*
Amount included in non-financial assets/liabilities	(0.44)	0.15	(0.29)	*(0.48)*	*0.17*	*(0.31)*
Amount included in Progress Billing in Balance Sheet	40.72	(13.95)	26.77	*(177.14)*	*63.45*	*(113.69)*
Closing balance	85.29	(29.84)	55.45	*175.13*	*(60.63)*	*114.50*

₹ crore

Cost of hedging reserve	2018-19			*2017-18*		
	Gross	Tax	Net of Tax	*Gross*	*Tax*	*Net of Tax*
Opening balance	(18.97)	6.63	(12.34)	*(19.56)*	*6.77*	*(12.79)*
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	(247.65)	86.54	(161.11)	*(38.56)*	*13.47*	*(25.09)*
Amount Included in carrying amount of hedge item	0.12	(0.04)	0.08	–	–	–
Amount reclassified to Profit or Loss	272.91	(95.37)	177.54	*39.15*	*(13.68)*	*25.47*
Closing balance	6.41	(2.24)	4.17	*(18.97)*	*6.63*	*(12.34)*

NOTE [46]

A. Exceptional items for the year ended March 31, 2019 include the following:

(i) Gain of ₹ 3276.70 crore on sale of the Company's stake in subsidiary companies viz. Larsen & Toubro Infotech Limited ₹ 2142.90 crore and L&T Technology Services Limited ₹ 1133.80 crore;

(ii) Write back of trade receivable and retention money of certain customer dues now considered recoverable ₹ 294.75 crore [Note 1(t)(vii)].

(iii) Impairment of investment in group companies viz L&T Shipbuilding Limited ₹ 1167.42 crore, L&T Infrastructure Development project Limited ₹ 773.00 crore and L&T Special Steels and Heavy Forging Private Limited ₹ 1156.10 crore.

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 [Note 1(t)(vii)].

B The Competition Commission of India (CCI) accorded on April 18, 2019 its approval for the acquisition of the Company's Electrical & Automation (E&A) business by Schneider Electric subject to certain conditions, the details of which are awaited. Pending receipt of CCI's detailed order, the E&A business is treated as continuing operation and accordingly the relevant assets are not classified as held for sale.

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) Information about reportable segment

₹ *crore*

Particulars	For the year ended 31-3-2019			*For the year ended 31-3-2018*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Revenue						
Infrastructure	68452.62	455.91	68908.53	*57767.41*	*599.24*	*58366.65*
Power	3975.77	7.32	3983.09	*6200.71*	*7.52*	*6208.23*
Heavy Engineering	2477.76	35.49	2513.25	*1417.25*	*150.27*	*1567.52*
Defence Engineering	3691.46	0.21	3691.67	*3249.55*	*0.90*	*3250.45*
Electrical & Automation [Note 46(B)]	4760.96	169.60	4930.56	*4264.25*	*182.28*	*4446.53*
Realty	1290.48	19.15	1309.63	*201.02*	*19.40*	*220.42*
Others	2338.81	12.26	2351.07	*1511.46*	*10.16*	*1521.62*
Elimination	–	(699.94)	(699.94)	–	*(969.77)*	*(969.77)*
Total	86987.86	–	86987.86	*74611.65*	–	*74611.65*
Segment result [Profit/(Loss) before interest and tax]						
Infrastructure			5000.21			*5010.02*
Power			129.84			*161.96*
Heavy Engineering			486.79			*259.03*
Defence Engineering			549.83			*320.76*
Electrical & Automation [Note 46(B)]			812.41			*624.78*
Realty			885.22			*68.65*
Others			345.06			*263.69*
Total			8209.36			*6708.89*
Inter-segment margins on capital jobs			(10.11)			*(14.71)*
Finance costs			(1641.39)			*(1432.23)*
Unallocated corporate income/(expenditure) (net)			2660.31			*2000.43*
Profit before tax			9218.17			*7262.38*
Provision for current tax			(2687.22)			*(1974.07)*
Provision for deferred tax			146.75			*98.99*
Profit after tax			6677.70			*5387.30*

₹ *crore*

Particulars	Segment assets		Segment liabilities	
	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Infrastructure	68926.08	*59969.40*	47253.59	*40034.89*
Power	5095.07	*5725.11*	4838.09	*5657.36*
Heavy Engineering	2932.34	*2248.67*	1528.56	*1019.37*
Defence Engineering	6408.76	*6122.86*	5302.55	*5152.27*
Electrical & Automation [Note 46(B)]	3001.52	*2938.01*	1686.60	*1663.94*
Realty	1837.51	*1608.40*	618.00	*647.55*
Others	1561.80	*1130.36*	912.73	*572.65*
Segment Total	89763.08	*79742.81*	62140.12	*54748.03*
Unallocable corporate assets/liabilities	36596.19	*36575.10*	11668.43	*12395.63*
Inter-segment assets/liabilities	(633.58)	*(711.23)*	(633.58)	*(711.23)*
Total assets/liabilities	125725.69	*115606.68*	73174.97	*66432.43*

Notes forming part of the Financial Statements (contd.)

NOTE [47] *(contd.)*

Disclosure pursuant to Ind AS 108 "Operating Segment" *(contd.)*

₹ crore

Particulars	Depreciation, amortisation & 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 31-3-2019	*For the year ended 31-3-2018*	For the year ended 31-3-2019	*For the year ended 31-3-2018*	For the year ended 31-3-2019	*For the year ended 31-3-2018*	For the year ended 31-3-2019	*For the year ended 31-3-2018*
Infrastructure	708.05	*627.64*	46.40	*22.86*	297.87	*236.90*	1137.18	*1485.47*
Power	47.16	*43.56*	2.99	*1.40*			62.96	*133.40*
Heavy Engineering	44.95	*48.10*	2.12	*1.03*			107.94	*46.23*
Defence Engineering	62.83	*54.42*	2.59	*0.95*			189.50	*218.14*
Electrical & Automation [Note 46(B)]	139.16	*130.00*	6.37	*3.85*			240.35	*196.60*
Realty	17.34	*17.97*	0.95	*0.95*			255.54	*192.79*
Others	19.93	*16.86*	0.46	*0.28*			114.27	*29.33*
Segment Total	1039.42	*938.55*	61.88	*31.32*	297.87	*236.90*	2107.74	*2301.96*
Unallocated corporate	28.53	*110.91*	12.82	*38.45*	(297.87)	*(236.90)*	227.05	*424.10*
Inter-segment							(82.26)	*(44.31)*
Total	1067.95	*1049.46*	74.70	*69.77*	–	–	2252.53	*2681.75*

Note : There is no impairment in non-financial assets of the segments. Unallocable corporate expenses include impairment loss of ₹ 3096.52 crore for the year ended March 31, 2019 *(previous year: ₹ Nil)*

(b) Geographical information

₹ crore

Particulars	Revenue by location of customers	
	For the year ended 31-3-2019	*For the year ended 31-3-2018*
India (i)	67796.90	*58124.10*
Foreign countries:		
Kingdom of Saudi Arabia	2001.49	*2478.78*
United Arab Emirates	5123.08	*4156.19*
Qatar	3861.23	*4917.23*
Bangladesh	2155.37	*1551.96*
Other countries	6049.79	*3383.39*
Total foreign countries (ii)	19190.96	*16487.55*
Total (i+ii)	86987.86	*74611.65*

₹ crore

Particulars	Non current assets by location of customers	
	As at 31-3-2019	*As at 31-3-2018*
India (i)	10917.09	*10306.95*
Foreign countries (ii)	364.48	*379.79*
Total (i+ii)	11281.57	*10686.74*

Notes forming part of the Financial Statements (contd.)

NOTE [47] ***(contd.)***

Disclosure pursuant to Ind AS 108 "Operating Segment" *(contd.)*

(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 regularly 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 six 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.

iv) Segment composition:

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water & effluent treatment, smart world & communication projects and metallurgical & material handling systems (hitherto reported under Others segment).
- **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 and Thermal & Nuclear Power.
- **Defence engineering segment** comprises design, development, prototyping, serial production, delivery, commissioning and through life-support of equipment, systems and platforms for Defence and Aerospace sectors. It also includes Defence Shipbuilding comprising design, construction, commissioning, repair/refit and upgrades of Naval and Coast Guard vessels.
- **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.
- **Realty segment** comprises property development and leasing activities.
- **Others segment** includes Hydrocarbon, marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery.

Notes forming part of the Financial Statements (contd.)

NOTE [48]

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":

(a) Disaggregation of revenue into operating segments and geographical areas for the year ended March 31, 2019:

₹ crore

Segment	Revenue as per Ind AS 115			Other Revenue	Total as per Profit and Loss/Segment reporting
	Domestic	Foreign	Total		
Infrastructure	53180.52	15098.78	68279.30	173.32	68452.62
Power	2585.90	1383.77	3969.67	6.10	3975.77
Heavy Engineering	1256.63	1195.04	2451.67	26.09	2477.76
Defence Engineering	3438.00	253.46	3691.46	–	3691.46
Electrical & Automation	4259.81	482.13	4741.94	19.02	4760.96
Realty	665.45	–	665.45	625.03	1290.48
Others	1565.74	768.90	2334.64	4.17	2338.81
Total	66952.05	19182.08	86134.13	853.73	86987.86

(b) Out of the total revenue recognised under Ind AS 115 during the year, ₹ 78194.12 crore is recognised over a period of time and ₹ 7940.01 crore is recognised at a point in time.

(c) Movement in Expected Credit Loss during the year:

₹ crore

Particulars	Provision on Trade receivables covered under Ind AS 115	Provision on Contract assets
Opening balance as at April 1, 2018	2224.97	108.55
Ind AS 115 transition impact	–	690.80
Changes in allowance for expected credit loss:		
Provision/(reversal) of allowance for expected credit loss	71.30	(160.48)
Additional provision (net) towards credit impaired receivables	188.35	–
Write off as bad debts	(214.12)	–
Closing balance as at March 31, 2019	2270.50	638.87

(d) Contract balances:

(i) Movement in contract balances during the year:

₹ crore

Particulars	Contract assets	Contract liabilities	Net contract balances
Opening balance as at April 1, 2018	36525.16	19416.79	17108.37
Closing balance as at March 31, 2019	40230.97	21272.17	18958.80
Net increase	3705.81	1855.38	1850.43

Note: Increase in net contract balances is primarily due to higher revenue recognition as compared to progress bills raised during the year and Ind AS 115 transition adjustment.

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to ₹ 6313.77 crore.

(iii) Revenue recognised during the year from the performance obligation satisfied in previous year (arising out of contract modifications) amounts to ₹ 29.11 crore.

(e) Cost to obtain the contract :

(i) Amount of amortisation recognised in Profit and Loss during the year 2018-19: ₹ Nil.

(ii) Amount recognised as assets as at March 31, 2019: ₹ Nil.

Notes forming part of the Financial Statements (contd.)

NOTE [48] *(contd.)*

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers" *(contd.)*

(f) Reconciliation of contracted price with revenue during the year:

₹ crore

Opening contracted price of orders as at April 1, 2018*		469239.36
Add:		
Fresh orders/change orders received (net)		109880.10
Increase due to additional consideration recognised as per contractual terms		2015.38
Increase due to exchange rate movements (net)		2496.79
Less:		
Orders completed during the year		41650.89
Closing contracted price of orders as at March 31, 2019*		541980.74
Total Revenue recognised during the year:	86134.13	
Less: Revenue out of orders completed during the year	9070.43	
Revenue out of orders under execution at the end of the year (I)		77063.70
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)		218003.35
Decrease due to exchange rate movements (net) (III)		(109.65)
Balance revenue to be recognised in future viz. Order book (IV)		247023.34
Closing contracted price of orders as at March 31, 2019* (I+II+III+IV)		541980.74

*including full value of partially executed contracts.

(g) Remaining performance obligations: The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

₹ crore

Particulars	Total	Expected conversion in revenue					
		Upto 1 Year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Beyond 5 years
Transaction price allocated to the remaining performance obligation	247023.34	90026.10	88727.16	41303.07	16670.26	5893.87	4402.88

(h) Disclosure of amount by which financial statements are impacted by application of Ind AS 115 as compared to Ind AS 11 and Ind AS 18:

₹ crore

Particulars	As at 31-3-2019 as per Ind AS 11 and Ind AS 18	Impact of application of Ind AS 115 Increase/(decrease)		As at 31-3-2019 after application of Ind AS 115
		Transition impact as at April 1, 2018	For the year 2018-19	
Assets	125898.89	13.38	(186.58)	125725.69
Liabilities	72891.13	714.96	(431.12)	73174.97
Equity	53007.77	(701.58)	244.54	52550.72

Notes forming part of the Financial Statements (contd.)

NOTE [48] *(contd.)*

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers" *(contd.)*

₹ crore

Particulars	For the year 2018-19		
	As per Ind AS 11 and Ind AS 18	Impact of application of Ind AS 115 Increase/(decrease)	After application of Ind AS 115
Revenue from operations	86569.22	418.64	86987.86
Manufacturing, construction and operating expenses	69700.17	203.22	69903.39
Sales, administration and other expenses	2480.26	(160.48)	2319.78
Profit before tax	8842.27	375.90	9218.17
Tax expenses	2409.11	131.36	2540.47
Profit after tax	6433.16	244.54	6677.70
Basic earnings per share	45.89	1.74	47.63
Diluted earnings per share	45.80	1.74	47.54

(i) Pursuant to adoption of Ind AS 115, the company recognised impairment loss on contract assets using expected credit loss model applied to trade receivables.

A. Impact on account of transition: Opening Retained Earnings as at April 1, 2018 reduced by ₹ 464.70 crore (net of tax) due to initial recognition of expected credit loss on contract assets with a corresponding increase in deferred tax asset by ₹ 226.10 crore and decrease in contract assets by ₹ 690.80 crore.

B. Impact for the year: There is a decrease in sales, administration and other expenses due to reversal of provision for expected credit loss on contract assets in terms of the provision matrix resulting in profit after tax being higher by ₹ 104.40 crore with a corresponding increase in contract assets by ₹ 160.48 crore and decrease in deferred tax asset by ₹ 56.08 crore.

(ii) Under Ind AS 115, revenue from realty business is recognised upon delivery of units as against percentage of completion method followed under Ind AS 11.

A. Impact on account of transition: Opening Retained Earnings as on April 1, 2018 reduced by ₹ 236.88 crore (net of tax) with a corresponding increase in contract liability by ₹ 714.96 crore, increase in inventory by ₹ 372.58 crore, decrease in contract asset by ₹ 3.51 crore and increase in deferred tax asset by ₹ 109.01 crore.

B. Impact for the year: Profit after tax during the year is higher by ₹ 140.14 crore, with a corresponding decrease in contract liability by ₹ 418.64 crore, increase in other current liability ₹6.59 crore, decrease in inventory by ₹196.63 crore, decrease in deferred tax asset by ₹ 94.35 crore and decrease in current tax liability by ₹ 19.07 crore.

NOTE [49]

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
1.	Profit or Loss section		
	(i) Current income tax :		
	Current income tax expense	2460.08	*1808.52*
	Tax expense in respect of earlier years	227.14	*165.55*
	(ii) Deferred tax:		
	Tax expense on origination and reversal of temporary differences	83.75	*(79.03)*
	Minimum alternate tax credit	(230.23)	
	Effect of previously unrecognised tax losses on which deferred tax benefit is recognised	(0.27)	*(16.05)*
	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)]	2540.47	*1875.08*
2.	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to Profit or Loss in subsequent periods:		
	Current tax expense/(income):		
	On remeasurement of defined benefit plans	(10.94)	*1.32*
		(10.94)	*1.32*

Notes forming part of the Financial Statements (contd.)

NOTE [49] *(contd.)*

Disclosure pursuant to Ind AS 12 "Income Taxes" *(contd.)*

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
	(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	(76.46)	*4.73*
	On foreign currency translation of joint operations	0.49	*(0.49)*
		(75.97)	*4.24*
	(B) Deferred tax:		
	On mark to market gain/(loss) on cash flow hedges	45.87	*(27.13)*
	Net gain/(loss) on cost of hedging reserve	8.87	*0.14*
	On gain/(loss) on fair value of debt securities	(16.68)	*11.12*
	On foreign currency translation of joint operations	2.76	*–*
		40.82	*(15.87)*
	Income tax expense reported in the OCI section [(i)+(ii)]	(46.09)	*(10.31)*

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
1.	Profit before tax	9218.17	*7262.38*
2.	Corporate tax rate as per Income tax Act, 1961	34.94%	*34.61%*
3.	Tax on Accounting profit (c) = (a) * (b)	3221.20	*2513.37*
4.	(i) Tax on Income exempt from tax :		
	(A) Dividend income	(523.73)	*(1117.38)*
	(B) Long term capital gains exempt from tax	(978.42)	*(68.81)*
	(C) Interest on tax free bonds	(2.50)	*(10.28)*
	(ii) Tax on expenses not tax deductible:		
	(A) CSR expenses	42.52	*34.93*
	(B) Expenses in relation to exempt income	28.35	*83.88*
	(C) Tax on employee perquisites borne by the Company	1.52	*2.07*
	(iii) Weighted deductions on R&D expenditure and deduction u/s 80IA	(147.05)	*(397.65)*
	(iv) Effect of previously unrecognised tax losses used to reduce deferred tax expense	(0.27)	*(16.05)*
	(v) Tax effect on impairment and fair valuation losses recognised on which deferred tax asset is not recognised	1093.56	*227.15*
	(vi) Effect on deferred tax balances due to the change in income tax rate	–	*(3.91)*
	(vii) Effect of current year net capital (gain)/loss [net] on which no deferred tax benefit is recognised	–	*430.41*
	(viii) Effect of current tax related to earlier years	227.14	*165.55*
	(ix) Effect of previously unrecognised tax losses used to reduce current tax expense	(477.86)	*–*
	(x) Tax effect of losses in joint operation of current year on which no deferred tax benefit is recognised	37.68	*25.94*
	(xi) Tax effect on various other items	18.33	*5.86*
	Total effect of tax adjustments [(i) to (xi)]	(680.73)	*(638.29)*
5.	Tax expense recognised during the year (e)=(c)+(d)	2540.47	*1875.08*
6.	Effective tax Rate (f)=(e)/(a)	27.56%	*25.82%*

Notes forming part of the Financial Statements (contd.)

NOTE [49] *(contd.)*

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 31-3-2019			*As at 31-3-2018*		
	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	1575.75	270.88	31-3-2027	*1651.79*	*284.17*	*31-3-2027*
Assessment year 2017-18	1015.66	200.16	31-3-2026	*998.16*	*196.38*	*31-3-2026*
Assessment year 2016-17	764.40	143.34	31-3-2025	*1135.58*	*236.16*	*31-3-2025*
Total	3355.81	614.38		*3785.53*	*716.71*	

(ii) Unrecognised deductible temporary differences for which no deferred tax asset (DTA) is recognised in Balance Sheet

₹ crore

Sr. No.	Particulars	As at 31-3-2019		*As at 31-3-2018*	
		Base Amount	Deferred Tax	*Base Amount*	*Deferred Tax*
1.	Deductible temporary differences towards provision for dimunition in value of investments on which DTA is not created	4156.22	970.86	*1692.29*	*363.99*
2.	Temporary differences arising out of revaluation of tax base of assets (on account of indexation benefit)	6333.56	1475.47	*5718.83*	*1332.26*
	Total	10489.78	2446.33	*7411.12*	*1696.25*

(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 31-3-2019	*As at 31-3-2018*	2018-19	*2017-18*
1.	Disputed statutory liability claimed on payment basis u/s 43B of the Income Tax Act, 1961	155.57	*136.47*	19.10	*(14.07)*
2.	Items disallowed u/s 43B of Income Tax Act, 1961	(257.89)	*(208.68)*	(49.31)	*5.21*
3.	Provision for doubtful debt and advances	(1048.46)	*(880.64)*	58.27	*(140.44)*
4.	Difference in book depreciation and income tax depreciation	507.75	*519.59*	(11.52)	*9.05*
5.	Gain/(loss) on derivative transactions	46.03	*(8.51)*	–	–
6.	Minimum alternate tax credit	(230.23)		(230.23)	
7.	Other temporary differences	(14.63)	*41.15*	66.94	*41.26*
	Deferred tax expense/(income)			(146.75)	*(98.99)*
	Net deferred tax (assets)/liabilities	(841.86)	*(400.62)*		

(e) Reconciliation of deferred tax (assets)/liabilities:

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
1.	Opening Balance as at April 1	(400.62)	*(285.22)*
2.	Tax (income)/expense recognised in opening Retained earnings [refer to Note 48(h)]	(335.11)	–
3.	Tax (income)/expense during the period recognised in:		
	(i) Statement of Profit and Loss in Profit or Loss section	(146.75)	*(98.99)*
	(ii) Statement of Profit and Loss under OCI section	40.82	*(15.87)*
	(iii) Hedge reserve (other than through OCI)	(0.20)	*(0.15)*
4.	Acquired under business combination [Note 60(b)]	–	*(0.39)*
	Closing balance as at March 31	(841.86)	*(400.62)*

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 "Employee Benefits":

i Defined contribution plans: Note {[1](k)(ii)(A)}: Amount of ₹ 88.55 crore *(previous year: ₹ 124.47 crore)* is recognised as an expense.

ii Defined benefit plans: Note {[1](k)(ii)(B)}:

a) The amount 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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
A) Present value of defined benefit obligation								
- Wholly funded	493.46	*444.87*	–	–	–	–	2503.86	*2270.10*
- Wholly unfunded	103.26	*91.10*	197.10	*178.83*	332.88	*323.71*	–	–
	596.72	*535.97*	197.10	*178.83*	332.88	*323.71*	2503.86	*2270.10*
Less: Fair value of plan assets	432.54	*399.87*	–	–	–	–	2516.98	*2287.81*
Add: Amount not recognised as an asset (limit in para 64(b))	–	*0.01*	–	–	–	–	–	–
Amount to be recognised as liability/(asset)	164.18	*136.11*	197.10	*178.83*	332.88	*323.71*	(13.12)	*(17.71)*
B) Amounts reflected in the Balance Sheet								
Liabilities	164.18	*136.11*	197.10	*178.83*	332.88	*323.71*	27.10	*22.73*
Assets	–	–	–	–	–	–	–	–
Net liability/(asset)	164.18	*136.11*	197.10	*178.83*	332.88	*323.71*	27.10	*22.73*
Net liability/(asset) - current	164.18	*136.11*	7.84	*7.09*	24.52	*22.58*	27.10 #	*22.73 #*
Net liability/(asset) - non current	–	–	189.26	*171.74*	308.36	*301.13*	–	–

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	
	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
1 Current service cost	64.47	*72.42*	9.76	*13.11*	3.03	*3.44*	67.16	*61.53*
2 Interest cost	31.39	*28.33*	13.46	*13.16*	23.99	*21.67*	194.14	*178.70*
3 Interest income on plan assets	(28.71)	*(29.00)*	–	–	–	–	(194.14)	*(178.70)*
4 Actuarial losses/(gains) - others	19.45	*34.04*	6.13	*(21.93)*	3.48	*5.91*	–	–
5 Actuarial losses/(gains) - difference between actual return on plan assets and interest income	2.24	*(21.84)*	–	–	–	–	(2.84)	*(2.13)*
6 Past service cost	–	*0.20*	–	–	0.64	–	–	–
7 Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	2.84	*2.13*
8 Effect of the limit in para 64(b)	–	*0.01*	–	–	–	–	–	–
9 Translation adjustments	–	–	–	–	–	–	–	–
10 Amount capitalized out of the above/ Recovered from S&A	(0.07)	*(0.12)*	(0.01)	*(0.02)*	–	–	–	–
Total (1 to 10)	88.77	*84.04*	29.34	*4.32*	31.14	*31.02*	67.16	*61.53*
i Amount included in "Employee benefits expense"	64.40	*72.50*	9.75	*13.09*	3.67	*3.44*	67.16	*61.53*
ii Amount included as part of "Finance cost"	2.68	*(0.66)*	13.46	*13.16*	23.99	*21.67*	–	–
iii Amount included as part of "Other Comprehensive Income"	21.69	*12.20*	6.13	*(21.93)*	3.48	*5.91*	–	–
Total (i+ii+iii)	88.77	*84.04*	29.34	*4.32*	31.14	*31.02*	67.16	*61.53*
Actual return on plan assets	26.47	*50.83*	–	–	–	–	196.98	*180.83*

Notes forming part of the Financial Statements (contd.)

NOTE [50] *(contd.)*

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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Opening balance of the present value of defined benefit obligation	535.97	*517.73*	178.83	*185.64*	323.71	*312.75*	2270.10	*2146.56*
Add: Current service cost	64.47	*72.42*	9.76	*13.11*	3.03	*3.44*	67.16	*61.53*
Add: Interest cost	31.39	*28.33*	13.46	*13.16*	23.99	*21.67*	194.14	*178.70*
Add: Contribution by plan participants								
i) Employee	–	–	–	–	–	–	190.95	*168.39*
ii) Transfer-in/(out)	–	–	–	–	–	–	45.57	*25.12*
Add/(less): Actuarial (gains)/losses:								
i) Actuarial (gains)/losses arising from changes in demographic assumptions	3.42	*18.79*	(4.62)	*(23.05)*	(15.00)	–	–	–
ii) Actuarial (gains)/losses arising from changes in financial assumptions	6.03	*(14.52)*	5.39	*(13.08)*	6.52	*(13.32)*	–	–
iii) Actuarial (gains)/losses arising from changes in experience adjustments	10.00	*29.77*	5.36	*14.20*	11.96	*19.23*	–	–
Less: Benefit paid	(57.74)	*(116.88)*	(11.08)	*(11.15)*	(21.97)	*(20.06)*	(265.03)	*(310.20)*
Add: Past service cost	–	*0.20*	–	–	0.64	–	–	–
Add: Business combination	–	*0.24*	–	–	–	–	–	–
Add/(less): Translation adjustments	3.18	*(0.11)*	–	–	–	–	0.97	–
Closing balance of the present value of defined benefit obligation	596.72	*535.97*	197.10	*178.83*	332.88	*323.71*	2503.86	*2270.10*

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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Opening balance of the fair value of the plan assets	399.87	*439.61*	2287.81	*2156.30*
Add: Interest income on plan assets *	28.71	*29.00*	194.14	*178.70*
Add/(Less): Actuarial gains/(losses):				
Difference between actual return on plan assets and interest income	(2.24)	*21.84*	2.84	*2.13*
Add: Contribution by the employer	63.94	*26.07*	64.57	*63.20*
Add/(less): Transfer in/(out)	–	–	45.57	*25.12*
Add: Contribution by plan participants	–	–	187.08	*172.56*
Add: Business combination	–	*0.23*	–	–
Less: Benefits paid	(57.74)	*(116.88)*	(265.03)	*(310.20)*
Closing balance of the plan assets	432.54	*399.87*	2516.98	*2287.81*

* 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 determined at the start of the annual reporting period.

The Company expects to fund ₹ 60.92 crore *(previous year: ₹ 45.05 crore)* towards its gratuity plan and ₹ 73.88 crore *(previous year: ₹ 67.68 crore)* towards its trust-managed provident fund plan during the year 2019-20.

Notes forming part of the Financial Statements (contd.)

NOTE [50] *(contd.)*

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

e) The fair values of major categories of plan assets are as follows:

₹ *crore*

Particulars	Gratuity plan					
	As at 31-3-2019			*As at 31-3-2018*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	0.61	0.61	–	*0.69*	*0.69*
Equity instruments	15.81	–	15.81	*16.51*	–	*16.51*
Debt instruments - Corporate bonds	172.10	–	172.10	*65.12*	*99.91*	*165.03*
Debt instruments - Central government bonds	132.95	–	132.95	*88.46*	–	*88.46*
Debt instruments - State government bonds	77.63	–	77.63	*66.35*	–	*66.35*
Debt instruments - PSU bonds	8.41	–	8.41	–	*55.59*	*55.59*
Mutual funds - Equity	6.90	9.88	16.78	*3.89*	–	*3.89*
Mutual funds - Debt	–	4.75	4.75	–	*0.29*	*0.29*
Insurer managed funds	–	–	–	–	*0.26*	*0.26*
Fixed deposits	–	1.85	1.85	–	*1.47*	*1.47*
Special deposit scheme	–	1.49	1.49	–	*1.49*	*1.49*
Other (payables)/receivables	–	0.16	0.16	–	*(0.16)*	*(0.16)*
Closing balance of the plan assets	413.80	18.74	432.54	*240.33*	*159.54*	*399.87*

₹ *crore*

Particulars	Trust-managed provident fund plan					
	As at 31-3-2019			*As at 31-3-2018*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	4.78	4.78	–	*5.05*	*5.05*
Equity instruments	0.06	–	0.06	–	–	–
Debt instruments - Corporate bonds	509.01	–	509.01	*334.83*	*66.78*	*401.61*
Debt instruments - Central government bonds	582.09	–	582.09	*518.65*	–	*518.65*
Debt instruments - State government bonds	592.89	–	592.89	*455.76*	–	*455.76*
Debt instruments - PSU bonds	535.32	–	535.32	*283.08*	*375.60*	*658.68*
Mutual funds - Equity	33.03	46.57	79.60	*50.06*	*8.90*	*58.96*
Mutual funds - Debt	–	21.47	21.47	–	*0.25*	*0.25*
Mutual funds - Others	–	1.12	1.12	*2.76*	*5.09*	*7.85*
Special Deposit Scheme	–	190.60	190.60	–	*193.08*	*193.08*
Other (Payables)/Receivables	–	0.04	0.04	–	*(12.08)*	*(12.08)*
Closing balance of the plan assets	2252.40	264.58	2516.98	*1645.14*	*642.67*	*2287.81*

f) The average duration of the defined benefit plan obligations at the end of the reporting period is as follows:

	Plans	As at 31-3-2019	*As at 31-3-2018*
1.	Gratuity plan	6.17 years	*6.45 years*
2.	Post-retirement medical benefit plan	13.86 years	*13.95 years*
3.	Company pension plan	7.67 years	*7.57 years*

Notes forming part of the Financial Statements (contd.)

NOTE [50] *(contd.)*

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 31-3-2019	*As at 31-3-2018*
i)	Discount rate:		
	a) Gratuity plan	7.48%	*7.68%*
	b) Company pension plan	7.48%	*7.68%*
	c) Post-retirement medical benefit plan	7.48%	*7.68%*
ii)	Annual increase in healthcare costs (see note vii below)	5.00%	*5.00%*
iii)	Salary growth rate:		
	a) Gratuity plan	5.00%	*5.00%*
	b) Company pension plan	7.00%	*6.00%*

iv) Attrition Rate:

(a) For gratuity plan, the attrition rate varies from 1% to 12% *(previous year: 1% to 11%)* for various age groups.

(b) For company pension plan, the attrition rate varies from 0% to 2% *(previous year: 0% to 2%)* for various age groups.

(c) For post-retirement medical benefit plan, the attrition rate varies from 1% to 11% *(previous year: 1% to 12%)* 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	
	2018-19	*2017-18*	2018-19	*2017-18*
Impact of change in salary growth rate	32.77	*30.99*	(29.71)	*(27.97)*
Impact of change in discount rate	(28.82)	*(27.08)*	32.27	*30.46*

(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	
	2018-19	*2017-18*	2018-19	*2017-18*
Impact of change in discount rate	(24.05)	*(24.01)*	27.66	*27.70*

(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	
	2018-19	*2017-18*	2018-19	*2017-18*
Impact of change in health care cost	19.99	*17.53*	(16.44)	*(14.43)*
Impact of change in discount rate	(24.76)	*(22.60)*	30.96	*28.40*

Notes forming part of the Financial Statements (contd.)

NOTE [50] *(contd.)*

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, the unfunded portion 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 exists 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	Bhilai Power Supply Company Limited	Subsidiary	Yes
2	L&T Shipbuilding Limited	Subsidiary	Yes
3	L&T Electricals and Automation Limited	Wholly owned subsidiary (WOS)	Yes
4	Hi-Tech Rock Products and Aggregates Limited	WOS	Yes
5	L&T Seawoods Limited	WOS	Yes
6	Kesun Iron and Steel Company Private Limited	Subsidiary	Yes
7	L&T Geostructure LLP	Subsidiary	Yes
8	L&T Valves Limited	WOS	Yes
9	L&T Realty Limited	WOS	Yes
10	L&T Asian Realty Project LLP	Subsidiary of L&T Realty Limited	Yes
11	L&T Parel Project LLP	Subsidiary of L&T Realty Limited	Yes
12	Chennai Vision Developers Private Limited	WOS of L&T Realty Limited	Yes
13	L&T Vision Ventures Limited	Subsidiary of L&T Realty Limited	Yes
14	L&T Power Limited	Subsidiary	Yes
15	L&T Cassidian Limited $$$	WOS	Yes
16	L&T Aviation Services Private Limited	WOS	Yes
17	Larsen & Toubro Infotech Limited	Subsidiary	Yes
18	L&T Finance Holdings Limited	Subsidiary	Yes
19	Syncordis S.A.	WOS of Larsen & Toubro Infotech GmbH	No
20	Syncordis SARL	WOS of Syncordis S.A.	No
21	Syncordis Limited	WOS of Syncordis S.A.	No
22	L&T Capital Market (Middle East) Ltd***	WOS of L&T Finance Holdings Limited	Yes
23	L&T Hydrocarbon International FZE%%%	WOS of L&T Hydrocarbon Engineering Limited	Yes
24	Graphene Solutions PTE Ltd. **	WOS of Graphene Semiconductor Services Private Limited	No
25	Graphene Solutions SDN .BHD **	WOS of Graphene Semiconductor Services Private Limited	No
26	Graphene Solutions Taiwan Limited **	WOS of Graphene Semiconductor Services Private Limited	No
27	Larsen & Toubro Infotech Norge AS @@@	WOS of Larsen and Toubro Infotech Limited	No
28	Nielsen+Partner Unternehmensberater GmbH^^^	WOS of Larsen & Toubro Infotech GmbH	No
29	Nielsen+Partner Unternehmensberater AG^^^	WOS of Nielsen + Partners Germany	No
30	Nielsen+Partner Pte Ltd^^^	WOS of Nielsen + Partners Germany	No
31	Nielsen+Partner S.A^^^	WOS of Nielsen + Partners Germany	No
32	Nielsen&Partner Company Limited^^^	WOS of Nielsen + Partners Germany	No
33	Nielsen&Partner Pty Ltd^^^	WOS of Nielsen + Partners Germany	No
34	Ruletronics Limited^^^	WOS of Larsen and Toubro Infotech Gmbh	No
35	Ruletronics Systems Inc^^^	WOS of Larsen and Toubro Infotech Gmbh	No
36	L&T Housing Finance Limited	WOS of L&T Finance Holdings Limited	Yes
37	L&T Infra Investment Partners	Subsidiary of L&T Infrastructure Finance Company Limited	No
38	L&T Finance Limited	WOS of L&T Finance Holdings Limited	Yes
39	L&T Information Technology Spain, S.L.	WOS of Larsen & Toubro Infotech Limited	No
40	L&T Capital Markets Limited	WOS of L&T Finance Holding Limited	Yes
41	L&T Investment Management Limited	WOS of L&T Finance Holdings Limited	Yes
42	L&T Mutual Fund Trustee Limited	WOS of L&T Finance Holdings Limited	No
43	Syncordis Support Services S.A.	WOS of Syncordis S.A.	No
44	L&T Infrastructure Finance Company Limited	WOS of L&T Finance Holdings Limited	Yes
45	L&T Infra Debt Fund Limited	Subsidiary of L&T Finance Holdings Limited	Yes
46	L&T Infra Investment Partners Advisory Private Limited	WOS of L&T Infrastructure Finance Company Limited	Yes

Notes forming part of the Financial Statements (contd.)

NOTE [51] ***(contd.)***

(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)
47	L&T Infra Investment Partners Trustee Private Limited	WOS of L&T Infrastructure Finance Company Limited	No
48	L&T Financial Consultants Limited	WOS of L&T Finance Holdings Limited	Yes
49	Mudit Cement Private Limited	WOS of L&T Financial Consultants Limited	Yes
50	L&T Capital Company Limited	WOS	Yes
51	L&T Trustee Company Private Limited $$	WOS of L&T Capital Company Limited	Yes
52	L&T Power Development Limited	WOS	Yes
53	L&T Uttaranchal Hydropower Limited	WOS of L&T Power Development Limited	Yes
54	Larsen & Toubro Electromech LLC ##	Subsidiary	Yes
55	L&T Westend Project LLP	Subsidiary of L&T Realty Limited	No
56	LTR SSM Private Limited $	Subsidiary of L&T Realty Limited	Yes
57	Esencia Technologies India Private Limited	WOS of Esencia Technologies, Inc.	No
58	Syncordis Software Services India Private Limited	Subsidiary of Larsen & Toubro Infotech Limited	No
59	L&T Arunachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
60	L&T Himachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
61	Nabha Power Limited	WOS of L&T Power Development Limited	Yes
62	L&T Metro Rail (Hyderabad) Limited	Subsidiary	Yes
63	L&T Technology Services Limited	Subsidiary	Yes
64	L&T Construction Equipment Limited	WOS	Yes
65	L&T Construction Machinery Limited *	WOS	Yes
66	L&T Infrastructure Engineering Limited	WOS	Yes
67	L&T Thales Technology Services Private Limited	Subsidiary of L&T Technology Services Limited	Yes
68	Graphene Semiconductor Services Private Limited **	WOS of L&T Technology Services Limited	No
69	Seastar Labs Private Limited **	WOS of Graphene Semiconductor Services Private Limited	No
70	Ruletronics Systems Private Limited ^^^	Subsidiary of Larsen and Toubro Infotech Limited	No
71	L&T Hydrocarbon Engineering Limited	WOS	Yes
72	Sahibganj Ganges Bridge-Company Private Limited#	WOS of L&T Capital Company Limited	No
73	Seawoods Retail Private Limited^^	WOS	Yes
74	Seawoods Realty Private Limited^^	WOS	Yes
75	Marine Infrastructure Developer Private Limited^	Subsidiary	Yes
76	L&T Infra Contractors Private Limited	WOS of L&T Capital Company Limited	Yes
77	Larsen & Toubro LLC	Subsidiary	Yes
78	Larsen & Toubro Infotech GmbH	WOS of Larsen & Toubro Infotech Limited	No
79	Larsen & Toubro Infotech Canada Limited	WOS of Larsen & Toubro Infotech Limited	No
80	Larsen & Toubro Infotech LLC	WOS of Larsen & Toubro Infotech Limited	No
81	L&T Infotech Financial Services Technologies Inc.	WOS of Larsen & Toubro Infotech Limited	No
82	Larsen & Toubro Infotech South Africa (PTY) Limited	Subsidiary of Larsen & Toubro Infotech Limited	No
83	L&T Information Technology Services (Shanghai) Co. Ltd.	WOS of Larsen & Toubro Infotech Limited	No
84	L&T Realty FZE	WOS of L&T Realty Limited	No
85	Larsen & Toubro International FZE	WOS of L&T Global Holdings Limited	Yes
86	Larsen & Toubro Hydrocarbon International Limited LLC#	Subsidiary	Yes
87	Thalest Limited	WOS of Larsen & Toubro International FZE	No
88	Servowatch Systems Limited	WOS of Thalest Limited	Yes
89	Larsen & Toubro (Oman) LLC	Subsidiary of Larsen & Toubro International FZE	Yes
90	L&T Modular Fabrication Yard LLC	Subsidiary of L&T Hydrocarbon Engineering Limited	No
91	Larsen & Toubro (East Asia) SDN.BHD	Subsidiary of Larsen & Toubro International FZE	No
92	Larsen & Toubro Qatar LLC #	Subsidiary of Larsen & Toubro International FZE	Yes
93	L&T Overseas Projects Nigeria Limited	WOS of Larsen & Toubro International FZE	No
94	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary of L&T Hydrocarbon Engineering Limited	No

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(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)
95	L&T Electricals & Automation Saudi Arabia Company Limited LLC	Subsidiary of Larsen & Toubro International FZE	Yes
96	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes
97	Larsen & Toubro (Saudi Arabia) LLC	Subsidiary	Yes
98	Larsen Toubro Arabia LLC	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes
99	L&T Hydrocarbon Saudi Company (formerly known as Larsen & Toubro ATCO Saudia LLC)	WOS of L&T Hydrocarbon Engineering Limited	Yes
100	Tamco Switchgear (Malaysia) SDN. BHD	WOS of Larsen & Toubro International FZE	Yes
101	Henikwon Corporation SDN. BHD	WOS of Tamco Switchgear (Malaysia) SDN. BHD	Yes
102	Esencia Technologies Inc.	WOS of L&T Technology Services LLC	No
103	L&T Infotech S. DE R.L. DE C.V.	Subsidiary of Larsen & Toubro Infotech Limited	No
104	Tamco Electrical Industries Australia Pty Limited	WOS of Larsen & Toubro International FZE	No
105	PT Tamco Indonesia	Subsidiary of Larsen & Toubro International FZE	Yes
106	Larsen & Toubro Heavy Engineering LLC	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes
107	L&T Electrical & Automation FZE	WOS of Larsen & Toubro International FZE	Yes
108	Kana Controls General Trading & Contracting Company W.L.L.	Subsidiary of L&T Electrical & Automation FZE	Yes
109	Larsen & Toubro T&D SA (Proprietary) Limited	Subsidiary of Larsen & Toubro International FZE	Yes
110	L&T Technology Services LLC	WOS of L&T Technology Services Limited	Yes
111	Larsen & Toubro Infotech Austria GmbH	WOS of Larsen & Toubro Infotech Limited	No
112	L&T Global Holdings Limited	WOS	Yes
113	L&T Geo – L&T JV for Maharatangarh project @	WOS of L&T Geostructure LLP	No
114	L&T Geo – L&T UJV CMRL CS@@	WOS of L&T Geostructure LLP	No
115	L&T Cutting Tools Limited ###	WOS	Yes
116	EWAC Alloys Limited %	WOS	Yes
117	Larsen & Toubro Readymix & Asphalt Concrete Industries LLC %%	Subsidiary of Larsen & Toubro International FZE	Yes

^	The Company has sold its stake on June 28, 2018
^^	Struck off from the register of companies on June 26, 2018
^^^	The Company through its subsidiary has acquired stake on February 1, 2019
$	The Company has been incorporated on September 24, 2018
$$	Struck off from the Register of Companies on August 8, 2018
$$$	Applied for strike off
*	The Company has been incorporated on December 18, 2018
**	The Company through its subsidiary has acquired stake on October 15, 2018
***	The Company has been incorporated on July 1, 2018
#	In the process of liquidation
##	Reclassified as subsidiary w.e.f. August 16, 2017 due to purchase of additional stake
###	The Company has sold its stake on September 27, 2017
%	The Company has sold its stake on November 16, 2017
%%	The Company through its subsidiary has sold its stake on September 28, 2017
%%%	The Company has been incorporated on September 9, 2018
@	The arrangement entered on September 14, 2018 assessed as subsidiary since the Company through its subsidiary exercises unilateral control
@@	The arrangement entered on January 4, 2019 assessed as subsidiary since the Company through its subsidiary exercises unilateral control
@@@	The Company has been incorporated on November 20, 2018

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	Magtorq Private Limited
3	Feedback Infra 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 Venture Companies	Sr. No.	Joint Venture Companies
1.	L&T-Sargent & Lundy Limited	2.	Ahmedabad-Maliya Tollway Limited
3.	L&T Interstate Road Corridor Limited	4.	L&T Halol-Shamlaji Tollway Limited
5.	L&T Chennai–Tada Tollway Limited	6.	Krishnagiri Walajahpet Tollway Limited**
7.	L&T BPP Tollway Limited **	8.	Devihalli Hassan Tollway Limited **
9.	L&T Rajkot-Vadinar Tollway Limited	10.	L&T Howden Private Limited
11.	L&T Deccan Tollways Limited	12.	L&T Sapura Shipping Private Limited
13.	L&T Samakhiali Gandhidham Tollway Limited	14.	L&T Sapura Offshore Private Limited
15.	Kudgi Transmission Limited	16.	L&T-Gulf Private Limited
17.	L&T Sambalpur-Rourkela Tollway limited	18.	L&T-MHPS Boilers Private Limited
19.	L&T Infrastructure Development Projects Limited	20.	L&T-MHPS Turbine Generators Private Limited
21.	Panipat Elevated Corridor Limited	22.	Raykal Aluminium Company Private Limited
23.	Krishnagiri Thopur Toll Road Limited **	24.	L&T Special Steels and Heavy Forgings Private Limited
25.	Western Andhra Tollways Limited **	26.	PNG Tollway Limited
27.	Vadodara Bharuch Tollway Limited	28.	L&T Kobelco Machinery Private Limited
29.	L&T Transportation Infrastructure Limited	30.	LTIDPL INDVIT Services Limited*
31.	L&T MBDA Missile Systems Limited	32.	Larsen & Toubro Electromech LLC ***

* Reclassified as associate w.e.f. August 14, 2018 on amendment to Articles of Association

** The Company has sold its stake on May 4, 2018

*** Reclassified as subsidiary w.e.f. August 16, 2017 due to purchase of additional stake

(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. S. N. Subrahmanyan (Chief Executive Officer and Managing Director)#	2.	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)
3.	Mr. Shailendra Roy (Whole-time Director)	4.	Mr. D. K. Sen (Whole-time Director)
5.	Mr. M. V. Satish (Whole-time Director)	6.	Mr. J.D. Patil (Whole-time Director)**

Sr. No.	Independent/Non-Executive Directors	Sr. No.	Independent/Non-Executive Directors
1.	Mr. A.M. Naik (Group Chairman)*	2.	Mr. M. M. Chitale
3.	Mr. Subodh Bhargava	4.	Mr. M. Damodaran
5.	Mr. Vikram Singh Mehta	6.	Mr. Adil Zainulbhai
7.	Mr. Akhilesh Krishna Gupta	8.	Mrs. Sunita Sharma
9.	Mr. Thomas Mathew T	10.	Mr. Ajay Shankar
11.	Mr. Subramanian Sarma	12.	Mrs. Naina Lal Kidwai
13.	Mr. Sanjeev Aga	14.	Mr. Narayanan Kumar
15.	Arvind Gupta ##	16.	Mr.Hemant Bhargava ***
17.	Mr. Sushobhan Sarker###		

* w.e.f. October 1, 2017 (Group Executive Chairman till September 30, 2017)
** Appointed w.e.f. July 1, 2017
*** Appointed w.e.f. May 28, 2018
# w.e.f. July 1,2017 (Whole-time Director till June 30, 2017)
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	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
i.	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	1539.40		*1497.24*	
	L&T Shipbuilding Limited		473.53		*729.89*
	Hi-Tech Rock Products and Aggregates Limited		360.04		*244.57*
	L&T Geostructure LLP		400.56		*237.24*
	Joint ventures, including:	1073.38		*1802.47*	
	L&T-MHPS Boilers Private Limited		773.12		*1382.61*
	L&T-MHPS Turbine Generators Private Limited		158.57		*352.83*
	Associates, including:	7.44		*3.82*	
	Feedback Infra Private Limited		–		*1.50*
	L&T- Chiyoda Limited		1.07		
	Magtorq Private Limited		6.37		*2.10*
	Total	2620.22		*3303.53*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
ii. (a)	Sale of goods/contract revenue & services				
	Subsidiaries, including:	1311.33		*1370.69*	
	L&T Metro Rail (Hyderabad) Limited		371.94		*770.34*
	L&T Hydrocarbon Engineering Limited		570.22		
	L&T Parel Project LLP				*188.42*
	Joint ventures, including:	159.44		*415.97*	
	L&T Infrastructure Development Projects Limited				*132.96*
	L&T Deccan Tollways Limited				*87.07*
	L&T-MHPS Boilers Private Limited		147.20		*178.54*
	Associate:	0.13		*0.13*	
	L&T- Chiyoda Limited		0.13		*0.13*
	Total	1470.90		*1786.79*	
(b)	Reversal of sale of goods/contract revenue & services				
	Subsidiary:	4.16		*0.26*	
	Nabha Power Limited		4.16		*0.26*
	Joint ventures, including:	25.99		*0.28*	
	L&T Deccan Tollways Limited		23.86		–
	L&T Samakhiali Gandhidham Tollway Limited				*0.28*
	Total	30.15		*0.54*	
iii.	Purchase/lease of property, plant and equipment				
	Subsidiaries, including:	65.25		*9.49*	
	L&T Shipbuilding Limited		15.00		–
	Larsen & Toubro (Oman) LLC		9.25		–
	Larsen & Toubro Heavy Engineering LLC		33.48		–
	L&T Construction Equipment Limited				*5.75*
	L&T Hydrocarbon Engineering Limited		–		*2.20*
	Larsen & Toubro Infotech Limited				*1.25*
	Joint ventures:	0.38		*0.01*	
	L&T Special Steels and Heavy Forgings Private Limited		0.13		–
	L&T-MHPS Turbine Generators Private Limited		0.13		*0.01*
	L&T Kobelco Machinery Private Limited		0.12		–
	Total	65.63		*9.50*	
iv.	Sale of property, plant and equipment				
	Subsidiaries, including:	5.58		*0.54*	
	L&T Geostructure LLP		1.95		–
	L&T Hydrocarbon Engineering Limited		3.07		*0.50*
	Joint venture:	0.69		–	
	L&T-MHPS Boilers Private Limited		0.69		–
	Key management personnel:	6.25		–	
	Mr. Shailendra Roy		6.25		–
	Total	12.52		*0.54*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] ***(contd.)***

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
v.	Investments including subscription to equity shares and preference shares (equity portion)				
	Subsidiaries, including:	488.11		*2771.16*	
	L&T Metro Rail (Hyderabad) Limited		220.20		
	L&T Uttaranchal Hydropower Limited		249.40		
	L&T Shipbuilding Limited		–		*436.57*
	L&T Finance Holdings Limited		–		*2000.00*
	Joint ventures, including:	1.17		*261.01*	
	L&T MBDA Missile Systems Limited		0.48		
	L&T-MHPS Turbine Generators Private Limited		0.69		
	L&T Special Steels and Heavy Forgings Private Limited				*260.65*
	Total	489.28		*3032.17*	
vi.	Investments in preference share (debt portion)				
	Subsidiary:	–		*181.76*	
	L&T Shipbuilding Limited		–		*181.76*
	Joint venture:	–		*214.43*	
	L&T Special Steels and Heavy Forgings Private Limited		–		*214.43*
	Total	–		*396.19*	
vii.	Subscription to debentures/bonds net of redemptions				
	Subsidiaries:	250.00		*28.53*	
	L&T Metro Rail (Hyderabad) Limited		250.00		–
	L&T Finance Limited		–		*28.53*
	Total	250.00		*28.53*	
viii.	Sale/Redemption of investments in				
	Subsidiaries:	345.00		*260.75*	
	L&T Seawoods Limited		345.00		*210.00*
	L&T Finance Limited		–		*50.75*
	Total	345.00		*260.75*	
ix.	Inter corporate deposits given to/(repaid by)				
	Subsidiaries (net) including:	457.79		*(1202.30)*	
	L&T Shipbuilding Limited		229.00		*(286.50)*
	Nabha Power Limited		(210.88)		*(986.21)*
	L&T Hydrocarbon Engineering Limited		54.03		
	Hi-Tech Rock Products and Aggregates Limited		299.78		–
	L&T Metro Rail (Hyderabad) Limited		106.86		–
	Joint venture:	84.48		*211.89*	
	L&T Special Steels and Heavy Forgings Private Limited		84.48		*211.89*
	Total	542.27		*(990.41)*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
x.	Inter corporate borrowing taken from/(repaid to)				
	Subsidiaries (net) including:	(393.80)		*420.80*	
	L&T Seawoods Limited		(275.34)		*294.89*
	L&T Hydrocarbon Engineering Limited		(129.91)		*124.41*
	Total	(393.80)		*420.80*	
xi.	Charges paid for miscellaneous services				
	Subsidiaries, including:	154.32		*137.62*	
	Larsen & Toubro Infotech Limited		114.79		*105.35*
	L&T Aviation Services Private Limited		16.58		*17.86*
	Joint ventures, including:	5.42		*4.36*	
	L&T-Sargent & Lundy Limited		4.92		*4.18*
	Total	159.74		*141.98*	
xii.	Rent paid, including lease rentals under leasing/hire purchase arrangements				
	Subsidiaries, including:	0.97		*1.16*	
	L&T Electrical & Automation FZE		0.26		*0.80*
	PT Tamco Indonesia		0.31		*0.28*
	Larsen & Toubro Infotech Limited		0.31		–
	Joint Ventures, including:	1.24		–	
	L&T Special Steels and Heavy Forgings Private Limited		1.20		–
	Total	2.21		*1.16*	
xiii.	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	518.56		*532.50*	
	Larsen & Toubro Infotech Limited		77.24		*77.58*
	L&T Technology Services Limited		55.58		
	L&T Hydrocarbon Engineering Limited		132.20		*122 .10*
	L&T Geostructure LLP		68.87		*107.92*
	L&T Finance Limited		53.55		
	Joint ventures, including:	77.84		*90.38*	
	L&T-MHPS Boilers Private Limited		35.00		*40.86*
	L&T-Sargent & Lundy Limited		11.75		*13.58*
	L&T-MHPS Turbine Generators Private Limited		8.03		
	Associate:	16.87		*17.78*	
	L&T- Chiyoda Limited		16.87		*17.78*
	Key management personnel:	0.03		*0.08*	
	Mr. D.K. Sen		0.03		*0.08*
	Total	613.30		*640.74*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] ***(contd.)***

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
xiv(a)	Charges incurred for deputation of employees from related parties				
	Subsidiaries, including:	9.75		*11.06*	
	L&T Electricals & Automation Saudi Arabia Company Limited LLC		1.00		*1.19*
	L&T Electrical and Automation FZE		5.95		*6.99*
	PT Tamco Indonesia		1.45		*1.50*
	Total	9.75		*11.06*	
(b)	Charges recovered for deputation of employees to related parties				
	Subsidiaries, including:	90.02		*88.00*	
	L&T Parel Project LLP		18.59		*24.58*
	L&T Construction Equipment Limited		13.88		*11.40*
	L&T Geostructure LLP		13.97		*14.30*
	Joint ventures, including:	3.58		*4.65*	
	L&T-MHPS Boilers Private Limited		0.61		*0.50*
	L&T Special Steels and Heavy Forgings Private Limited		1.35		*1.97*
	L&T Infrastructure Development Projects Limited		1.62		*2.17*
	Associate:	12.88		*15.81*	
	L&T- Chiyoda Limited		12.88		*15.81*
	Total	106.48		*108.46*	
xv.	Dividend received				
	Subsidiaries, including:	1313.98		*535.59*	
	Larsen & Toubro Infotech Limited		353.60		*264.98*
	L&T Technology Services Limited		163.90		*95.57*
	L&T Finance Holdings Limited				*93.58*
	L&T Hydrocarbon Engineering Limited		331.21		*60.90*
	L&T Construction Equipment Limited		318.00		–
	Joint ventures:	19.44		–	
	L&T-Sargent & Lundy Limited		7.50		–
	L&T-MHPS Boilers Private Limited		11.94		–
	Total	1333.42		*535.59*	
xvi.	Commission received, including those under agency arrangements				
	Subsidiary:	10.58		*7.95*	
	L&T Construction Equipment Limited		10.58		*7.95*
	Joint venture:	3.75		*2.00*	
	L&T Kobelco Machinery Private Limited		3.75		*2.00*
	Total	14.33		*9.95*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
xvii.	Guarantee charges recovered from				
	Subsidiaries, including:	45.35		*36.31*	
	Nabha Power Limited		6.62		*7.07*
	L&T Shipbuilding Limited				*4.50*
	L&T Hydrocarbon Engineering Limited		16.37		*9.07*
	Larsen & Toubro (Saudi Arabia) LLC				*4.16*
	Larsen Toubro Arabia LLC		10.36		*7.97*
	Joint ventures, including:	0.52		*0.50*	
	L&T-MHPS Boilers Private Limited				*0.07*
	L&T-MHPS Turbine Generators Private Limited		0.50		*0.43*
	Total	45.87		*36.81*	
xviii.	Interest paid to				
	Subsidiaries, including:	231.31		*124.87*	
	L&T Hydrocarbon Engineering Limited		199.36		*98.24*
	L&T Seawoods Limited		23.15		*25.02*
	Joint venture:	1.81		*33.06*	
	L&T Infrastructure Development Projects Limited		–		*33.06*
	L&T-MHPS Turbine Generators Private Limited		1.81		–
	Total	233.12		*157.93*	
xix.	Interest received from				
	Subsidiaries, including:	116.05		*109.69*	
	L&T Shipbuilding Limited		26.39		*42.13*
	Nabha Power Limited		31.55		*56.83*
	L&T Finance Holdings Limited		17.95		–
	L&T Metro Rail (Hyderabad) Limited		12.15		–
	L&T Finance Limited		16.57		
	Joint venture:	106.83		*102.05*	
	L&T Special Steels and Heavy Forgings Private Limited		106.83		*102.05*
	Total	222.88		*211.74*	
xx.	Amount written off as bad debts				
	Subsidiaries, including:	1.35		*0.59*	
	Larsen & Toubro Electromech LLC		–		*0.59*
	Bhilai Power Supply Company Limited		1.26		–
	Joint venture:	25.08		–	
	PNG Tollway Limited		25.08		–
	Total	26.43		*0.59*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] ***(contd.)***

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
xxi.	Investments written off	0.02		–	
	Subsidiaries:				
	Seawoods Retail Private Limited		0.01		–
	Seawoods Realty Private Limited		0.01		–
	Total	0.02			
xxii.	Amount recognised/(reversed) in Profit and Loss as provision towards bad and doubtful debts (including expected credit loss on account of delay)				
	Subsidiaries, including:	(2.21)		*(6.03)*	
	Nabha Power Limited		(1.48)		*2.93*
	L&T Electricals & Automation Saudi Arabia Company Limited LLC		(1.74)		*(7.25)*
	L&T Parel Project LLP		0.57		
	L&T Seawoods Limited		0.65		
	Larsen & Toubro Heavy Engineering LLC		(0.53)		–
	L&T Uttaranchal Hydropower Limited		0.31		
	L&T Hydrocarbon Engineering Limited				*(0.83)*
	Joint ventures, including:	(0.38)		*22.69*	
	L&T Special Steels and Heavy Forgings Private Limited		(0.09)		
	L&T Howden Private Limited		(0.33)		
	L&T Samakhiali Gandhidham Tollway Limited		(1.54)		
	L&T- MHPS Boilers Private Limited		1.55		*21.66*
	Total	(2.59)		*16.66*	
xxiii.	Amount recognised in Profit and Loss on account of impairment loss on investment and inter corporate deposit				
	Subsidiaries, including:	1167.42		*0.75*	
	L&T Shipbuilding Limited		1167.42		
	Larsen & Toubro Hydrocarbon International Limited LLC				*0.68*
	Joint ventures:	1929.10		–	
	L&T Infrastructure Development Projects Limited		773.00		–
	L&T Special Steels and Heavy Forgings Private Limited		1156.10		–
	Total	3096.52		*0.75*	
xxiv.	Rent deposit returned				
	Key management personnel:	0.08		–	
	Mr. D.K. Sen		0.08		–
	Total	0.08		–	
xxv.	Guarantee given on behalf of				
	Subsidiaries, including:	14766.31		*6868.13*	
	L&T Hydrocarbon Engineering Limited		9308.23		*4154.47*
	Larsen & Toubro Arabia LLC		3217.46		
	L&T Hydrocarbon Saudi Company LLC		–		*2107.86*
	Joint venture:	–		*54.26*	
	L&T-MHPS Turbine Generators Private Limited		–		*54.26*
	Total	14766.31		*6922.39*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(c) Disclosure of related party transactions: *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
xxvi.	Contribution to post employment benefit plans				
(a)	Towards employer's contribution to provident fund trusts, including:	69.02		*64.13*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		59.19		*54.35*
	Larsen & Toubro Limited Provident Fund of 1952		8.22		*8.45*
	Total	69.02		*64.13*	
(b)	Towards employer's contribution to gratuity trusts, including:	45.05		*6.18*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		43.35		*5.01*
	Larsen & Toubro Gratuity Fund				*1.17*
	Total	45.05		*6.18*	
(c)	Towards advance contribution to/(refund from) gratuity trusts:	–		*(175.00)*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		–		*(142.30)*
	Larsen & Toubro Gratuity Fund		–		*(32.70)*
	Total	–		*(175.00)*	
(d)	Towards employer's contribution to superannuation trust:	9.78		*11.29*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		9.78		*11.29*
	Total	9.78		*11.29*	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

xxvii. Compensation to key management personnel:

₹ crore

Key Management Personnel	2018-19 Short-term employee benefits	2018-19 Post-employment benefits	2018-19 Other long term benefits	2018-19 Total	*2017-18 Short-term employee benefits*	*2017-18 Post-employment benefits*	*2017-18 Other long term benefits*	*2017-18 Total*
Executive Directors:								
(a) Mr. A.M. Naik (Group Executive Chairman upto September 30, 2017)	–	–	–	–	*11.58*	*56.80 ****	*19.38 **	*87.76*
(b) Mr. S.N.Subrahmanyan	21.28	5.67	–	26.95	*13.99*	*3.70*	–	*17.69*
(c) Mr. R. Shankar Raman	14.06	3.75	–	17.81	*9.16*	*2.42*	–	*11.58*
(d) Mr. Shailendra Roy	9.16	2.33	–	11.49	*7.96*	*1.83*	–	*9.79*
(e) Mr. D. K. Sen	5.54	1.46	–	7.00	*6.37*	*1.69*	–	*8.06*
(f) Mr. M. V. Satish	7.43	1.95	–	9.38	*5.86*	*1.52*	–	*7.38*
(g) Mr. J.D. Patil#	6.51	1.71	–	8.22	*3.14*	*0.81*	–	*3.95*
Non-Executive/Independent Directors:								
(a) Mr. A.M. Naik (Group Chairman w.e.f. October 1, 2017)	5.15	3.00 **	–	8.15	*2.54*	*1.50 ***	–	*4.04*
(b) Other Non-Executive/Independent Directors	5.03	–	–	5.03	*3.82*	–	–	*3.82*
Total	74.16	19.87	–	94.03	*64.42*	*70.27*	*19.38*	*154.07*

* Represents encashment of past service accumulated leave.

** Represents pension

*** Post-employment benefits include gratuity ₹ 55.04 crore.

Appointed w.e.f. July 1, 2017

Notes forming part of the Financial Statements (contd.)

NOTE [51] ***(contd.)***

(d) Amount due to/from related parties:

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2019		*As at 31-3-2018*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
i	Accounts receivable				
	Subsidiaries, including:	1218.66		*458.44*	
	L&T Metro Rail (Hyderabad) Limited		822.67		*188.22*
	L&T Seawoods Limited				*64.03*
	L&T Hydrocarbon Engineering Limited		140.55		
	Joint ventures, including:	255.20		*289.15*	
	L&T-MHPS Boilers Private Limited		115.36		*78.87*
	L&T Infrastructure Development Projects Limited		53.04		*40.66*
	L&T Samakhiali Gandhidham Tollway Limited				*38.19*
	L&T Deccan Tollways Limited		75.62		*33.22*
	Krishnagiri Walajahpet Tollway Limited				*42.68*
	Associate:	0.01		*0.15*	
	L&T-Chiyoda Limited		0.01		*0.15*
	Total	1473.87		*747.74*	
ii.	Accounts payables, including other payables				
	Subsidiaries, including:	931.89		*771.22*	
	L&T Shipbuilding Limited		152.16		*78.23*
	Hi-Tech Rock Products and Aggregates Limited		97.76		*89.21*
	Larsen and Toubro (Oman) LLC		110.36		*98.12*
	L&T Geostructure LLP		296.97		*234.82*
	Joint ventures, including:	1029.15		*1019.17*	
	L&T-MHPS Boilers Private Limited		460.21		*276.37*
	L&T-MHPS Turbine Generators Private Limited		503.41		*700.05*
	Associates, including	4.04		*0.61*	
	Magtorq Private Limited		3.99		*0.43*
	L&T-Chiyoda Limited				*0.18*
	Total	1965.08		*1791.00*	
iii.	Investment in debt securities [including preference shares (debt portion)]				
	Subsidiaries:	1161.75		*867.35*	
	L&T Shipbuilding Limited		888.68		*867.35*
	L&T Metro Rail (Hyderabad) Limited		273.07		–
	Joint ventures:	955.12		*987.58*	
	L&T Special Steels and Heavy Forgings Private Limited		213.17		*217.73*
	Kudgi Transmission Limited		488.89		*509.49*
	L&T Infrastructure Development Private Limited		253.06		*260.36*
	Total	2116.87		*1854.93*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(d) Amount due to/from related parties: *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2019		*As at 31-3-2018*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
iv	Impairment of investment in debt securities				
	Joint venture:	213.17		–	
	L&T Special Steels and Heavy Forgings Private Limited		213.17		–
	Total	213.17		–	
v.	Loans & advances recoverable				
	Subsidiaries, including:	2330.90		*2134.44*	
	Hi-Tech Rock Products and Aggregates Limited		363.37		
	L&T Shipbuilding Limited		774.59		*763.09*
	L&T Geostructure LLP				*223.11*
	Nabha Power Limited		386.69		*615.10*
	Joint ventures, including:	1677.53		*1621.11*	
	L&T Special Steels and Heavy Forgings Private Limited		1539.83		*1399.58*
	Associates, including:	7.38		*0.39*	
	L&T-Chiyoda Limited		4.94		*0.79*
	Magtorq Private Limited		2.44		
	Total	4015.81		*3755.94*	
vi.	Impairment provision on loans & advances recoverable				
	Joint venture:	263.00		–	
	L&T Special Steels and Heavy Forgings Private Limited		263.00		–
	Total	263.00		–	
vii.	Advances against equity contribution				
	Subsidiary:	–		*19.45*	
	L&T Uttaranchal Hydropower Limited		–		*19.45*
	Total	–		*19.45*	
viii.	Unsecured loans (including lease finance)				
	Subsidiaries, including:	32.73		*426.30*	
	L&T Hydrocarbon Engineering Limited		–		*129.91*
	L&T Seawoods Limited		19.56		*294.89*
	L&T Valves Limited		12.22		
	Total	32.73		*426.30*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(d) Amount due to/from related parties: *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2019		*As at 31-3-2018*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
ix.	Advances received in the capacity of supplier of goods/services classified as "advances from customers" in the Balance Sheet				
	Subsidiaries, including:	40.33		*74.69*	
	L&T Seawoods Limited		5.48		*28.15*
	L&T Hydrocarbon Engineering Limited		29.61		*29.95*
	Joint ventures, including:	7.15		*17.00*	
	L&T-MHPS Boilers Private Limited		6.97		*17.00*
	Total	47.48		*91.69*	
x.	Due to directors #:				
	Key management personnel, including:	57.00		*49.11*	
	Mr. A. M. Naik		–		*9.77*
	Mr. S. N. Subrahmanyan		18.60		*11.58*
	Mr. R. Shankar Raman		12.15		*7.39*
	Mr. Shailendra Roy		7.05		*5.32*
	Mr. D. K. Sen		4.20		*5.19*
	Mr. M. V. Satish		6.00		*4.50*
	Mr. J. D. Patil		5.30		*2.28*
	Total	57.00		*49.11*	
xi.	Post employment benefit plans				
(a)	Due to provident fund trusts, including:	27.73		*24.51*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		24.77		*21.65*
	Total	27.73		*24.51*	
(b)	Due to gratuity trusts:	60.92		*45.05*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		49.70		*36.31*
	Larsen & Toubro Gratuity Fund		11.22		*8.75*
	Total	60.92		*45.05*	
(c)	Due to superannuation trust:	7.99		*6.74*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		7.99		*6.74*
	Total	7.99		*6.74*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(d) Amount due to/from related parties: *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2019		*As at 31-3-2018*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
xii.(a)	Capital commitment given				
	Subsidiaries, including:	32.15		*84.39*	
	L&T Shipbuilding Limited		30.00		*47.25*
	Larsen & Toubro Heavy Engineering LLC				*33.59*
	Joint ventures:	0.12		*0.13*	
	L&T Special Steels and Heavy Forgings Private Limited		0.02		*0.13*
	L&T-MHPS Turbine Generators Private Limited		0.10		–
	Total	32.27		*84.52*	
(b)	Revenue commitment given				
	Subsidiaries, including:	2166.60		*1476.64*	
	L&T Shipbuilding Limited		937.64		*1185.88*
	L&T Geostructure LLP		914.90		
	Joint ventures, including:	392.05		*1205.16*	
	L&T-MHPS Boilers Private Limited		207.55		*667.58*
	L&T-MHPS Turbine Generators Private Limited		42.63		*394.67*
	L&T Howden Private Limited		103.60		
	Associates, including:	19.92		*5.50*	
	L&T-Chiyoda Limited				*1.87*
	Magtorq Private Limited		19.06		*3.63*
	Total	2578.57		*2687.30*	
xiii.	Commitment to fund				
	Subsidiaries:	845.00		*715.45*	
	L&T Uttaranchal Hydropower Limited		298.00		*233.45*
	L&T Metro Rail (Hyderabad) Limited		547.00		*482.00*
	Total	845.00		*715.45*	
xiv.	Revenue commitment received				
	Subsidiaries, including:	2343.95		*1329.55*	
	L&T Metro Rail (Hyderabad) Limited		651.26		*693.54*
	L&T Parel Project LLP		969.27		*195.41*
	L&T Asian Realty Project LLP		–		*149.67*
	L&T Construction Equipment Limited		320.82		*156.46*
	Joint ventures, including:	88.31		*76.10*	
	L&T MBDA Missile Systems Limited		69.19		–
	L&T-Gulf Private Limited		18.77		–
	L&T Deccan Tollways Limited		–		*15.24*
	L&T Infrastructure Development Projects Limited		–		*13.70*
	Krishnagiri Thopur Toll Road Limited		–		*13.63*
	L&T Samakhiali Gandhidham Tollway Limited		–		*13.08*
	L&T BPP Tollway Limited		–		*20.43*
	Total	2432.26		*1405.65*	

Notes forming part of the Financial Statements (contd.)

NOTE [51] *(contd.)*

(d) Amount due to/from related parties: *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2019		*As at 31-3-2018*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
xv.	Guarantee given on behalf of				
	Subsidiaries, including:	38051.01		*27221.33*	
	L&T Hydrocarbon Engineering Limited		18476.12		*8691.05*
	Larsen Toubro Arabia LLC		8442.15		*5971.38*
	L&T Shipbuilding Limited				*3156.00*
	Nabha Power Limited		4025.00		*3707.00*
	Joint ventures, including:	456.24		*508.34*	
	L&T-MHPS Turbine Generators Private Limited		427.31		*418.95*
	L&T-MHPS Boilers Private Limited				*89.39*
	Total	38507.25		*27729.67*	
xvi.	Provision for doubtful debts related to the amount of outstanding balances				
	Subsidiaries, including:	6.60		*8.56*	
	Nabha Power Limited		2.04		*3.52*
	L&T Electricals & Automation Saudi Arabia Company Limited LLC				*1.81*
	Larsen & Toubro Heavy Engineering LLC				*0.90*
	L&T Hydrocarbon Engineering Limited		0.68		
	PT. Tamco Indonesia		0.81		
	L&T Parel Project LLP		0.81		
	Joint ventures, including:	23.54		*52.73*	
	L&T- MHPS Boilers Private Limited		23.37		*21.84*
	PNG Tollway Limited		–		*25.08*
	Total	30.14		*61.29*	

"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 ₹ 3.70 crore *(as at 31-3-2018: ₹ 3.08 crore)*.

Note : 1. All the related party contracts / arrangements have been entered on arm's 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		2018-19	*2017-18*
Basic earnings per share			
Profit after tax as per accounts *(₹ crore)*	A	6677.70	*5387.30*
Weighted average number of equity shares outstanding	B	1,40,20,87,033	*1,40,06,13,951*
Basic EPS (₹)	A/B	47.63	*38.46*
Diluted earnings per share			
Profit after tax as per accounts *(₹ crore)*	A	6677.70	*5387.30*
Weighted average number of equity shares outstanding	B	1,40,20,87,033	*1,40,06,13,951*
Add: Weighted average number of potential equity shares on account of employee stock options	C	24,57,688	*35,69,417*
Weighted average number of equity shares outstanding for diluted EPS	D=B+C	1,40,45,44,721	*1,40,41,83,368*
Diluted EPS (₹)	A/D	47.54	*38.37*
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	2018-19	*2017-18*
Weighted average number of potential equity shares on account of conversion of foreign currency convertible bonds	95,20,455	*95,20,455*

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 31-3-2019			*As at 31-3-2018*		
			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	Bhilai Power Supply Company Limited	India	99.90	99.90	99.90	*99.90*	*99.90*	*99.90*
2	L&T Shipbuilding Limited [refer Note 60(a)]	India	97.00	97.00	97.00	*97.00*	*97.00*	*97.00*
3	L&T Electricals and Automation Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
4	Hi-Tech Rock Products and Aggregates Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
5	L&T Seawoods Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
6	Kesun Iron & Steel Company Private Limited	India	95.00	95.00	95.00	*95.00*	*95.00*	*95.00*
7	L&T Geostructure LLP	India	74.00	100.00	100.00	*74.00*	*74.00*	*74.00*
8	L&T Valves Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
9	L&T Realty Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
10	L&T Power Limited	India	99.99	99.99	99.99	*99.99*	*99.99*	*99.99*
11	L&T Cassidian Limited%	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
12	L&T Aviation Services Private Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
13	Larsen & Toubro Infotech Limited	India	74.80	74.80	74.80	*82.96*	*82.96*	*82.96*
14	L&T Finance Holdings Limited	India	63.91	63.91	63.91	*64.01*	*64.01*	*64.01*
15	L&T Capital Company Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
16	L&T Power Development 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 31-3-2019			*As at 31-3-2018*		
			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							
17	L&T Metro Rail (Hyderabad) Limited	India	99.99	99.99	99.99	*99.99*	*99.99*	*99.99*
18	L&T Technology Services Limited	India	78.88	78.88	78.88	*88.64*	*88.64*	*88.64*
19	L&T Construction Equipment Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
20	L&T Infrastructure Engineering Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
21	L&T Hydrocarbon Engineering Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
22	L&T Construction Machinery Limited*	India	100.00	100.00	100.00	–	–	–
23	Seawoods Retail Private Limited^	India	–	–	–	*100.00*	*100.00*	*100.00*
24	Seawoods Realty Private Limited^	India	–	–	–	*100.00*	*100.00*	*100.00*
25	Marine Infrastructure Developer Private Limited$	India	–	–	–	*97.00*	*97.00*	*97.00*

% Applied for strike off
* The Company is incorporated on December 18, 2018
^ Striked off on June 26, 2018
$ The Company has sold its stake on June 28, 2018

Foreign subsidiaries:

Sr. No.	Name of the subsidiary company	Principal place of business	As at 31-3-2019			*As at 31-3-2018*		
			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 (%)*
1	Larsen & Toubro LLC	USA	95.24	98.80	98.80	*95.24*	*99.19*	*99.19*
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*

In the process of liquidation

Associate companies:

Sr. No.	Name of the associate company	Principal place of business	As at 31-3-2019			*As at 31-3-2018*		
			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 (%)*
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 company	Principal place of business	As at 31-3-2019		*As at 31-3-2018*	
			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	L&T Ahmedabad-Maliya Tollway Limited	India	^	97.45	^	*97.45*
7	L&T Halol-Shamlaji Tollway Limited	India	^	47.75	^	*47.75*
8	L&T Howden Private Limited	India	50.10	50.10	*50.10*	*50.10*
9	L&T-MHPS Boilers Private Limited	India	51.00	51.00	*51.00*	*51.00*
10	L&T-MHPS Turbine Generators Private Limited	India	51.00	51.00	*51.00*	*51.00*
11	Raykal Aluminium Company Private Limited	India	75.50	75.50	*75.50*	*75.50*
12	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00	*74.00*	*74.00*
13	PNG Tollway Limited	India	13.26	72.11	*13.26*	*72.11*
14	L&T Kobelco Machinery Private Limited	India	51.00	51.00	*51.00*	*51.00*
15	L&T MBDA Missile Systems Limited	India	51.00	51.00	*51.00*	*51.00*
16	L&T-Sargent & Lundy Limited	India	50.00	50.00	*50.00*	*50.00*

^ 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 1-4-2018*	*35.47*	*178.65*	*8.71*	*225.29*	*17.99*	*466.11*
2	Additional provision during the year	30.01	30.32	50.00	349.18	–	459.51
3	Provision used during the year	(19.50)	(4.13)	–	–	–	(23.63)
4	Unused provision reversed during the year	(0.17)	(0.04)	–	(181.02)	(17.99)	(199.22)
5	Additional provision for unwinding of interest and change in discount rate	(0.20)	–	0.39	–	–	0.19
6	Balance as at 31-3-2019 (6=1+2+3+4+5)	45.61	204.80	59.10	393.45	–	702.96

Notes forming part of the Financial Statements (contd.)

NOTE [54] *(contd.)*

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, 2019 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 1 to 5 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.

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 115 "Revenue from Contracts with customers".

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	2018-19	*2017-18*
a.	Paid as Auditor		
	(i) Statutory audit fees	1.90	*1.90*
	(ii) Limited review of standalone and consolidated financial statements on a quarterly basis	1.50	*1.50*
b.	For Taxation matters	0.55	*0.55*
c.	For Company law matters	0.30	*0.30*
d.	For Other services including certification work	1.62	*0.43*
e.	For Reimbursement of expenses	0.13	*0.20*

NOTE [56]

The Company purchased Electoral Bonds for ₹ 35.00 crore and issued the same to political parties as Company's political contribution. *(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, 2019. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	2018-19	*2017-18*
Principal amount due to suppliers under MSMED Act, 2006	133.47	*66.64*
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.11	*0.28*
Payment made to suppliers (other than interest) beyond the appointed day during the year	122.63	*142.28*
Interest paid to suppliers under MSMED Act (Section 16)	0.30	*0.11*
Interest due and payable towards suppliers under MSMED Act for payments already made	0.32	*5.68*
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	10.97	*10.18*
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, 2019.

NOTE [59]

Disclosure in respect of joint operations:

(a) (i) 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.)***

(i) Name of joint operation (with specific ownership interest in the arrangement): *(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.

* The joint operation is in the process of liquidation.

Notes forming part of the Financial Statements (contd.)

NOTE [59] ***(contd.)***

(ii) 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	2018-19	0.053	(0.591)	–	0.001	–	(0.001)	–	(0.001)
		2017-18	0.053	(0.592)	–	0.001	–	(0.001)	–	(0.001)
2	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	2018-19	22.739	56.706	0.646	3.729	–	(3.083)	–	(3.083)
		2017-18	26.753	57.636	1.174	1.539	–	(0.365)	–	(0.365)
3	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture	2018-19	669.211	819.952	1059.795	1212.474	–	(152.679)	0.768	(151.911)
		2017-18	532.638	531.469	626.043	626.603	–	(0.560)	0.003	(0.557)
4	L&T-AM Tapovan Joint Venture	2018-19	77.874	164.482	(14.740)	(13.550)	–	(1.190)	–	(1.190)
		2017-18	141.500	183.162	0.503	0.520	–	(0.017)	–	(0.017)
5	HCC-L&T Purulia Joint Venture	2018-19	2.966	(0.899)	–	0.007	–	(0.007)	–	(0.007)
		2017-18	2.966	(0.906)	–	0.013	–	(0.013)	–	(0.013)
6	International Metro Civil Contractors Joint Venture	2018-19	11.901	10.160	2.483	0.132	0.266	2.085	–	2.085
		2017-18	9.766	10.110	0.059	0.048	0.018	(0.007)	–	(0.007)
7	Metro Tunneling Group	2018-19	12.165	1.076	0.815	0.047	0.380	0.388	–	0.388
		2017-18	11.457	0.755	0.753	0.021	0.285	0.447	–	0.447
8	L&T-Hochtief Seabird Joint Venture	2018-19	23.846	(50.094)	–	0.368	–	(0.368)	–	(0.368)
		2017-18	23.831	(50.477)	–	0.013	–	(0.013)	–	(0.013)
9	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	2018-19	91.524	133.540	10.521	18.286	–	(7.765)	–	(7.765)
		2017-18	87.298	121.548	27.249	29.078	–	(1.829)	0.520	(1.309)
10	Metro Tunneling Delhi- L&T Shanghai Urban Construction (Group) Corporation Joint Venture	2018-19	14.533	45.193	(22.162)	6.898	0.083	(29.143)	–	(29.143)
		2017-18	54.269	55.786	2.593	10.377	–	(7.784)	–	(7.784)
11	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	2018-19	33.803	218.749	(15.944)	42.277	–	(58.221)	–	(58.221)
		2017-18	94.892	221.616	50.094	106.114	–	(56.020)	(0.009)	(56.029)
12	Aktor- Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	2018-19	283.119	281.245	703.471	703.111	–	0.360	0.086	0.446
		2017-18	491.395	489.967	997.411	997.008	–	0.403	0.010	0.413
13	Civil Works Joint Venture	2018-19	1172.979	1124.817	1750.670	1387.209	–	363.461	10.843	374.304
		2017-18	1717.123	1500.921	1901.446	1573.576	–	327.870	4.332	332.202
14	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	2018-19	14.598	6.686	0.359	(0.013)	0.399	(0.027)	–	(0.027)
		2017-18	14.272	6.334	0.551	0.011	0.194	0.346	–	0.346
15	DAEWOO and L&T Joint Venture	2018-19	447.749	446.855	200.096	198.753	1.210	0.133	–	0.133
		2017-18	150.957	150.195	96.439	95.037	0.643	0.759	–	0.759
16	L&T-STEC JV MUMBAI	2018-19	675.123	550.545	736.471	544.147	75.114	117.210	–	117.210
		2017-18	534.150	526.782	388.537	375.696	4.486	8.355	–	8.355
17	L&T- ISDPL (JV)	2018-19	171.877	171.877	266.523	266.523	–	–	–	–
		2017-18	32.907	32.907	18.314	18.314	–	–	–	–
18	L&T-IHI Consortium	2018-19	302.204	302.204	586.768	586.768	–	–	–	–
		2017-18	45.023	45.023	71.707	71.707	–	–	–	–
19	L&T-Eastern Joint Venture	2018-19	18.801	20.463	0.100	1.303	–	(1.203)	–	(1.203)
		2017-18	17.696	18.156	0.027	5.699	–	(5.672)	–	(5.672)

Notes forming part of the Financial Statements (contd.)

NOTE [59] *(contd.)*

(ii) Financial interest in joint operation (to the extent of Company's share) *(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	2018-19	8.469	0.278	–	0.305	–	(0.305)	–	(0.305)
		2017-18	8.995	0.500	0.813	1.191	–	(0.378)	–	(0.378)
21	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	2018-19	10.887	48.543	4.993	9.228	–	(4.235)	–	(4.235)
		2017-18	7.591	41.011	4.512	12.162	–	(7.650)	–	(7.650)
22	L&T- Inabensa Consortium	2018-19	152.734	144.293	181.885	166.919	6.178	8.788	–	8.788
		2017-18	30.923	31.270	23.263	23.610	–	(0.347)	–	(0.347)
23	L&T-Delma Mafraq Joint Venture	2018-19	231.619	348.185	6.319	41.688	–	(35.369)	(4.952)	(40.321)
		2017-18	325.673	401.918	635.825	699.959	–	(64.134)	(0.067)	(64.201)
24	L&T-AL-Sraiya LRDP 6 Joint Venture	2018-19	234.617	208.502	405.698	405.693	–	0.005	1.505	1.510
		2017-18	275.208	250.604	279.741	279.569	–	0.172	0.128	0.300
25	Larsen & Toubro Limited & NCC Limited Joint Venture	2018-19	56.376	35.099	2.480	6.802	–	(4.322)	–	(4.322)
		2017-18	65.194	39.595	13.312	13.316	0.037	(0.041)	–	(0.041)
26	Besix - Larsen & Toubro Joint Venture	2018-19	305.329	215.175	595.253	532.888	–	62.365	1.211	63.576
		2017-18	254.207	227.628	402.949	376.649	–	26.300	0.278	26.578
27	Larsen & Toubro Ltd - Passavant Energy & Environment JV	2018-19	38.379	37.536	44.125	42.357	0.391	1.377	–	1.377
		2017-18	22.756	23.290	29.978	30.513	–	(0.535)	–	(0.535)
28	LNT-Shriram EPC Tanzania UJV	2018-19	171.444	148.895	281.570	246.898	12.116	22.556	(0.146)	22.410
		2017-18	172.037	171.898	89.469	89.331	–	0.138	0.001	0.139
29	LTH Milcom Private Limited	2018-19	0.037	0.012	–	0.014	–	(0.014)	–	(0.014)
		2017-18	0.052	0.011	–	0.012	–	(0.012)	–	(0.012)
	Total	2018-19	5256.956	5489.484	6788.195	6411.262	96.137	280.796	9.315	290.111
		2017-18	5151.582	5088.117	5662.762	5437.687	5.663	219.412	5.196	224.608

(b) Name of 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 (Construcition 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.

Notes forming part of the Financial Statements (contd.)

NOTE [59] ***(contd.)***

(b) Name of joint operation (with specific ownership of activity carried out through the arrangement) *(contd.)*

Sr. No.	Name of the joint operation	Principal place of business	Description of the interest
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).
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 inter locking 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 lumpsum 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 lumpsum price basis for Rewari- Makarpura.

Notes forming part of the Financial Statements (contd.)

NOTE [60]

Disclosure pursuant to Ind AS 103 "Business Combinations":

(a) The Board of Directors in its meeting held on May 10, 2019, has approved amalgamation of its wholly-owned subsidiary L&T Shipbuilding Limited ('LTSB') with the Company subject to receipt of regulatory and other approvals. The Company has increased its stake in LTSB to 100% in April 2019 from 97% as at March 31, 2019.

(b) During the previous 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 was effective from the appointed date April 1, 2017. SIPL had a registered office in Bengaluru, India and was engaged in the business of Manufacture of Electronic Systems and Sub-systems.

No fresh shares were issued to effect the merger as SIPL was wholly owned subsidiary of the Company. Further the merger was accounted using pooling of interest method, involving the following:

(i) The assets and liabilities of SIPL were reflected at their carrying amounts. No adjustment was made to reflect the fair values, or recognise any new asset or liability.

(ii) The financial information in the financial statements of the Company was restated from the effective date April 1, 2017.

(iii) The balance of the retained earnings appearing in the financial statements of the SIPL was aggregated with the corresponding balance appearing in the financial statements of the Company.

(iv) The identity of General reserve and Securities premium was preserved and appearing in the financial statements of the Company in the same form in which they appeared in financial statements of SIPL; and

(v) The excess of amount of investment by the Company in SIPL over the share capital of SIPL was treated as Capital reserve in Company's financial statements and the same was 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 and duty drawback amounts to ₹ 99.97 crore *(previous year: ₹ 111.04 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	Balance as at 1-4-2017	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	Balance as at 31-3-2018	5495.16	4129.57	936.27	10561.00
7	Changes from financing cash flows	784.06	(606.49)	(969.34)	(791.77)
8	The effect of changes in foreign exchange rates	–	144.37	226.62	370.99
9	Interest accrued	5.00	0.80	45.55	51.35
10	Other changes (transfer within categories)	(3892.35)	–	3892.35	–
11	Balance as at 31-3-2019	2391.87	3668.25	4131.45	10191.57

Notes forming part of the Financial Statements (contd.)

NOTE [62] ***(contd.)***

Amounts reported in statement of cash flows under financing activities:

₹ crore

Particulars	Amounts reported in statement of cash flows	
	2018-19	*2017-18*
Proceeds from non-current borrowings	789.05	*1922.70*
Repayments of non-current borrowings	(974.33)	*(3794.12)*
(Repayments)/proceeds from other borrowings (net)	(606.49)	*1783.81*
Total changes from financing cash flows (refer to Sr. No. 7 & 2 above)	(791.77)	*(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:

On March 30, 2019, the Ministry of Corporate Affairs notified following new Ind AS, applicable in respect of accounting periods commencing on or after April 1, 2019.

Ind AS 116 "Leases"

Ind AS 116 "Leases" supersedes AS 17 "Leases" in respect of accounting periods commencing on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Pursuant to transition methods permitted under Ind AS 116, the Company is proposing to use "modified retrospective approach" for transitioning to Ind AS 116 with effect from April 1, 2019. Under modified retrospective approach, cumulative effect of initially applying the accounting standard as at April 1, 2019 will be recognised as an adjustment to the opening balance of Retained earnings of the financial year 2019-20 and figures for the financial year 2018-19 will not be restated as per the new accounting standard. With respect to existing leases as at the date of initial application of the accounting standard, the Company is proposing to use the practical expedient available on transition to Ind AS 116 and will not reassess whether a contract is or contains a lease and instead apply Ind AS 116 only to the contracts that were previously identified as lease applying Ind AS 17.

The Company has carried out an initial assessment of the impact of adopting this standard and there would not be any significant impact on the financials of the Company.

NOTE [64]

Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
LARSEN & TOUBRO LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Larsen & Toubro Limited ("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, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and of its joint operations, associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	
Key audit matter description	Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).

	The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer to Note No. 1(i) of the Consolidated Financial Statements
Principal Audit Procedures	The auditors have assessed the process to identify the impact of adoption of the new revenue accounting standard. The procedures performed included the following: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard; • Selected samples of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. The auditors have carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of such controls; and • Selected samples of continuing and new contracts and performed the following procedures: i. Read and analysed contracts to identify the distinct performance obligations in such contracts; ii. Compared such performance obligations with that identified and recorded by the Company; iii. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; iv. In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with the supporting documentation, validated estimates of costs to complete, mathematical appropriateness of calculations and the adequacy of project accounting; and v. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Revenue recognition – accounting for construction contracts	
Key audit matter description	There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition. The Group recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred as at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate. The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable. Refer to Note No 1(i) of the Consolidated Financial Statements
Principal Audit Procedures	The auditors' procedures included: • Testing of the design and implementation over controls involved for the determination of the estimates used, as well as their operating effectiveness; • Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard; • Testing samples of contracts for appropriate identification of performance obligations; • For the sample selected, reviewing for change orders and the impact on estimated costs to complete; • Engaging technical experts to review estimates of costs to complete for sample contracts; and • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Appropriateness of revenues and onerous obligations in respect of fixed price contracts involves critical estimates for services relating to Information Technology & Technology Services Segment	
Key audit matter description	Estimated effort is a critical estimate to determine revenues and provision for onerous obligations in fixed price contracts. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining contract performance obligations. Refer to Note No.1(i) of the Consolidated Financial Statements
Principal Audit Procedures	The auditors audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations; • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred; • Selected samples of contracts and tested the operating effectiveness of the internal controls relating to efforts incurred and estimated through inspection of evidence of performance of these controls; • Selected samples of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract; • Reviewed samples of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations; and • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

Revenue recognition and measurement of contract assets in respect of un-invoiced amounts and measurement of receivables in respect of overdue invoices.	
Key audit matter description	The Group, in its contract with customers, promises to transfer distinct services to its customers which may be rendered in the form of engineering, procurement and construction (EPC) services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could range from cost plus fee to agreed unit price to lump-sum arrangements. At each reporting date, revenue is accrued for costs incurred against work performed that may not have been invoiced. Identifying whether the group's performance have resulted in a service that would be billable and collectable where the works carried out have not been acknowledged by customers as of the reporting date, or in the case of certain defence contracts, where the evidence of work carried out and cost incurred are covered by confidentiality arrangements involves a significant amount of judgment. • Recognition of revenue before formal acknowledgment of receipt of services by the customer could lead to an over or under-statement of revenue and profit, whether intentionally or in error; and • Assessing the recoverability of amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period also involves a significant amount of judgment. Refer to Note No. 1(i) and 1(r) of the Consolidated Financial Statements
Principal Audit Procedures	The procedures performed included the following: • Obtained an understanding of the Group's processes in collating the evidence supporting execution of work for each disaggregated type of revenue. Auditors have also obtained an understanding of the design of key controls for quantifying units of items / services that would be invoiced and the application of appropriate prices for each of such services; • Tested the design and operating effectiveness of management's key controls in collating the units of services delivered and in the application of accurate prices for each of such services for samples of the un-invoiced revenue entries, which included testing of access and change management controls exercised in respect of related information systems;

	• Tested samples of un-invoiced revenue entries with reference to the reports from the information system that records the costs incurred against the services delivered to confirm the work performed and application of appropriate margin applied for the respective services. The auditors have also tested whether appropriate adjustments have been made for the element of variable consideration related to committed service levels of performance. With regard to incentives, auditors tests were focused to ensure that accruals were restricted to only those items where contingencies were minimal; • Tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost; • For defence contracts which are covered under statutory confidentiality arrangements, the auditors have compared the revenue recognised with amounts collected from customers to ensure that the gap between revenue recognised and collections is below the materiality threshold; • Extended the testing upto the date of approval of financial statements by the Board of Directors of the Parent entity to verify adjustments, if any, that may have been necessary upon receipt of approvals from customers for services delivered prior to the reporting date and/or collections there against; • Reviewed the delivery and collection history of customers against whose contracts un-invoiced revenue is recognised; and • Verification of subsequent receipts, post balance sheet date.

Provision for expected credit losses for financial services segment	
Key audit matter description	The Group has financial assets that are debt instruments such as loans, debt securities, bank balances and deposits and trade receivables that are measured at: amortised cost; and fair value through other comprehensive income ("FVOCI"); and finance lease receivables recognised as per Ind AS 16 on "Leases", in respect of which impairment losses have been recognised and measured using the "expected credit losses" ("ECL") model laid down in Ind AS 109 on "Financial Instruments" for which, the Group has used the general approach described in Ind AS 109. While the Group has identified objective criteria to define "significant increase in credit risk" ("SICR") on a financial asset, identification of financial instruments that could be grouped together on the basis of shared credit risk and assessed collectively for SICR constitutes a significant judgement. Also, the Group has used an internal rating based approach in building its ECL model, using its own internal estimates for some or all of the credit risk components such as the Probability of Default ("PD"), Loss Given Default ("LGD") and Effective Maturity ("M"). Each of these elements are critical estimates in the measurement of impairment on such financial assets. The Group has also built in a collective adjustment for its loan portfolios to be more responsive to emerging macro-economic and other risk developments, which also involves critical judgements and estimates. Therefore, impairment of financial assets was considered a key audit matter.
Principal Audit Procedures	The procedures performed included the following: • Obtained an understanding of how the Group identified financial assets that are not measured at fair value through profit and loss, with similar credit risks, to assess SICR collectively i.e. the extent of forward looking information, that is reasonable and supportable, was collated and the extent to which reliance was placed on past information. • Checked the appropriateness of the Group's determination of SICR and the resultant basis for classification of exposures into various stages. • Assessed the appropriateness of key data sources and assumptions in building estimates for components of credit risk including PD, LGD and M that were used in modelling ECL provisions. For data from external sources, we understood the process of choosing such data, its relevance to the Group. The auditors have evaluated the key controls and governance over the modelling process including model monitoring, validation and approval. The auditors have tested controls over model outputs and recognition and approval of post model adjustments and management overlays. • For corporate exposures, tested design and operating effectiveness of the key controls over the appropriateness of use of collaterals, the quantification thereof and the timing of recovery.

	• Tested the design and operating effectiveness of the Group's key internal controls around the completeness and accuracy of financial assets on which the ECL model was applied. A sample of exposures was also tested for staging, application of the appropriate PD, LGD and M. The auditors have tested the mathematical accuracy of the model output and its sensitivity to changes in modelling assumptions. • Assessed and tested the material overlays with a focus on the reasonableness of the supportable information used. • Involved our specialists in areas that required specific expertise (i.e. data reliability and the expected credit loss model). • Assessed the accuracy of the disclosures in the financial statements and ensured that they were in accordance with Ind AS 109.

Evaluation of uncertain tax positions	
Key audit matter description	The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer to Note No 1(z) and 1(aa) of the Consolidated Financial Statements
Principal Audit Procedures	The auditors procedures included the following: • Obtained understanding of key uncertain tax positions; • Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from the management; • The auditors along with our internal tax experts – i. Discussed with appropriate senior management and evaluated the Management's underlying key assumptions in estimating the tax provision; ii. Assessed management's estimate of the possible outcome of the disputed cases; and iii. Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. • Additionally, considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Impairment of Toll Collection Rights	
Key audit matter description	Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer ("BOT") and Design-Build-Operate-Transfer ("DBOT") projects. Toll collection rights are capitalised as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State Authorities, if any. The Group has carried out an evaluation for impairment of such toll collection rights which have incurred losses on a continuous basis, representing indicators of impairment. Management has estimated the future cash flows arising from achieving revenues and costs in line with the increase in traffic as well as refinancing/ restructuring. As such estimations involve complex and subjective judgements by the Management, there is a risk that there may be an impairment that has not been recorded. Refer to Note No 1(n) of the Consolidated Financial Statements.
Principal Audit Procedures	The auditors have performed a range of audit procedures, which included the following: • Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls in estimating the future projections including assumptions used in determining the value in use; • Compared the actual revenues and cash flows generated by the entities during the year as compared to the projections and estimates considered in the previous year and evaluated the basis of future projections with regard to the revenue and cash flows;

	• Evaluated the appropriateness of key assumptions in the valuations including discount rate, growth rate, and consulted internal specialists. The challenge was based on the auditors' assessment of the historical accuracy of the Group's estimates in the prior periods and an assessment of the consistency of assumptions across all the subsidiaries and comparison of the assumptions with public data wherever available; • The auditors have also performed a sensitivity analysis to assess the impact of possible different assumptions related to revenue and cost estimates including: i. Increase/decrease in revenue growth rate; ii. Increase/decrease to cost forecasts; and • The auditors have enquired with key financial and operational personnel to identify any factors that should be taken into account in auditors' analysis. In all cases, the auditors have corroborated management's explanations, including changes in assumptions, and evaluated these relative to auditors own analysis.

Multiple IT Applications	
Key audit matter description	One of the components is highly dependent on technology due to the significant number of transactions that are processed daily and discrete IT Systems. The interest income is computed through various IT Systems and the interfacing of these system with the accounting system is critical aspect of audit. The audit approach relies extensively on automated controls and controls around interface of different systems, therefore on the effectiveness of controls over IT systems. IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. Management has implemented Group wide preventive and detective controls across critical applications and infrastructure to reduce the risk over IT applications in the financial reporting process. Due to the pervasive nature, the auditors have assessed the risk of a material misstatement arising from technology as significant for the audit.
Principal Audit Procedures	The component auditors have performed a range of audit procedures, which included the following: Access rights were tested over applications, operating systems and databases relied upon for financial reporting. Specifically, the tests were designed to cover the following: • New access requests for joiners were properly reviewed and authorised; • User access rights were removed on a timely basis when an individual left or moved role; • Access rights to applications, operating systems and databases were periodically monitored for appropriateness; and • Highly privileged access is restricted to appropriate personnel. Other areas that were independently assessed included password policies, security configurations, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. Testing of automated controls and interface testing was carried out. Other procedures performed included: • Where inappropriate access was identified, we understood the nature of the access, and, where possible, obtained additional evidence on the appropriateness of the activities performed; • Additional substantive testing was performed on specific year-end reconciliations and confirmations with external counterparties; • A list of users' access permissions was obtained and manually compared to other access lists where segregation of duties was deemed to be of higher risk.

Information Other than the Consolidated Financial Statements and Auditor's Report

The Company's Board of Directors is responsible for the preparation of other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the other information of the joint operations, subsidiaries, joint ventures and associates audited by other auditors to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint operations, subsidiaries, joint ventures and associates, is traced from their financial statements audited by the branch auditors and other auditors and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint operations, associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, its joint operations, associates and joint ventures are responsible for assessing the ability of the Group, its joint operations, associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, its joint operations, associates and joint ventures are also responsible for overseeing the financial reporting process of the Group, its joint operations, associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent, subsidiary companies, joint operation companies, associate companies and joint venture companies incorporated in India, have adequate internal financial controls systems in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its joint operations, associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its joint operations, associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its joint operations, associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Communication with those charged with governance

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The consolidated financial statements includes the financial information of 24 joint operations included in the standalone financials statements of the companies included in the Group whose financial information reflect total assets of ₹ 4,540.71 crore as at March 31, 2019, total revenue of ₹ 6,018.63 crore and net cash outflows amounting to ₹ 170 crore for the year ended on that date, as considered in the respective standalone financial statements of the Companies included in the Group. 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 work done by and the reports of such other auditors.

   The consolidated financial statement also includes the financial information of 66 subsidiaries whose financial information reflect total assets of ₹ 1,14,000.15 crore as at March 31, 2019, total revenues of ₹ 50,475.82 crore and net cash outflows amounting to ₹ 1,045.06 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total loss after tax (net) of ₹ 310.50 crore and total comprehensive loss (net) of ₹ 301.19 crore for the year ended March 31, 2019, as considered in the consolidated financial statement, in respect of 3 associates and 7 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 financial statement, 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 subsection (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.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

2. The consolidated financial statements includes the financial information of 6 joint operations included in the standalone financial statements of the companies included in the Group which have not been audited by their auditors, whose financial information reflects total assets of ₹ 302.45 crore as at March 31, 2019 and total revenues of ₹ 452.54 crore and net cash inflow of ₹ 0.10 crore for the year ended on that date, as considered in the respective standalone financial statements of the Companies included in the Group. The financial information of these joint operations has been unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited financial information which is certified by the management. In our opinion and according to the information and explanations given to us by the Management, the financial information of these joint operations are not material to the Group.

   The consolidated financial statements includes the financial information of 44 subsidiaries which have not been audited by their auditors, whose financial information reflect total assets of ₹ 250.21 crore as at March 31, 2019, total revenues of ₹ 255.06 crore and net cash inflow of ₹ 40.61 crore for the year ended on that date. The consolidated financial statements also includes the Group's share of total loss after tax (net) of ₹ 0.06 crore and total comprehensive income (net) of ₹ 0.63 crore for the year ended March 31, 2019, as considered in the consolidated financial statement, in respect of 3 associates and 7 joint ventures, whose financial information has not been audited by their auditors. The financial information of these subsidiaries, associates and joint ventures is unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statement, 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 which is certified by the management. 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.

   Our opinion on the consolidated financial statement is not modified in respect of the above matters with respect to our reliance on 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 we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

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

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 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, 2019 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 auditor's reports of the Parent and its 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 internal financial controls over financial reporting of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended

In our opinion and to the best of information and according to the explanations given to us, the remunerations paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.
- Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent, applicable subsidiary companies, associate companies, joint venture and joint operation companies to the extent incorporated in India.

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

Sanjiv V. Pilgaonkar
(Membership No. 039826)

Mumbai, May 10, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of LARSEN & TOUBRO LIMITED (hereinafter referred to as "Parent") and its subsidiary companies (the parent and its subsidiaries together 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 Act.

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, which are 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 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, 2019, 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 34 subsidiary companies, 1 joint operation company, 7 joint venture companies and 3 associate companies, which are companies incorporated in India, is based solely on the corresponding reports furnished to us by 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 10 subsidiary companies, and 5 joint venture companies, which are companies incorporated in India, whose financial information is unaudited and whose efficacy of internal financial controls over financial reporting is based solely on the Management's certification 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 by and the reports of such other auditors and the financial information certified by the Management.

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

Sanjiv V. Pilgaonkar
(Membership No. 039826)

Mumbai, May 10, 2019

Consolidated Balance Sheet as at March 31, 2019

	Note	As at 31-3-2019 ₹ crore	₹ crore	*As at 31-3-2018 ₹ crore*	*₹ crore*	*As at 1-4-2017 ₹ crore*	*₹ crore*
ASSETS:							
Non-current assets							
Property, plant and equipment	**2**		10889.56		*10642.04*		*11232.97*
Capital work-in-progress	**2**		2483.56		*2143.07*		*1944.71*
Investment Property	**3**		4254.56		*4345.86*		*3613.26*
Goodwill	**4**		1826.91		*1561.78*		*1398.66*
Other intangible assets	**5**		4222.91		*2030.51*		*432.22*
Intangible assets under development	**5**		11435.93		*11300.36*		*11353.23*
Financial assets							
Investments in joint ventures and associates	**55(e)**	2642.29		*2481.59*		*2766.90*	
Other investments	**6**	4531.81		*3365.47*		*2685.91*	
Loans	**7**	1862.32		*1793.85*		*1487.38*	
Loans towards financing activities	**8**	57788.88		*54459.45*		*48234.72*	
Other financial assets	**9**	1144.05		*614.32*		*857.60*	
			67969.35		*62714.68*		*56032.51*
Deferred tax assets (net)	**50(d)**		3418.93		*2754.92*		*2359.10*
Other non-current assets	**10**		5648.62		*4753.78*		*3697.51*
Current assets							
Inventories	**11**		6413.93		*4847.80*		*4139.74*
Financial assets							
Investments	**12**	13946.17		*9464.25*		*14300.22*	
Trade receivables	**13**	37038.17		*33116.98*		*27787.85*	
Cash and cash equivalents	**14**	6509.49		*6834.34*		*3526.87*	
Other bank balances	**15**	5216.75		*1198.39*		*1779.09*	
Loans	**16**	626.69		*559.72*		*486.45*	
Loans towards financing activities	**17**	42530.82		*32005.11*		*22026.52*	
Other financial assets	**18**	2006.28		*4194.41*		*3286.34*	
			107874.37		*87373.20*		*73193.34*
Other current assets	**19**		52688.03		*47897.02*		*39957.92*
Group(s) of assets classified as held for sale	**52**		7.41		*1512.43*		*1649.37*
TOTAL ASSETS			279134.07		*243877.45*		*211004.54*

Consolidated Balance Sheet as at March 31, 2019 (contd.)

	Note	As at 31-3-2019 ₹ crore	₹ crore	As at 31-3-2018 ₹ crore	₹ crore	As at 1-4-2017 ₹ crore	₹ crore
EQUITY AND LIABILITIES:							
Equity							
Equity share capital	**20**	280.55		*280.27*		*186.59*	
Other equity	**21**	62094.25		*54623.23*		*49276.44*	
Equity attributable to owners of the Company			62374.80		*54903.50*		*49463.03*
Non-controlling interests			6826.11		*5201.43*		*3140.03*
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	**22**	74120.79		*72914.76*		*67340.58*	
Other financial liabilities	**23**	354.83		*353.95*		*226.09*	
			74475.62		*73268.71*		*67566.67*
Provisions	**24**		556.84		*523.54*		*526.60*
Deferred tax liabilities (net)	**50(d)**		311.13		*637.92*		*610.95*
Other non-current liabilities	**25**		0.55		*67.97*		*172.14*
Current liabilities							
Financial liabilities							
Borrowings	**26**	29223.84		*19331.85*		*16534.47*	
Current maturities of long term borrowings	**27**	22210.54		*15277.47*		*10078.90*	
Trade payables:							
Due to micro enterprises and small enterprises		261.12		*176.16*		*130.26*	
Due to others	**28**	42733.69		*37621.22*		*30164.60*	
Other financial liabilities	**29**	4815.08		*5032.18*		*4828.64*	
			99244.27		*77438.88*		*61736.87*
Other current liabilities	**30**		31166.55		*27095.64*		*23392.13*
Provisions	**31**		3037.84		*2525.05*		*2667.81*
Current tax liabilities (net)			1137.16		*752.84*		*232.71*
Liabilities associated with group(s) of assets classified as held for sale	**52**		3.20		*1461.97*		*1495.60*
TOTAL EQUITY AND LIABILITIES			279134.07		*243877.45*		*211004.54*
CONTINGENT LIABILITIES	**32**						
COMMITMENTS (capital and others)	**33**						
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 69**						

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

N. KUMAR
(DIN 00007848)

Directors

Mumbai, May 10, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

	Note	2018-19 ₹ crore	2018-19 ₹ crore	*2017-18 ₹ crore*	*2017-18 ₹ crore*
INCOME:					
Revenue from operations	**34**		141007.09		*119862.10*
Other income	**35**		1851.53		*1341.93*
Total income			142858.62		*121204.03*
EXPENSES:					
Manufacturing, construction and operating expenses:	**36**				
Cost of raw materials, components consumed		17002.51		*15245.37*	
Excise duty		-		*178.94*	
Construction materials consumed		31059.78		*24056.23*	
Purchase of stock-in-trade		1800.15		*1574.64*	
Stores, spares and tools consumed		2858.57		*2378.50*	
Sub-contracting charges		26346.70		*24639.02*	
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(867.67)		*(1315.23)*	
Other manufacturing, construction and operating expenses		13695.42		*10540.63*	
Finance cost of financial services business and finance lease activity		7385.63		*6019.74*	
			99281.09		*83317.84*
Employee benefits expense	**37**		18100.58		*15270.79*
Sales, administration and other expenses	**38**		7302.27		*7637.18*
Finance costs	**39**		1806.04		*1538.52*
Depreciation, amortisation, impairment and obsolescence			2084.00		*1928.73*
			128573.98		*109693.06*
Less: Overheads Capitalised			1.53		*5.19*
Total expenses			128572.45		*109687.87*
Profit before exceptional items and tax			14286.17		*11516.16*
Exceptional items (net)	**42**		294.75		*123.00*
Profit before tax			14580.92		*11639.16*
Tax expense:					
Current tax	**50(a)**	4693.33		*3732.27*	
Deferred tax (net)	**50(a)**	(349.99)		*(533.40)*	
			4343.34		*3198.87*
Profit after tax			10237.58		*8440.29*
Share in profit/(loss) of joint ventures/associates (net)	**55(f)**		(21.00)		*(435.86)*
Profit for the year			10216.58		*8004.43*
Other comprehensive income					
A. Items that will not be reclassified to profit or loss:					
Equity instruments through other comprehensive income		24.22		–	
Income tax on equity instruments through other comprehensive income		–		–	
			24.22		–
Gain/(loss) on remeasurements of the net defined benefit plans		(30.17)		*34.84*	
Income tax (expenses)/income on re-measurements of the net defined benefit plans		10.98		*(5.47)*	
			(19.19)		*29.37*
B. Items that will be reclassified to profit or loss:					
Debt instruments through other comprehensive income		(63.01)		*(45.48)*	
Income tax (expenses)/income on debt instruments through other comprehensive income		7.61		*(2.05)*	
			(55.40)		*(47.53)*
Foreign currency translation reserve		(17.23)		*97.61*	
Income tax (expenses)/income on foreign currency translation reserve		(3.25)		*0.49*	
			(20.48)		*98.10*
Carried forward - Other comprehensive income			(70.85)		*79.94*

Consolidated Statement of Profit and Loss for the year ended March 31, 2019 (contd.)

	Note	2018-19 ₹ crore	2018-19 ₹ crore	*2017-18 ₹ crore*	*2017-18 ₹ crore*
Brought forward - Other comprehensive income			(70.85)		*79.94*
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(283.06)		*91.06*	
Income tax (expenses)/income on effective portion of gains and losses on hedging instruments in a cash flow hedge		106.69		*(8.38)*	
			(176.37)		*82.68*
Cost of hedging reserve		26.65		*1.16*	
Income tax (expenses)/income on cost of hedging reserve		(9.31)		*(0.52)*	
			17.34		*0.64*
Other Comprehensive Income for the year [net of tax]			(229.88)		*163.26*
Total comprehensive income for the year			9986.70		*8167.69*
Profit for the year attributable to :					
- Owners of the Company			8905.13		*7369.86*
- Non-controlling interests			1311.45		*634.57*
			10216.58		*8004.43*
Other comprehensive income for the year attributable to:					
- Owners of the Company			(273.99)		*162.33*
- Non-controlling interests			44.11		*0.93*
			(229.88)		*163.26*
Total comprehensive income for the year attributable to:					
- Owners of the Company			8631.14		*7532.19*
- Non-controlling interests			1355.56		*635.50*
			9986.70		*8167.69*
Basic earnings per equity share (₹)	**49**		63.51		*52.62*
Diluted earnings per equity share (₹)	**49**		63.40		*52.49*
Face value per equity share (₹)			2.00		*2.00*
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 69**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
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by the hand of

SANJIV V. PILGAONKAR
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(DIN 00035672)

SUNITA SHARMA
(DIN 02949529)

N. HARIHARAN
Company Secretary
M. No. A3471

VIKRAM SINGH MEHTA
(DIN 00041197)

SANJEEV AGA
(DIN 00022065)

N. KUMAR
(DIN 00007848)

Directors

Mumbai, May 10, 2019

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

Particulars	2018-19		*2017-18*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*
Add: Shares issued on exercise of employee stock options during the year	13,59,929	0.28	*16,38,898*	*0.33*
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	1,40,27,29,385	280.55	*1,40,13,69,456*	*280.27*

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	Non–controlling interests	Total
			Capital reserve	Capital Redemption Reserve	Securities premium	Employee share options (net)	Statutory Reserves	Retained Earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other Comprehensive Income			
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
Change in accounting policy [Refer Note 65]	–	–	–	–	–	–	–	(753.49)	–	–	–	(753.49)	(423.57)	(1177.06)
Restated balance as at 1-4-2017	–	153.20	280.28	–	8318.85	303.25	2742.30	36581.83	478.24	347.52	70.97	49276.44	3140.03	52416.47
Profit for the year (a)	–	–	–	–	–	–	–	7369.86	–	–	–	7369.86	634.57	8004.43
Other comprehensive income (b)	–	–	–	–	–	–	–	23.56	94.43	90.53	(46.19)	162.33	0.93	163.26
Total comprehensive income for the year (a+b)	–	–	–	–	–	–	–	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	–	–	2.16	–	–	–	–	–	–	–	–	2.16	–	2.16
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 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 interests	–	–	–	–	–	–	–	113.83	–	–	–	113.83	(113.83)	–
Increase in non-controlling interests due to dilution/ divestment/acquisition	–	–	–	–	–	–	–	21.38	–	–	–	21.38	1685.36	1706.74
Balance as at 31-3-2018	3.56	153.20	282.44	42.00	8363.02	313.56	3352.91	41077.32	572.67	437.77	24.78	54623.23	5201.43	59824.66

Consolidated Statement of Changes in Equity for the year ended March 31, 2019 (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 interests	Total
			Capital reserve	Capital Redemption Reserve	Securities premium	Employee share options (net)	Statutory Reserves	Retained Earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other Comprehensive Income			
Balance as at 31-3-2018	3.56	153.20	282.44	42.00	8363.02	313.56	3352.91	41077.32	572.67	437.77	24.78	54623.23	5201.43	59824.66
Change in accounting policy [Refer Note 1(i) and 44(h)]	–	–	–	–	–	–	–	(1237.65)	–	–	–	(1237.65)	(2.73)	(1240.38)
Restated balance as at 1-4-2018	3.56	153.20	282.44	42.00	8363.02	313.56	3352.91	39839.67	572.67	437.77	24.78	53385.58	5198.70	58584.28
Profit for the year (c)	–	–	–	–	–	–	–	8905.13	–	–	–	8905.13	1311.45	10216.58
Other comprehensive income (d)	–	–	–	–	–	–	–	5.50	(31.94)	(192.40)	(55.15)	(273.99)	44.11	(229.88)
Total comprehensive income for the year (c+d)	–	–	–	–	–	–	–	8910.63	(31.94)	(192.40)	(55.15)	8631.14	1355.56	9986.70
Issue of equity shares	(3.56)	–	–	–	108.97	–	–	–	–	–	–	105.41	6.50	111.91
Transfer to non- financial assets/liabilities	–	–	–	–	–	–	–	–	–	(0.37)	–	(0.37)	–	(0.37)
Transfer from/(to) retained earnings during the year	–	–	–	–	–	(12.19)	498.77	(486.58)	–	–	–	–	–	–
Employee share options (net)	–	–	–	–	–	35.68	–	–	–	–	–	35.68	117.43	153.11
Dividend paid for the previous year	–	–	–	–	–	–	–	(2243.18)	–	–	–	(2243.18)	(199.53)	(2442.71)
Additional tax on dividend paid for the previous year	–	–	–	–	–	–	–	(427.02)	–	–	–	(427.02)	(50.01)	(477.03)
Net gain/loss on transactions with non-controlling interests	–	–	–	–	–	–	–	2634.66	–	–	–	2634.66	(2634.66)	–
Increase in non-controlling interests due to dilution/ divestment/acquisition	–	–	–	–	–	–	–	(27.65)	–	–	–	(27.65)	3032.12	3004.47
Balance as at 31-3-2019	–	153.20	282.44	42.00	8471.99	337.05	3851.68	48200.53	540.73	245.00	(30.37)	62094.25	6826.11	68920.36

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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)

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N. KUMAR
(DIN 00007848)

Directors

Mumbai, May 10, 2019

Consolidated Statement of Cash Flows for the year ended March 31, 2019

	2018-19	*2017-18*
	₹ crore	*₹ crore*
A. Cash flow from operating activities:		
Profit before tax (excluding non-controlling interests and exceptional items)	14286.17	*11516.16*
Adjustments for :		
Dividend income	(236.91)	*(2748.08)*
Depreciation, amortisation, impairment and obsolescence	2084.00	*1928.73*
Exchange difference on items grouped under financing/investing activities	(101.14)	*(31.03)*
Effect of exchange rate changes on cash and cash equivalents	49.59	*(53.53)*
Expenses on buyback of shares	17.38	*–*
Finance costs	1806.04	*1538.52*
Interest income	(900.58)	*(665.67)*
(Profit)/loss on sale of property, plant and equipment and investment property (net)	(591.37)	*(686.23)*
(Profit)/loss on sale/fair valuation of investments (net)	(65.33)	*2217.72*
(Profit)/loss on sale of a subsidiary classified under developmental projects segment	(415.61)	*–*
(Gain)/loss on derivatives at fair value through profit or loss	21.81	*125.74*
Employee stock option-discount forming part of employee benefits expense	157.97	*111.39*
Gain on settlement of debt	–	*(5.58)*
Operating profit before working capital changes	16112.02	*13248.14*
Adjustments for :		
(Increase)/decrease in trade and other receivables	(9395.14)	*(14501.11)*
(Increase)/decrease in inventories	330.68	*(642.38)*
Increase/(decrease) in trade and other payables	6672.34	*11727.02*
Cash generated from operations before financing activities	13719.90	*9831.67*
(Increase)/decrease in loans and advances towards financing activities	(13855.16)	*(16459.25)*
Cash generated from operations	(135.26)	*(6627.58)*
Direct taxes refund/(paid) [net]	(4581.59)	*(3403.44)*
Net cash (used in)/from operating activities	(4716.85)	*(10031.02)*
B. Cash flow from investing activities:		
Expenditure on acquisition of fixed assets	(4282.61)	*(2877.17)*
Sale of fixed assets (including advance received)	807.98	*862.13*
Purchase of non-current investments	(1862.54)	*(1164.82)*
Sale of non-current investments	653.36	*428.59*
(Purchase)/sale of current investments (net)	(3032.80)	*2551.37*
Change in cash and other bank balances not available for immediate use	(3988.12)	*484.65*
Deposits/loans given to associates, joint ventures and third parties	(93.62)	*(621.93)*
Deposits/loans repaid by associates, joint ventures and third parties	43.62	*229.89*
Interest received	730.61	*529.30*
Dividend received from joint ventures/associate	19.44	*0.66*
Dividend received from other investments	236.91	*2748.08*
Settlement of derivative contracts related to current investments	(21.81)	*(125.74)*
Consideration received on disposal of subsidiaries (including advance received)	67.00	*1048.29*
Consideration paid on acquisition of subsidiaries	(309.86)	*(213.77)*
Cash & cash equivalents acquired pursuant to acquisition of subsidiaries	33.05	*50.47*
Cash & cash equivalents discharged pursuant to disposal of subsidiaries	–	*(15.50)*
Net cash (used in)/from investing activities	(10999.39)	*3914.50*

Consolidated Statement of Cash Flows for the year ended March 31, 2019 (contd.)

	2018-19	*2017-18*
	₹ crore	*₹ crore*
C. Cash flow from financing activities:		
Proceeds from issue of share capital (including share application money)[net]	11.31	*49.50*
Proceeds from non-current borrowings [Note 62]	24181.62	*46903.46*
Repayments of non-current borrowings [Note 62]	(14081.42)	*(36964.48)*
Proceeds from other borrowings (net) [Note 62]	7765.14	*2680.02*
Payment (to)/from non-controlling interests (net)- including sale proceeds on divestment of part stake in subsidiary companies	2884.85	*1413.12*
Settlement of derivative contracts related to borrowings	308.95	*149.31*
Dividend paid	(2243.18)	*(1960.76)*
Additional tax on dividend	(403.93)	*(429.01)*
Interest paid (including cash flows on account of interest rate swaps)	(2982.36)	*(2470.70)*
Net cash (used in)/from financing activities	15440.98	*9370.46*
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(275.26)	*3253.94*
Cash and cash equivalents at beginning of the year	6798.69	*3544.75*
Cash and cash equivalents at the end of the year	6523.43	*6798.69*

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:

	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
(a) Cash and cash equivalents disclosed under current assets [Note 14]	6509.49	*6834.34*
(b) Other bank balances disclosed under current assets [Note 15]	5216.75	*1198.39*
(c) Cash and bank balances disclosed under non-current assets [Note 9]	290.07	*320.31*
Total Cash and cash equivalents as per Balance Sheet	12016.31	*8353.04*
Add: (i) Unrealised exchange (gain)/loss on cash and cash equivalents	13.94	*(35.65)*
Less: (ii) Other bank balances disclosed under current assets [Note 15]	5216.75	*1198.39*
Less: (iii) Cash and bank balances disclosed under non-current assets [Note 9]	290.07	*320.31*
Total Cash and cash equivalents as per Statement of Cash Flows	6523.43	*6798.69*

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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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N. KUMAR
(DIN 00007848)

Directors

Mumbai, May 10, 2019

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 the 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 10, 2019.

(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:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date

(ii) 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

(iii) 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 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 interests represent that part of the total comprehensive income and net assets of subsidiaries attributable to interest which is 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 ventures 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 ventures. 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 ventures 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 joint venture or associate 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 and associate, 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 and associates 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 a joint venture or associate exceeds the Group's interest in that joint venture or associate (which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture or associate), 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 joint venture or associate.

(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.

Notes forming part of the Consolidated Financial Statements (contd.)

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

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Group has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained Earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

a. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

b. Determining the estimated losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

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. Revenue from sale of goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Revenue from sale of manufactured and traded goods is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the company does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the company has either explicit or implicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognised over time.

B. Revenue from construction/project related activity is recognised as follows:

- Cost plus contracts: Revenue from cost plus contracts is recognised over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
- Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the 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.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognised in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Group recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

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 contract asset and termed 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 contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset 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.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

D. Revenue from property development activities :

(i) Effective April 1, 2018, Revenue from property development activities is recognised when performance obligation is satisfied, customer obtains control of the property transferred and a reasonable expectation of collection of the sale consideration from the customer exists. The costs incurred on property development activities are carried as "Inventories" till such time the aforesaid conditions are fulfilled.

(ii) For the periods ended on or before March 31, 2018, the revenue from the 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

E. In the case of the developmental project business and the realty business, revenue includes profit on sale of investment property or sale of stake in the subsidiary and/or joint venture companies as the sale/divestments are inherent in the business model.

F. Rendering of services

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the company's performance and the Company has an enforceable right to payment for services transferred.

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 over a period of time when relevant services are rendered and related costs are incurred. Revenue from fixed price contracts is recognised over a period of time using the proportionate completion method.

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 interest-bearing loans is recognised on accrual basis over the life of the loans based on the effective yield. 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.

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.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

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 (upto the date of sale) 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 represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and the right to receive the income is established as per the terms of the contract.

(j) 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. Government grants, which are revenue in nature and are towards compensation for the qualifying costs, incurred by the Group, are recognised as other 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 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.

D. 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.

(k) 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.

(l) 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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

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.

(m) 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.

(n) 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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

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 four 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 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.

(o) 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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

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.

(p) 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.

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.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

(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.

(q) 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.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets taken 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)

(r) 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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

- 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 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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

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.

(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 premium 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 premium 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 premium 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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

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.

(s) 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.

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.

(t) 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 bank balances.

(u) Securities premium

(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.

(v) Borrowing Costs

Borrowing costs include finance costs 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 finance costs. In cases where hedging instruments are acquired for protection against exchange rate risk related to borrowings and are accounted as hedging a time-period related hedge item, the borrowing costs also include the amortisation

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

of premium element of the forward contract and foreign currency basis spread as applicable, over the period of the hedging instrument.

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.

(w) 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. The share based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

(x) 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 finance costs on those foreign currency borrowings;

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) Exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, expense or income.

(iv) 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 interests is reflected as part of non-controlling interests.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] *(contd.)*

(y) 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 finance costs 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 finance costs 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 finance costs 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.

(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(w) 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.

(z) 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 applicable tax laws, 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.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] ***(contd.)***

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.

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 realized. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax and dividend distribution tax paid or payable by the subsidiary companies are recognized, to the extent it is probable of such unutilised tax credits will get realized, in the period in which such determination is made.

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.

(aa) 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.

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.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1] *(contd.)*

(ab) 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.

(ac) 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.

(ad) 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.

(ae) 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 1-4-2018	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2019	*Up to 31-3-2018*	Pursuant to acquisition of subsidiaries	For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2019	*Up to 31-3-2018*	Up to 31-3-2019	As at 31-3-2019	*As at 31-03-2018*
Land																
Freehold	*573.31*	–	352.93	0.26	7.07	919.43	–	–	–	–	–	–	–	–	919.43	*573.31*
Taken on lease	*451.79*	–	0.05	0.58	0.24	452.18	*9.63*	–	17.98	0.15	0.07	27.69	–	–	424.49	*442.16*
Sub total - Land	*1025.10*	–	352.98	0.84	7.31	1371.61	*9.63*	–	17.98	0.15	0.07	27.69	–	–	1343.92	*1015.47*
Buildings	*3664.27*	0.82	168.69	20.44	15.17	3839.05	*488.95*	0.50	147.46	7.36	9.51	634.76	*189.31*	195.54	3008.75	*2986.01*
Plant & equipment																
Owned	*7219.77*	0.01	780.33	51.44	200.24	7851.31	*2729.71*	0.01	925.04	25.80	118.90	3561.66	*28.36*	28.95	4260.70	*4461.70*
Leased out	*167.38*	–	41.32	–	24.33	184.37	*14.76*	–	15.67	–	15.43	15.00	–	–	169.37	*152.62*
Sub total - Plant & equipment	*7387.15*	0.01	821.65	51.44	224.57	8035.68	*2744.47*	0.01	940.71	25.80	134.33	3576.66	*28.36*	28.95	4430.07	*4614.32*
Computers																
Owned	*636.35*	2.05	239.94	0.79	30.60	848.53	*364.12*	1.14	146.08	0.02	27.67	483.69	–	–	364.84	*272.23*
Leased out	*1.12*	–	–	–	0.84	0.28	*1.10*	–	0.10	0.72	1.66	0.26	–	–	0.02	*0.02*
Sub total - Computers	*637.47*	2.05	239.94	0.79	31.44	848.81	*365.22*	1.14	146.18	0.74	29.33	483.95	–	–	364.86	*272.25*
Office equipment																
Owned	*321.35*	0.45	60.45	2.04	9.17	375.12	*180.47*	0.09	65.11	1.48	8.43	238.72	*0.01*	0.01	136.39	*140.87*
Leased out	*1.02*	–	–	–	1.00	0.02	*0.87*	–	0.05	–	0.92	–	–	–	0.02	*0.15*
Sub total - Office equipment	*322.37*	0.45	60.45	2.04	10.17	375.14	*181.34*	0.09	65.16	1.48	9.35	238.72	*0.01*	0.01	136.41	*141.02*
Furniture and fixtures																
Owned	*381.62*	0.07	30.97	3.88	10.78	405.76	*164.06*	0.02	61.12	2.77	6.65	221.32	*0.24*	0.24	184.20	*217.32*
Leased out	*11.81*	–	–	–	3.92	7.89	*5.57*	–	1.51	–	1.30	5.78	–	–	2.11	*6.24*
Sub total - Furniture & fixtures	*393.43*	0.07	30.97	3.88	14.70	413.65	*169.63*	0.02	62.63	2.77	7.95	227.10	*0.24*	0.24	186.31	*223.56*
Vehicles																
Owned	*383.11*	–	77.75	6.86	43.87	423.85	*175.03*	–	57.35	4.82	28.05	209.15	–	–	214.70	*208.08*
Leased out	*30.68*	–	–	–	17.03	13.65	*13.40*	–	3.13	–	9.98	6.55	–	–	7.10	*17.28*
Sub total - Vehicles	*413.79*	–	77.75	6.86	60.90	437.50	*188.43*	–	60.48	4.82	38.03	215.70	–	–	221.80	*225.36*
Other assets																
Aircraft	*244.45*	–	–	–	–	244.45	*16.38*	–	13.67	–	–	30.05	–	–	214.40	*228.07*
Ships	*36.73*	–	92.79	–	–	129.52	*14.21*	–	5.75	–	–	19.96	–	–	109.56	*22.52*
Dredged channel and Breakwater structures	*1011.08*	–	2.37	–	–	1013.45	*167.56*	–	48.81	–	5.84	210.53	–	–	802.92	*843.52*
Leasehold Improvements	*114.50*	–	15.42	(0.03)	0.50	129.39	*44.56*	–	14.56	(0.02)	0.27	58.83	–	–	70.56	*69.94*
Sub total - Other assets	*1406.76*	–	110.58	(0.03)	0.50	1516.81	*242.71*	–	82.79	(0.02)	6.11	319.37	–	–	1197.44	*1164.05*
Total	*15250.34*	3.40	1863.01	86.26	364.76	16838.25	*4390.38*	1.76	1523.39	43.10	234.68	5723.95	*217.92*	224.74	10889.56	*10642.04*
Previous year	*14288.11*	161.76	1270.57	19.17	489.27	15250.34	*2952.14*	139.58	1502.55	4.56	208.45	4390.38		217.92		
Add: Capital work-in-progress															2483.56	*2143.07*
															13373.12	*12785.11*

Notes:

(a) Carrying value of property, plant and equipment pledged as collateral for liabilities and/or commitments as at March 31, 2019 ₹ 2073.80 crore *(previous year: ₹ 2073.45 crore).*

(b) Carrying value of property, plant and equipment having restriction on title as at March 31, 2019 ₹ 2047.41 crore *(previous year: ₹ 2042.16 crore).*

(c) Depreciation for the year includes ₹ 8.06 crore *(previous year: ₹ 4.85 crore)* on account of obsolescence.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [2] *(contd.)*

(d) Increase in impairment as on March 31, 2019 is on account of foreign currency fluctuation ₹ 6.82 crore. Further impairment on CWIP during the year is ₹ 175.55 crore. Impairment during the previous year was ₹ 115.41 crore and reversal of impairment during the previous year was ₹ 0.49 crore.

(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, 2018 of individual assets has been reclassified, wherever necessary.

(g) 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	99
2	Buildings	5	61
3	Plant and equipment	3	35
4	Computers	3	7
5	Office equipment	3	30
6	Furniture and fixtures	3	12
7	Owned vehicles	3	15
8	Aircraft	18	18
9	Ships	14	15
10	Dredged channel and Breakwater structures	50	50

NOTE [3]

Investment Property

₹ crore

Class of assets	Cost						Depreciation						Impairment		Book value	
	As at 1-4-2018	Additions	Foreign currency fluctuation	Transfer (to)/from inventories and owners occupied property	Deductions	As at 31-03-2019	*Up to 31-03-2018*	For the period	Foreign currency fluctuation	Transfer (to)/from inventories and owners occupied property	Deductions	Up to 31-3-2019	Up to 31-3-2018	Up to 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
Land	*581.80*	31.21	0.62	(51.84)	8.01	553.78	*5.33*	8.14	–	(0.79)	–	12.68	2.48	4.71	536.39	*573.99*
Buildings	*1396.85*	188.58	-	(106.18)	104.63	1374.62	*29.62*	26.64	–	(4.38)	13.25	38.63	–	–	1335.99	*1367.23*
Total	*1978.65*	219.79	0.62	(158.02)	112.64	1928.40	*34.95*	34.78	–	(5.17)	13.25	51.31	2.48	4.71	1872.38	*1941.22*
Previous year	*188.81*	*1777.90*	*0.05*	*24.37*	*12.48*	*1978.65*	*8.87*	*30.43*	–	*0.98*	*5.33*	*34.95*		*2.48*		
Add: Capital work-in-progress															2382.18	*2404.64*
															4254.56	*4345.86*

Notes:

(a) Carrying value of Investment property pledged as collateral for liabilities and/or commitments and having restriction on title as at March 31, 2019 ₹ 0.16 crore *(previous year: ₹ 0.16 crore)*

(b) Useful life of building included in investment property: 20 to 60 years

(c) Amount recognised in the Statement of Profit and Loss for investment property:

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
1	Rental income derived from investment property	148.71	*73.31*
2	Direct operating expenses arising from investment property that generated rental income	7.37	*3.03*

(d) Fair value of investment property: ₹ 6456.76 crore as at March 31, 2019 (₹ 6448.68 crore as at March 31, 2018).

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 valuers on a case to case basis. Fair value of property that are evaluated by independent valuers amounted to ₹ 2693.38 crore. *(previous year: ₹ 2510.89 crore)*. Valuation is based on government rates, market research, marked trend and comparable values as considered appropriate.

(f) Impairment during the year ₹ 2.23 crore includes ₹ 0.15 crore on account of foreign currency fluctuation on land and ₹ 99.33 crore on CWIP *(previous year: ₹ 2.48 crore on land and ₹ 133.49 crore on CWIP)*

NOTE [4]
Goodwill

₹ crore

Class of assets	Cost					Amortisation						Impairment	Book value	
	As at 1-4-2018	Additions*	Foreign currency fluctuation	Deductions	As at 31-3-2019	*Up to 31-3-2018*	Pursuant to acquisition of subsidiaries	For the period	Foreign currency fluctuation	Deductions	Up to 31-3-2019	As at 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
Goodwill on consolidation	*1609.88*	259.67	5.46	–	1875.01	–	–	–	–	–	–	48.10 #	1826.91	*1561.78*
Previous year	*1446.76*	*245.24*	*42.67*	*124.79*	*1609.88*	–	–	–	–	–	–	*48.10*	*1561.78*	

Impairment upto 31-03-2019 ₹ 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 1-4-2018	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2019	*Up to 31-3-2018*	Pursuant to acquisition of subsidiaries	For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2019	As at 31-3-2019	*As at 31-3-2018*
Specialised Software	*1072.92*	0.06	126.65	6.54	1.14	1205.03	*862.10*	0.01	112.86	4.25	1.05	978.17	226.86	*210.82*
Technical knowhow	*120.02*	–	7.48	–	6.70	120.80	*49.22*	–	14.80	–	6.70	57.32	63.48	*70.80*
Trade Names	*6.25*	3.86	–	–	–	10.11	*6.24*	–	3.86	–	–	10.10	0.01	*0.01*
New Product Design and Development	*223.39*	–	77.07	(0.32)	7.60	292.54	*108.52*	–	42.55	(0.07)	7.28	143.72	148.82	*114.87*
Customer contracts and relationship	*207.85*	53.81	0.32	6.71	–	268.69	*112.11*	–	45.47	3.13	–	160.71	107.98	*95.74*
Fare Collection Rights	*1548.23*	–	2175.17	–	–	3723.40	*9.96*	–	37.68	–	–	47.64	3675.76	*1538.27*
Total	*3178.66*	57.73	2386.69	12.93	15.44	5620.57	*1148.15*	0.01	257.22	7.31	15.03	1397.66	4222.91	*2030.51*
Previous year	*1349.39*	78.04	1732.76	25.36	6.89	3178.66	*917.17*	0.03	220.86	16.07	5.98	1148.15		
Add: Intangible assets under development													11435.93	*11300.36*
													15658.84	*13330.87*

Addition to other intangible assets include internally developed intangible assets: ₹ 88.02 crore *(previous year: ₹ 74.43 crore)*

Notes:

(a) Borrowing cost capitalised in accordance with Ind AS 23 "Borrowing Costs" is as follows:

₹ crore

Class of Assets	2018-19	*2017-18*
Investment property	13.89	*51.98*
Capital work-in-progress (PPE)	134.34	*102.45*
Intangible assets under development	942.07	*914.93*
	1090.30	*1069.36*

(b) The average capitalization rate for borrowing cost is 9.70%. *(previous year: 10.06%)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [6]

Non-current Assets : Financial Assets - Other Investments

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Equity instruments	574.21	*667.19*
Preference shares	312.30	*285.72*
Government and trust securities	1832.55	–
Debentures and bonds	813.20	*1248.10*
Mutual funds	19.69	*18.94*
Security receipt	791.07	*1016.88*
Units of fund	188.79	*128.64*
	4531.81	*3365.47*

NOTE [7]

Non-current Assets : Financial Assets - Loans

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Security deposits				
Considered good - unsecured	244.12		*234.55*	
Less: Allowance for expected credit loss	28.30		*26.16*	
		215.82		*208.39*
Loans and advances to related parties				
Considered good - unsecured		1645.35		*1584.23*
Others loans				
Considered good - secured		0.08		*0.23*
Considered good - unsecured	114.87		*1.00*	
Less: Allowance for expected credit loss	113.80		–	
		1.07		*1.00*
Credit impaired	0.36		*0.34*	
Less: Allowance for expected credit loss	0.36		*0.34*	
		–		–
		1862.32		*1793.85*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [8]

Non-current Assets : Financial Assets - Loans towards financing activities

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Considered good - secured	38843.70		*36137.14*	
Less: Allowance for expected credit loss	155.71		*127.37*	
		38687.99		*36009.77*
Considered good - unsecured	14988.60		*13606.72*	
Less: Allowance for expected credit loss	139.05		*38.33*	
		14849.55		*13568.39*
Having significant increase in credit risk	2029.89		*2336.04*	
Less: Allowance for expected credit loss	178.47		*168.78*	
		1851.42		*2167.26*
Credit impaired	6270.60		*7613.56*	
Less: Allowance for expected credit loss	3870.68		*4899.53*	
		2399.92		*2714.03*
		57788.88		*54459.45*

NOTE [9]

Non-current Assets : Financial Assets- Others

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Cash and bank balances not available for immediate use	290.07	*320.31*
Fixed deposits with banks (maturity more than 12 months)	201.04	–
Forward contract receivables	432.32	*238.38*
Embedded derivative receivables	6.15	*5.06*
Other receivables	214.47	*50.57*
	1144.05	*614.32*

NOTE [10]

Other non-current Assets

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital advances:				
Secured	5.38		*21.48*	
Unsecured	165.72		*53.83*	
		171.10		*75.31*
Advance recoverable other than in cash		1986.60		*1903.98*
Current Tax receivable (net)		3490.92		*2774.49*
		5648.62		*4753.78*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [11]

Current Assets: Inventories

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Raw materials [include goods-in-transit ₹ 53.34 crore *(previous year: ₹ 18.52 crore)*]	722.75	*529.15*
Components [include goods-in-transit ₹ 31.55 crore *(previous year: ₹ 23.34 crore)*]	529.55	*474.91*
Construction materials [include goods-in-transit ₹ 114.55 crore *(previous year: ₹ 67.32 crore)*]	221.57	*151.41*
Manufacturing work-in-progress	651.70	*630.27*
Finished goods	301.74	*245.25*
Stock-in-trade (in respect of goods acquired for trading) [include goods-in-transit ₹ 38.79 crore *(previous year: ₹ 26.31 crore)*]	386.27	*285.67*
Stores and spares [including goods-in-transit ₹ 2.25 crore *(previous year: ₹ 3.77 crore)*]	295.49	*209.55*
Loose tools [include goods-in-transit ₹ 0.05 crore *(previous year: ₹ Nil)]*	14.66	*14.12*
Property development projects (including land)	3290.20	*2307.47*
	6413.93	*4847.80*

Note: During the year ₹ 468.74 crore *(previous year: ₹ 161.42 crore)* was recognised as expense towards write-down of inventories.

NOTE [12]

Current Assets: Financial Assets - Investments

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Equity instruments	8.28	*176.80*
Government and trust securities	962.66	*1206.48*
Debentures and bonds	4192.93	*3712.59*
Mutual funds	8781.62	*4366.71*
Preference shares	0.68	*1.67*
	13946.17	*9464.25*

NOTE [13]

Current Assets: Financial Assets - Trade receivables

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Considered good-secured		68.99		*54.97*
Considered good-unsecured	38768.94		*34933.21*	
Less: Allowance for expected credit loss	1989.56		*2065.03*	
		36779.38		*32868.18*
Credit Impaired	1201.07		*1028.90*	
Less: Allowance for expected credit loss	1011.27		*835.07*	
		189.80		*193.83*
		37038.17		*33116.98*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [14]

Current Assets : Financial Assets - Cash and cash equivalents

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Balance with banks	4261.34	*3710.42*
Cheques and drafts on hand	624.49	*838.52*
Cash on hand	37.44	*64.02*
Fixed deposits with banks (maturity less than 3 months)	1586.22	*2221.38*
	6509.49	*6834.34*

NOTE [15]

Current Assets : Financial Assets - other bank balances

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Fixed deposits with banks	845.70	*900.03*
Earmarked balances with banks-unclaimed dividend	85.34	*64.09*
Earmarked balances with banks-Section 4(2)(l)(D) of RERA*	0.41	*7.92*
Earmarked balances with banks-others	1.10	–
Margin money deposits with banks	149.08	*31.46*
Cash and bank balances not available for immediate use	4135.12	*194.89*
	5216.75	*1198.39*

* Real Estate (Regulation and Development) Act, 2016

NOTE [16]

Current Assets: Financial Assets - Loans

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Security deposits				
Considered good - unsecured	508.60		*479.23*	
Less: Allowance for expected credit loss	0.46		*0.46*	
		508.14		*478.77*
Credit impaired	5.07		*5.89*	
Less: Allowance for expected credit loss	5.07		*5.89*	
		–		–
Loans and advances to related parties				
Considered good - unsecured		66.46		*18.20*
Others loans				
Considered good - secured		0.15		*0.33*
Considered good - unsecured		51.94		*62.42*
		626.69		*559.72*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [17]

Current Assets: Financial Assets - Loans towards financing activities

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Considered good - secured	34028.69		*24227.43*	
Less: Allowance for expected credit loss	52.19		*42.73*	
Less: Net fair value changes	130.77		*49.90*	
		33845.73		*24134.80*
Considered good - unsecured	8108.95		*7228.94*	
Less: Allowance for expected credit loss	146.77		*70.08*	
		7962.18		*7158.86*
Having significant increase in credit risk	801.03		*757.45*	
Less: Allowance for expected credit loss	78.12		*46.00*	
		722.91		*711.45*
		42530.82		*32005.11*

NOTE [18]

Current assets: Financial Assets - Others

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Advances to related parties:				
Associate companies	11.56		*6.27*	
Joint venture companies	61.11		*64.69*	
		72.67		*70.96*
Advances recoverable in cash		974.20		*3428.27*
Forward contract receivables		919.66		*643.92*
Embedded derivative receivables		39.75		*51.26*
Doubtful advances:				
Deferred credit sale of ships	27.11		*27.11*	
Other loan and advances	617.30		*175.79*	
	644.41		*202.90*	
Less: Allowance for expected credit loss	644.41		*202.90*	
		–		–
		2006.28		*4194.41*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [19]

Other current assets

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Contract Assets [Refer Note 44(d)]				
Due from customers (construction and project related activity)	31847.85		*28772.62*	
Retention money including unbilled revenue	15172.45		*13991.12*	
		47020.30		*42763.74*
Balance with customs, port trust, etc.		16.88		*61.44*
Advance recoverable other than in cash		5276.50		*4789.58*
Government grant receivable		123.51		*127.80*
Other loans and advances	7.00		*6.99*	
Less: Allowance for expected credit loss	7.00		*6.99*	
		–		–
Others		250.84		*154.46*
		52688.03		*47897.02*

NOTE [20]

Equity share capital

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

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	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	1,40,27,29,385	280.55	*1,40,13,69,456*	*280.27*

(b) Reconciliation of the number of equity shares and share capital:

Particulars	2018-19		*2017-18*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,40,13,69,456	280.27	*93,29,65,803*	*186.59*
Add: Shares issued on exercise of employee stock options during the year	13,59,929	0.28	*16,38,898*	*0.33*
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	1,40,27,29,385	280.55	*1,40,13,69,456*	*280.27*

(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:

Name of the shareholder	As at 31-3-2019		*As at 31-3-2018*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	24,66,76,682	17.59	*24,63,52,777*	*17.58*
L&T Employees Welfare Foundation	17,21,28,421	12.27	*17,21,28,421*	*12.28*

(e) Shares reserved for issue under options outstanding on un-issued share capital:

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	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 #	28,85,240	0.58*	*42,65,623@*	*0.85**
0.675% 5 years & 1 day US$ denominated foreign currency convertible bonds (FCCB)	95,20,455	1.90**	*95,20,455@*	*1.90***

* The equity shares will be issued at a premium of ₹ 71.99 crore *(previous year: ₹ 94.42 crore)*

** The equity shares will be issued at a premium of ₹ 1214.50 crore *(previous year: ₹ 1214.50 crore)* on the exercise of options by the bond holders

\# Note 20(h)(i) 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, 2019 are 46,67,64,755 *(previous period of five years ended March 31, 2018: 77,50,59,331 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, 2019 – Nil *(previous period of five years ended March 31, 2018: Nil)*

(h) Stock option of the parent company

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)	
		2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
1	Grant price - (₹)	2.00	*2.00*	2.00	*2.00*	2.00	*2.00*	7.80	*7.80*	7.80	*7.80*	267.10	*267.10*	267.10	*267.10*
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	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*
5	Options lapsed prior to bonus	–	–	–	–	–	–	–	–	–	–	–	–	–	*1,08,685*
6	Options granted prior to bonus	–	–	–	–	–	–	–	–	–	*17,700*	–	–	–	*6,200*
7	Options exercised prior to bonus	–	–	–	–	–	–	–	–	–	*29,789*	–	*39,708*	–	*4,94,210*
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	19,800	–	48,375	–	89,325	–	70,767	–	1,05,342	*49,313*	–	*2,02,516*	3,51,935	*4,51,376*

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)	
		2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
11	Options granted post bonus issue	–	–	–	–	–	–	–	–	25,200	*71,600*	–	–	6,39,890	*5,73,580*
12	Options exercised post bonus issue	–	–	–	–	–	–	–	–	2,34,441	*1,56,962*	–	*2,805*	11,25,488	*9,15,424*
13	Options granted and outstanding at the end of the year, of which	–	*19,800*	–	*48,375*	–	*89,325*	–	*70,767*	1,73,309	*4,87,892*	–	–	27,11,931	*35,49,464*
	Options vested	–	*19,800*	–	*48,375*	–	*89,325*	–	*70,767*	10,750	*1,30,806*	–	–	9,76,795	*15,63,209*
	Options yet to vest	–	–	–	–	–	–	–	–	1,62,559	*3,57,086*	–	–	17,35,136	*19,86,255*
14	Weighted average remaining contractual life of options (in years)	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	4.95	*4.72*	–	*Nil*	4.15	*3.74*

* Record date: July 14, 2017

iii. The number and weighted average exercise price of stock options are as follows:

Particulars	2018-19		*2017-18*	
	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	42,65,623	223.35	*42,47,360*	*347.41*
(B) Options granted pre bonus issue	–	–	*23,900*	*112.61*
(C) Options allotted pre bonus issue	–	–	*5,63,707*	*380.14*
(D) Options lapsed pre bonus issue	–	–	*1,08,685*	*400.70*
(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	6,65,090	257.28	*6,45,180*	*238.32*
(H) Options allotted post bonus issue	13,59,929	222.40	*10,75,191*	*229.25*
(I) Options lapsed post bonus issue	6,85,544	139.58	*7,03,205*	*248.92*
(J) Options granted and outstanding at the end of the year	28,85,240	251.52	*42,65,623*	*223.35*
(K) Options exercisable at the end of the year out of (J) supra	9,87,545	264.28	*19,22,282*	*218.19*

iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1272.80 *(previous year: ₹ 1106.67)* 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 ₹ 986.95 *(previous year: ₹ 965.25)* 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	2018-19	*2017-18*
(A)	Weighted average risk-free interest rate	7.44%	*6.83%*
(B)	Weighted average expected life of options	4.09 years	*4.17 years*
(C)	Weighted average expected volatility	25.73%	*27.92%*
(D)	Weighted average expected dividends over the life of the option	₹ 65.41 per option	*₹ 58.37 per option*
(E)	Weighted average share price	₹ 1225.00 per option	*₹ 1178.47 per option*
(F)	Weighted average exercise price	₹ 257.28 per share	*₹ 229.73 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.	

viii. The balance in share options (net) account as at March 31, 2019 is ₹ 106.91 crore *(previous year: ₹ 108.59 crore)*, including ₹ 52.29 crore *(previous year: ₹ 76.12 crore)* for which the options have been vested to employees as at March 31, 2019.

(i) During the year ended March 31, 2019, the Company paid the final dividend of ₹ 16 per equity share for the year ended March 31, 2018.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] *(contd.)*

(j) On May 10, 2019 the Board of Directors has recommended the final dividend of ₹ 18.00 per equity share for the year ended March 31, 2019 subject to approval of shareholders. On approval, the total dividend payment based on number of shares outstanding as on March 31, 2019 is expected to be ₹ 2524.91 crore and the payment of dividend distribution tax is expected to be ₹ 484.03 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 is 1.81:1 (as at 31-3-2018: 1.79:1).

(l) Stock option schemes of subsidiary companies:

(i) Larsen & Toubro Infotech Limited

Employee Stock Ownership Scheme ('ESOS Plan')

(A) The options are vested equally over a period of 5 years subject to the discretion of the management and fulfillment of certain conditions. The 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.

(B) The details of the grants under the aforesaid schemes under various series are summarized below:

Sr. No.	Particulars	ESOP scheme 2000		ESOP Scheme 2000		U.S. Stock Option Sub-plan		ESOP scheme	
		I,II & III		IV - XXI		2006		2015	
		2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
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	21,345	*36,720*	6,85,302	*14,50,725*	39,000	*47,000*	28,50,140	*35,96,300*
v	Options granted during the year	–	–	–	–	–		3,59,400	*1,29,300*
vi	Options allotted/exercised during the year	9,130	*3,375*	615,091	*6,73,315*	6,000	*8,000*	8,80,600	*7,43,460*
vii	Options Lapsed/cancelled during the year	375	*12,000*	12,021	*92,108*	–	–	2,12,080	*1,32,000*
viii	Options granted & outstanding at the end of the year	11,840	*21,345*	58,190	*6,85,302*	33,000	*39,000*	21,16,860	*28,50,140*
ix	Options vested at the end of the year out of (viii)	11,840	*21,345*	58,190	*4,47,852*	33,000	*39,000*	1,02,360	*3,12,600*
x	Options unvested at the end of the year out of (viii)	–	–	–	*2,37,450*	–	–	20,14,500	*25,37,540*
xi	Weighted average remaining contractual life of options (in years)	–	–	–	*0.7*	–	–	4.7	*5.3*

(C) The number and weighted average exercise price of stock options are as follows:

Sr. No.	Particulars	2018-19		*2017-18*	
		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	35,95,787	2.89	*51,30,745*	*2.73*
ii	Options granted during the year	3,59,400	1.00	*1,29,300*	*1.00*
iii	Options allotted during the year	15,10,821	2.09	*14,28,150*	*2.35*
iv	Options Lapsed/cancelled during the year	2,24,476	1.06	*2,36,108*	*1.59*
v	Options granted and outstanding at the end of the year	22,19,890	3.50	*35,95,787*	*2.90*
vi	Options vested at the end of the year out of (v)	2,05,390	28.02	*8,20,797*	*9.03*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] *(contd.)*

(D) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1617.00 per share *(previous year: ₹ 850.00 per share).*

(E) Weighted average fair value of options granted during the year is ₹ 1649.62 per option *(previous year: ₹ 644.71 per option).*

(F) 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	2018-19	*2017-18*
i	Weighted average risk-free interest rate	7.49%	*6.69%*
ii	Weighted average expected life of options	3 years	*3 years*
iii	Weighted average expected volatility	17.72%	*17.88%*
iv	Weighted average expected dividends over the life of option	₹ 108.91	*₹ 115.33*
v	Weighted average share price	₹ 1650.48	*₹ 645.55*
vi	Weighted average exercise price	₹ 1	*₹ 1*
vii	Method used to determine expected volatility	The expected volatility has been calculated entirely based on historic volatility of the 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 shareholders' 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 the 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. Details of grants under ESOP Scheme, 2016 are summarised below:

Sr. No.	Series reference	ESOP scheme, 2016	
		2018-19	*2017-18*
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	32,24,945	*39,80,000*
5	Options lapsed during the year	1,64,000	*1,83,300*
6	Options granted during the year	2,35,000	*1,93,900*
7	Options exercised during the year	15,57,278	*7,65,655*
8	Options granted and outstanding at the end of the year-(a)	17,38,667	*32,24,945*
	of (a) above - vested outstanding options	82,187	*10,82,345*
	of (a) above - unvested outstanding options	16,56,480	*21,42,600*
9	Weighted average remaining contractual life of options (in years)	4.51	*5.41*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] *(contd.)*

(B) No options were granted to key managerial personnel during the current year as well as previous year.

(C) The number and weighted average exercise price of stock options are as follows:

Sr. No.	Particulars	2018-19		*2017-18*	
		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	32,24,945	2	*39,80,000*	*2*
ii	Options granted during the year	2,35,000	2	*1,93,900*	*2*
iii	Options exercised during the year	15,57,278	2	*7,65,655*	*2*
iv	Options lapsed during the year	1,64,000	2	*1,83,300*	*2*
v	Options granted and outstanding at the end of the year	17,38,667	2	*32,24,945*	*2*
vi	Options exercisable at the end of the year out of -(a) above	82,187	2	*10,82,345*	*2*

(D) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1435.59 per share *(previous year: ₹ 849.70 per share)*.

(E) In respect of stock options granted pursuant to the Company's stock option schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

(F) The weighted average fair value at grant date of options granted during the year ended 31-03-2019 is ₹ 1281.80 per option *(previous year: ₹ 737.10 per option)*. The fair value of grant date is determined using the Black Scholes Option Pricing modelwhich 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	2018-19	*2017-18*
(i)	Weighted average exercise price	₹ 2.00	*₹ 2.00*
(ii)	Grant date	23-Jul-18	*23-Aug-17*
(iii)	Expiry date	22-Jul-25	*22-Aug-24*
(iv)	Weighted average share price at grant date	₹ 1281.80 per option	*₹ 737.10 per option*
(v)	Weighted average expected price volatility of company's share	22.47%	*42.54%*
(vi)	Weighted average expected dividend yield over life of option	5.06%	*8.05%*
(vii)	Weighted average risk-free interest	7.67%	*6.44%*
(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 based on publicly available information.	

(iii) L&T Finance Holdings Limited

(A) The subsidiary has formulated Employee Stock Option Schemes 2010 (ESOP Scheme-2010) 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 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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

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 months from the date of grant. Options allotted under scheme 2010 can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of equity. The options granted under scheme 2013 can be exercised anytime within a period of 8 years from the date of grant. Management has discretion to modify the exercise period.

(B) The details of the grants are summarised below:

Sr. No.	Series reference	Scheme 2010		Scheme 2013	
		2018-19	*2017-18*	2018-19	*2017-18*
1	Grant Price (₹)	44.20		Market Price as on the preceding date of grant	
2	Options granted and outstanding at the beginning of the year	42,04,925	*28,18,795*	3,00,90,000	*2,37,93,000*
3	Options granted during the year	15,10,000	*33,30,000*	1,64,90,000	*1,37,20,000*
4	Options cancelled/ lapsed during the year	3,77,125	*2,52,862*	21,95,800	*38,42,500*
5	Options exercised and shares allotted during the year	3,85,800	*16,91,008*	27,49,600	*35,80,500*
6	Options granted and outstanding at the end of the year	49,52,000	*42,04,925*	4,16,34,600	*3,00,90,000*
	of which :				
	Options vested	5,04,000	*1,71,425*	44,32,000	*14,30,000*
	Options yet to vest	44,48,000	*40,33,500*	3,72,02,600	*2,86,60,000*
7	Weighted average remaining contractual life of options (in years)	5.63	*6.01*	5.92	*6.15*

(C) Average fair values of options granted during the year is ₹ 58.54 *(previous year: ₹ 63.25)* per option.

(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	2018-19	*2017-18*
a)	Weighted average risk-free interest rate	7.42%	*6.58%*
b)	Weighted average expected life of options	3.24 years	*3.27 years*
c)	Weighted average expected volatility	32.78%	*32.57%*
d)	Weighted average expected dividends	₹ 3.65 per option	*₹ 3.31 per option*
e)	Weighted average share price	₹ 168.93 per option	*₹ 145.59 per option*
f)	Weighted average exercise price	₹ 161.05 per option	*₹ 116.58 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 31-3-2019		*As at 31-3-2018*	
	₹ 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	10.52		*10.52*	
Capital reserve on consolidation	271.92		*271.92*	
		282.44		*282.44*
Capital redemption reserve*		42.00		*42.00*
Securities premium [Note 1(u)]		8471.99		*8363.02*
Employee share options (net) [Note 1(w)]				
Employee share options outstanding	525.76		*536.49*	
Deferred employee compensation expense	(188.71)		*(222.93)*	
		337.05		*313.56*
Statutory reserves				
Debenture redemption reserve ^	1423.04		*1345.81*	
Reserve u/s 45 IC of the Reserve Bank India Act, 1934	1694.87		*1399.55*	
Reserve u/s 29C of National Housing Bank Act, 1987	146.46		*92.57*	
Reserve under section 36(1)(viii) of Income tax Act, 1961	587.31		*514.98*	
		3851.68		*3352.91*
Retained earnings		48200.53		*41077.32*
Foreign currency translation reserve [Note 1(x)(iv)]		540.73		*572.67*
Hedging reserve [Note 1(r)(iii)(B)] & [Note 57(n)]				
Cash flow hedging reserve	239.11		*449.22*	
Cost of hedging reserve	5.89		*(11.45)*	
		245.00		*437.77*
Debt instruments through other comprehensive income [Note 1(r)(i)(B)]		(30.37)		*24.78*
		62094.25		*54623.23*

* Capital redemption reserve has been created on redemption of preference shares (by a subsidiary) out of profits in accordance with Section 55(2)(c) of the Companies Act, 2013.

^ 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 is not to be utilised except to redeem debentures.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [22]

Non-current liabilities: Financial liabilities - Borrowings

Particulars	As at 31-3-2019			*As at 31-3-2018*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	28587.12	7865.92	36453.04	*25187.11*	*8876.75*	*34063.86*
Redeemable non-convertible floating rate debentures	–	–	–	*50.00*	–	*50.00*
Redeemable non-convertible inflation indexed debentures	–	120.48	120.48	–	*116.96*	*116.96*
Preference share	–	976.29	976.29	–	*905.26*	*905.26*
0.675% Foreign currency convertible bonds	–	–	–	–	*1245.64*	*1245.64*
Term loans from banks	28711.08	7859.84	36570.92	*23855.61*	*12677.23*	*36532.84*
Finance lease obligation [Note 48(b)(i)(B)]	–	0.06	0.06	–	*0.20*	*0.20*
	57298.20	16822.59	74120.79	*49092.72*	*23822.04*	*72914.76*

Loans guaranteed by directors ₹ Nil *(previous year: ₹ Nil)*

NOTE [23]

Non-current liabilities: Other financial liabilities

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Forward contract payables	12.80	*19.97*
Embedded derivative payables	139.78	*79.39*
Financial guarantee contracts	0.65	*0.52*
Due to others	201.60	*254.07*
	354.83	*353.95*

NOTE [24]

Non-current liabilities : Provisions

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Employee pension scheme [Note 45(b)(i)]	308.36	*301.13*
Post-retirement medical benefit plan [Note 45(b)(i)]	226.66	*209.04*
Provision for other employee benefits	14.09	*12.44*
Other provisions [Note 53(a)]	7.73	*0.93*
	556.84	*523.54*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [25]

Other non-current liabilities

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Other payables	0.55	*67.97*
	0.55	*67.97*

NOTE [26]

Current liabilities : Financial liabilities - Borrowings

Particulars	As at 31-3-2019			*As at 31-3-2018*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand	3974.04	1611.78	5585.82	*1511.47*	*57.66*	*1569.13*
Short term loans from banks	2546.51	4063.24	6609.75	*96.88*	*4005.91*	*4102.79*
Short term loans from others	–	5.99	5.99	–	*463.73*	*463.73*
Commercial paper	–	17022.28	17022.28	–	*13196.20*	*13196.20*
	6520.55	22703.29	29223.84	*1608.35*	*17723.50*	*19331.85*

NOTE [27]

Current liabilities : Financial liabilities - Current maturities of long term borrowings

Particulars	As at 31-3-2019			*As at 31-3-2018*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	9111.04	3073.62	12184.66	*6777.81*	*1740.55*	*8518.36*
Redeemable non-convertible floating rate debentures	–	–	–	*0.94*	–	*0.94*
Preference shares	–	184.19	184.19	–	*249.55*	*249.55*
0.675% Foreign currency convertible bonds	–	1363.39	1363.39	–	–	–
Term loans from banks	4160.98	4317.32	8478.30	*5132.80*	*1375.68*	*6508.48*
Finance lease obligation [Note 48(b)(i)(B)]	–	–	–	–	*0.06*	*0.06*
Sales tax deferment loan	–	–	–	–	*0.08*	*0.08*
	13272.02	8938.52	22210.54	*11911.55*	*3365.92*	*15277.47*

Loans guaranteed by directors ₹ Nil *(previous year: ₹ Nil)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [28]

Current liabilities : Financial liabilities - Other Trade payables

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Acceptances		520.99		*448.28*
Due to related parties:				
Associate companies	47.68		*23.03*	
Joint venture companies	1092.73		*1120.37*	
		1140.41		*1143.40*
Due to others		41072.29		*36029.54*
		42733.69		*37621.22*

NOTE [29]

Current liabilities : Other financial liabilities

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
Unclaimed dividend	84.64	*63.69*
Unclaimed interest on debentures	15.31	*14.16*
Financial guarantee contracts	1.13	*0.95*
Forward contract payables	380.65	*171.65*
Embedded derivative payables	145.48	*131.84*
Due to others	4187.87	*4649.89*
	4815.08	*5032.18*

NOTE [30]

Other current liabilities

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Contract Liabilities [Refer Note 44(d)]				
Due to customers - construction contract	11021.59		*8630.93*	
Due to customers - property development projects	–		*705.11*	
Advances from customers	17270.56		*14860.24*	
		28292.15		*24196.28*
Other payables		2874.40		*2899.36*
		31166.55		*27095.64*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [31]
Current Liabilities: Provisions

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity [Note 45(b)(i)]	254.53		*215.17*	
Compensated absences	1133.19		*1024.72*	
Employee pension scheme [Note 45(b)(i)]	28.92		*25.55*	
Post-retirement medical benefits plan [Note 45(b)(i)]	14.97		*13.12*	
Others	0.84		*5.00*	
		1432.45		*1283.56*
Others :				
Additional tax on dividend	91.62		*68.54*	
Other provisions [Note 53(a)]	1513.77		*1172.95*	
		1605.39		*1241.49*
		3037.84		*2525.05*

NOTE [32]
Contingent Liabilities

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
a) Claims against the Group not acknowledged as debts	3354.54	*3386.98*
b) Sales tax liability that may arise in respect of matters in appeal	257.37	*248.74*
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	382.62	*362.11*
d) Income Tax liability (including penalty) that may arise in respect of which the Group is in appeal	952.17	*692.12*
e) Guarantees or Letter of credit or letter of comfort given to third parties	2594.98	*2824.15*
f) Corporate guarantees for debt given on behalf of joint ventures	427.31	*479.55*
g) Bank guarantees given on behalf of joint venture(s)	28.93	*28.79*
h) Contingent Liabilities incurred in relation to interest in joint operations	7586.12	*7267.96*
i) Share in contingent liabilities of joint operations for which the Group is contingently liable	84.92	*139.20*
j) Contingent liabilities in respect of liabilities of other joint operators in respect of joint operations	7187.07	*6576.16*
k) Share of contingent liabilities incurred jointly with other investors of the associate(s)	122.15	*116.20*
l) Share of joint ventures' contingent liabilities in respect of legal claim(s) lodged against the entity	240.08	*694.32*

Notes:

(i) The Group expects reimbursements of ₹ 9.30 crore *(previous year: ₹ 97.67 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), 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.

(v) In respect of matters at (g), the cash outflows, if any, could generally occur up to three years, being the period over which the validity of the guarantees extends.

(vi) In respect of matters at (h) to (j), the cash outflows, if any, could generally occur upto completion of projects undertaken by the respective joint operations.

(vii) In respect of matters at (k) and (l), the cash outflows, in any, could generally occur any time up to settlement of claims or during subsistence of the underlying agreements.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [33]
Commitments

Particulars	As at 31-3-2019	*As at 31-3-2018*
	₹ crore	*₹ crore*
(i) Estimated amount of contracts remaining to be executed for capital account of Property, plant & equipment (net of advances)	825.18	*836.78*
(ii) Estimated amount of contracts remaining to be executed for Intangible Assets	929.85	*2075.57*
(iii) Estimated amount of contracts remaining to be executed for Investment property	183.83	*409.74*
(iv) Commitments to provide funding for joint venture's capital commitments, if called	42.87	*116.85*
(v) Funding committed by way of equity (including investment through purchase of investments from other parties*) to other companies	10732.85	–

* The Company has entered into a definitive share purchase agreement to acquire 20.32% stake in Mindtree Limited on March 18, 2019 at a price of ₹ 980 per share aggregating to consideration of ₹ 3269.00 crore. Further, the Company has placed a purchase order with its stock broker for acquiring 15% stake through on-market purchases for an overall consideration amount not exceeding ₹ 2434.00 crore from any recognised stock exchange, but only after receipt of relevant approvals from regulatory authorities. The Company will also make an open offer to acquire 31% stake for a consideration of ₹ 5029.85 crore in accordance with the requirements of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. The completion of these transactions are subject to receipt of necessary regulatory approvals.

Subsequent to March 31, 2019 and up to May 9,2019, the Company acquired 4,25,90,088 equity shares of Mindtree Limited (representing 25.94% of the share capital of that company) at a cost of ₹ 4180.91 crore through block deal purchase from major shareholder (and his associate entities) and on- market purchases.

NOTE [34]
Revenue from operations

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales & service:				
Construction and project related activity	96472.60		*83595.78*	
Manufacturing and trading activity	8116.18		*7838.44*	
Engineering service fees	5172.01		*3849.87*	
Software development products and services	9330.75		*7445.55*	
Income from financing activity/annuity based projects	13009.42		*10452.48*	
Property development activity	2255.75		*686.81*	
Fare collection and related activity	166.49		*28.60*	
Servicing fees	974.85		*737.52*	
Commission	198.45		*206.98*	
Charter hire income	1.27		*0.79*	
Investment/portfolio management and trusteeship fees	618.64		*615.56*	
Fees for operation and maintenance of power plant	2821.67		*2628.68*	
		139138.08		*118087.06*
Other operational income:				
Income from hire of plant and equipment	4.83		*15.73*	
Lease rentals	194.73		*111.02*	
Property maintenance recoveries	48.48		*1.75*	
Premium earned (net) on related forward exchange contracts	32.76		*59.44*	
Profit on sale of a subsidiary classified under developmental projects segment.	415.61		–	
Profit on sale of investment property	565.60		*619.09*	
Miscellaneous income	607.00		*968.01*	
		1869.01		*1775.04*
		141007.09		*119862.10*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [35]
Other income

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income [Note 46(a)]:				
Interest income on loans and advances to related parties:				
Joint venture & associate companies	112.13		*107.10*	
Interest income on investment	389.71		*433.46*	
Others	398.74		*125.11*	
		900.58		*665.67*
Dividend income:				
Trade investments	2.09		*1.66*	
Others	58.09		*53.78*	
		60.18		*55.44*
Current investments	176.73		*2692.64*	
		176.73		*2692.64*
Net gain/(loss) on sale or fair valuation of investments		65.33		*(2217.72)*
Gain/(loss) on derivatives at fair value through profit or loss		(21.81)		*(125.74)*
Net gain/(loss) on sale of property, plant and equipment		25.77		*67.14*
Lease rentals		5.07		*5.46*
Miscellaneous income (net of expenses)		639.68		*199.04*
		1851.53		*1341.93*

NOTE [36]
Manufacturing, construction and operating expenses

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Cost of raw materials, components consumed:				
Raw materials and components	17150.93		*15360.64*	
Less: Scrap sales	148.42		*115.27*	
		17002.51		*15245.37*
Excise Duty		–		*178.94*
Construction materials consumed		31059.78		*24056.23*
Purchase of stock-in-trade	1800.15		*1604.19*	
Value of stock in trade transferred on sale of business	–		*29.55*	
		1800.15		*1574.64*
Stores, spares and tools consumed		2858.57		*2378.50*
Sub-contracting charges		26346.70		*24639.02*
Changes in inventories of finished goods, stock-in-trade, work-in-progress and property development:				
Closing stock:				
Finished goods	301.74		*245.25*	
Stock-in-trade	386.27		*285.67*	
Work-in-progress	5828.16		*4540.13*	
Cost of built up space and property development land:				
Work-in-progress	3174.88		*2307.47*	
Completed property	115.32		*110.70*	
	9806.37		*7489.22*	
Carried forward	9806.37	79067.71	*7489.22*	*68072.70*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [36]

Manufacturing, construction and operating expenses *(contd.)*

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward	9806.37	79067.71	*7489.22*	*68072.70*
Less: Opening stock:				
Finished goods	245.25		*340.82*	
Stock-in-trade	285.67		*188.59*	
Work-in-progress	4525.09		*4385.19*	
Cost of built up space and property development land:				
Work-in-progress	3744.40		*1259.39*	
Completed property	138.29		–	
	8938.70		*6173.99*	
		(867.67)		*(1315.23)*
Other manufacturing, construction and operating expenses:				
Excise duty on stocks	–		*(48.72)*	
Power and fuel	2118.68		*1281.49*	
Royalty and technical know-how fees	42.94		*16.00*	
Packing and forwarding	488.94		*411.41*	
Hire charges-plant and equipment and others	2365.90		*1663.04*	
Bank guarantee charges	208.40		*203.15*	
Engineering, professional, technical and consultancy fees	2091.47		*1423.68*	
Insurance	286.21		*252.41*	
Rent	569.27		*529.66*	
Rates and taxes	627.93		*414.55*	
Travelling and conveyance	1128.17		*875.89*	
Repairs to plant and equipment	90.37		*83.03*	
Repairs to buildings	24.58		*8.27*	
General repairs and maintenance	481.28		*415.87*	
Provision/(reversal) for foreseeable losses on construction contracts	183.51		*(2.28)*	
Other provisions	148.06		*14.67*	
Miscellaneous expenses	2839.71		*2998.51*	
		13695.42		*10540.63*
Finance cost of financial services business and finance lease activity: [Note 46(a)]				
Interest and other financing charges		7385.63		*6019.74*
		99281.09		*83317.84*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [37]
Employee benefits expense

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries, wages and bonus		16298.89		*13666.38*
Contribution to and provision for:				
Provident fund and pension fund	303.03		*254.27*	
Superannuation/employee pension and social security schemes	222.34		*188.49*	
Gratuity funds [Note 45(b)(ii)]	152.65		*140.83*	
		678.02		*583.59*
Expenses on employee stock option scheme		157.97		*111.39*
Employee medical & other insurance premium expenses		205.69		*179.16*
Staff welfare expenses		1100.79		*1011.83*
Recoveries on account of deputation charges		(340.78)		*(281.56)*
		18100.58		*15270.79*

NOTE [38]
Sales, administration and other expenses

Particulars	2018-19		*2017-18*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Power and fuel		121.80		*118.13*
Packing and forwarding		155.32		*157.36*
Insurance		94.62		*76.47*
Rent		544.53		*536.19*
Rates and taxes		213.66		*151.38*
Travelling and conveyance		763.64		*688.91*
Repairs to buildings		39.07		*31.77*
General repairs and maintenance		496.71		*446.05*
Professional fees		943.00		*730.79*
Directors' fees		7.90		*6.28*
Telephone, postage and telegrams		214.06		*206.18*
Advertising and publicity		196.52		*168.36*
Stationery and printing		73.96		*63.88*
Commission:				
Distributors and agents	389.77		*499.91*	
Others	10.10		*7.12*	
		399.87		*507.03*
Bank charges		163.22		*155.37*
Miscellaneous expenses		904.01		*738.30*
Bad debts and advances written off	1847.36		*1205.38*	
Less: Allowances for expected credit loss written back	1665.79		*709.36*	
		181.57		*496.02*
Receivable discounting charges -non recourse		39.87		*36.25*
Allowances for expected credit loss		1856.57		*2521.33*
Loss on fair valuation of loans towards financing activities (net)		77.62		*30.73*
Recoveries from Joint venture and associates		(46.22)		*(48.41)*
Exchange (gain)/loss [net]		(244.64)		*(245.82)*
Other provisions		105.61		*64.63*
		7302.27		*7637.18*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [39]

Finance costs

Particulars	2018-19	*2017-18*
	₹ crore	*₹ crore*
Interest expenses	1756.14	*1511.08*
Other borrowing costs	12.79	*13.07*
Exchange loss (attributable to finance costs)	37.11	*14.37*
	1806.04	*1538.52*

39(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	2018-19					2017-18				
		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	2118.68	–	121.80	–	2240.48	1281.49	–	118.13	–	1399.62
2	Packing and forwarding	488.94	–	155.32	–	644.26	411.41	–	157.36	–	568.77
3	Insurance	286.21	205.69	94.62	–	586.52	252.41	179.16	76.47	–	508.04
4	Rent	569.27	–	544.53	–	1113.80	529.66	–	536.19	–	1065.85
5	Rates and taxes	627.93	–	213.66	–	841.59	414.55	–	151.38	–	565.93
6	Travelling and conveyance	1128.17	–	763.64	–	1891.81	875.89	–	688.91	–	1564.80
7	Repairs to plant and equipment	90.37	–	–	–	90.37	83.03	–	–	–	83.03
8	Repairs to buildings	24.58	–	39.07	–	63.65	8.27	–	31.77	–	40.04
9	General repairs and maintenance	481.28	–	496.71	–	977.99	415.87	–	446.05	–	861.92
10	Engineering, professional, technical and consultancy fees	2091.47	–	943.00	–	3034.47	1423.68	–	730.79	–	2154.47
11	Interest and other financing charges	7385.63	–	–	1806.04	9191.67	6019.74	–		1538.52	7558.26
12	Miscellaneous expenses	2839.71	–	904.01	–	3743.72	2998.51	–	738.30	–	3736.81

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 subsidiaries	Principal place of business	As at 31-3-2019		*As at 31-3-2018*	
			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	100.00	100.00	*74.00*	*74.00*
3	L&T Geo – L&T JV for Maharatangarh project $	India	100.00	100.00	–	–
4	L&T Geo – L&T UJV CMRL CS $$	India	100.00	100.00	–	–
5	L&T Infrastructure Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
6	L&T Cassidian Limited #	India	100.00	100.00	*100.00*	*100.00*
7	L&T Hydrocarbon Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
8	Larsen & Toubro Infotech Limited	India	74.80	74.80	*82.96*	*82.96*
9	L&T Technology Services Limited	India	78.88	78.88	*88.64*	*88.64*
10	L&T Thales Technology Services Private Limited	India	58.37	58.37	*65.60*	*65.60*
11	Syncordis Software Services India Private Limited	India	74.80	74.80	*82.96*	*82.96*
12	Graphene Semiconductor Services Private Limited ##	India	78.88	78.88	–	–
13	Seastar Labs Private Limited ##	India	78.88	78.88	–	–
14	Ruletronics Systems Private Limited %	India	74.80	74.80	–	–
15	Esencia Technologies India Private Limited	India	78.88	78.88	*88.64*	*88.64*
16	L&T Capital Markets Limited	India	63.91	63.91	*64.01*	*64.01*
17	L&T Finance Holdings Limited	India	63.91	63.91	*64.01*	*64.01*
18	L&T Housing Finance Limited	India	63.91	63.91	*64.01*	*64.01*
19	L&T Infra Debt Fund Limited	India	63.91	63.91	*64.01*	*64.01*
20	L&T Infra Investment Partners Advisory Private Limited	India	63.91	63.91	*64.01*	*64.01*
21	L&T Infra Investment Partners Trustee Private Limited	India	63.91	63.91	*64.01*	*64.01*
22	L&T Infrastructure Finance Company Limited	India	63.91	63.91	*64.01*	*64.01*
23	L&T Investment Management Limited	India	63.91	63.91	*64.01*	*64.01*
24	L&T Mutual Fund Trustee Limited	India	63.91	63.91	*64.01*	*64.01*
25	L&T Trustee Company Private Limited @	India	–	–	*100.00*	*100.00*
26	L&T Financial Consultants Limited	India	63.91	63.91	*64.01*	*64.01*
27	Mudit Cement Private Limited	India	63.91	63.91	*64.01*	*64.01*
28	L&T Finance Limited	India	63.91	63.91	*64.01*	*64.01*
29	L&T Infra Investment Partners	India	35.11	35.11	*35.16*	*35.16*
30	L&T Metro Rail (Hyderabad) Limited	India	100.00	100.00	*100.00*	*100.00*
31	Sahibganj Ganges Bridge-Company Private Limited #	India	100.00	100.00	*100.00*	*100.00*
32	Marine Infrastructure Developer Private Limited @@	India	–	–	*97.00*	*97.00*
33	L&T Arunachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
34	L&T Himachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
35	L&T Power Development Limited	India	100.00	100.00	*100.00*	*100.00*
36	L&T Uttaranchal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
37	Nabha Power Limited	India	100.00	100.00	*100.00*	*100.00*
38	Chennai Vision Developers Private Limited	India	100.00	100.00	*100.00*	*100.00*
39	L&T Asian Realty Project LLP	India	100.00	100.00	*100.00*	*100.00*
40	L&T Parel Project LLP	India	100.00	100.00	*100.00*	*100.00*
41	L&T Realty Limited	India	100.00	100.00	*100.00*	*100.00*
42	L&T Westend Project LLP	India	100.00	100.00	*100.00*	*100.00*
43	LTR SSM Private Limited ^	India	100.00	100.00	–	–
44	L&T Seawoods Limited	India	100.00	100.00	*100.00*	*100.00*
45	L&T Vision Ventures Limited	India	68.00	68.00	*68.00*	*68.00*
46	Seawoods Retail Private Limited *	India	–	–	*100.00*	*100.00*
47	Seawoods Realty Private Limited *	India	–	–	*100.00*	*100.00*
48	L&T Electricals and Automation 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 subsidiaries	Principal place of business	As at 31-3-2019 Proportion of effective ownership Interest (%)	As at 31-3-2019 Proportion of voting power held (%)	*As at 31-3-2018 Proportion of effective ownership Interest (%)*	*As at 31-3-2018 Proportion of voting power held (%)*
	Indian Subsidiaries					
49	L&T Construction Equipment Limited	India	100.00	100.00	*100.00*	*100.00*
50	L&T Construction Machinery Limited **	India	100.00	100.00	–	–
51	L&T Valves Limited	India	100.00	100.00	*100.00*	*100.00*
52	L&T Shipbuilding Limited***	India	97.00	97.00	*97.00*	*97.00*
53	Bhilai Power Supply Company Limited	India	99.90	99.90	*99.90*	*99.90*
54	L&T Power Limited	India	99.99	99.99	*99.99*	*99.99*
55	Kesun Iron and Steel Company Private Limited	India	95.00	95.00	*95.00*	*95.00*
56	L&T Aviation Services Private Limited	India	100.00	100.00	*100.00*	*100.00*
57	L&T Capital Company Limited	India	100.00	100.00	*100.00*	*100.00*
58	L&T Infra Contractors Private Limited	India	100.00	100.00	*100.00*	*100.00*

$ The arrangement entered on September 14, 2018 assessed as subsidiary since the group exercises unilateral control
$$ The arrangement entered on January 4, 2019 assessed as subsidiary since the group exercises unilateral control
The company is in process of being struck off from register of companies
The Group has acquired stake on October 15, 2018
% The Group has acquired stake on February 1, 2019
@ The company has been dissolved on August 8, 2018
@@ The Group has sold its stake on June 28, 2018
^ The company has been incorporated on September 24, 2018
* The name of the company has been struck off the register of companies on June 26, 2018
** The company has been incorporated on December 18, 2018
*** Classified as wholly owned subsidiary w.e.f. April 10, 2019 due to purchase of additional stake

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2019 Proportion of effective ownership Interest (%)	As at 31-3-2019 Proportion of voting power held (%)	*As at 31-3-2018 Proportion of effective ownership Interest (%)*	*As at 31-3-2018 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 Heavy Engineering LLC	Sultanate of Oman	70.00	100.00	*70.00*	*100.00*
6	Larsen & Toubro Hydrocarbon International Limited LLC #	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
7	L&T Modular Fabrication Yard LLC	Sultanate of Oman	70.00	100.00	*70.00*	*100.00*
8	L&T Overseas Projects Nigeria Limited	Nigeria	100.00	100.00	*100.00*	*100.00*
9	Larsen Toubro Arabia LLC	Kingdom of Saudi Arabia	75.00	100.00	*75.00*	*100.00*
10	L&T Hydrocarbon Saudi Company (formerly known as Larsen & Toubro ATCO Saudi LLC)	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
11	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Kuwait	49.00	100.00	*49.00*	*100.00*
12	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Indonesia	95.00	95.00	*95.00*	*95.00*
13	Larsen & Toubro Electromech LLC	Sultanate of Oman	70.00	100.00	*70.00*	*100.00*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2019		*As at 31-3-2018*	
			Proportion of effective ownership Interest (%)	**Proportion of voting power held (%)**	*Proportion of effective ownership Interest (%)*	*Proportion of voting power held (%)*
	Foreign Subsidiaries					
14	L&T Hydrocarbon International FZE ^	UAE	100.00	100.00	–	–
15	L&T Information Technology Services (Shanghai) Co., Ltd.	China	74.80	74.80	*82.96*	*82.96*
16	L&T Infotech Financial Services Technologies Inc.	Canada	74.80	74.80	*82.96*	*82.96*
17	Larsen & Toubro Infotech Canada Limited	Canada	74.80	74.80	*82.96*	*82.96*
18	Larsen & Toubro Infotech LLC	USA	74.80	74.80	*82.96*	*82.96*
19	Larsen & Toubro Infotech South Africa (Proprietary) Limited	South Africa	56.02	56.02	*62.14*	*62.14*
20	Larsen & Toubro Infotech GmbH	Germany	74.80	74.80	*82.96*	*82.96*
21	Larsen & Toubro Infotech Austria GmbH	Austria	74.80	74.80	*82.96*	*82.96*
22	L&T Information Technology Spain,S.L.	Spain	74.80	74.80	*82.96*	*82.96*
23	Larsen & Toubro Infotech Norge AS *	Norway	74.80	74.80	–	–
24	Larsen & Toubro LLC	USA	98.80	98.80	*99.19*	*99.19*
25	L&T Infotech S. DE R.L. DE C.V.	Mexico	74.80	74.80	*82.96*	*82.96*
26	Syncordis S.A.	Luxembourg	74.80	74.80	*82.96*	*82.96*
27	Syncordis SARL	France	74.80	74.80	*82.96*	*82.96*
28	Syncordis Limited	UK	74.80	74.80	*82.96*	*82.96*
29	Syncordis Support Services S.A.	Luxembourg	74.80	74.80	*82.96*	*82.96*
30	Nielsen+Partner Unternehmensberater GmbH**	Germany	74.80	74.80	–	–
31	Nielsen+Partner Unternehmensberater AG**	Switzerland	74.80	74.80	–	–
32	Nielsen+Partner Pte Ltd**	Singapore	74.80	74.80	–	–
33	Nielsen+Partner S.A **	Luxembourg	74.80	74.80	–	–
34	Nielsen&Partner Company Limited**	Thailand	74.80	74.80	–	–
35	Nielsen&Partner Pty Ltd**	Australia	74.80	74.80	–	–
36	Ruletronics Limited**	UK	74.80	74.80	–	–
37	Ruletronics Systems Inc**	USA	74.80	74.80	–	–
38	L&T Technology Services LLC	USA	78.88	78.88	*88.64*	*88.64*
39	Graphene Solutions PTE Ltd. @	Singapore	78.88	78.88	–	–
40	Graphene Solutions SDN .BHD @	Malaysia	78.88	78.88	–	–
41	Graphene Solutions Taiwan Limited @	Taiwan	78.88	78.88	–	–
42	Esencia Technologies Inc.	USA	78.88	78.88	*88.64*	*88.64*
43	L&T Realty FZE	UAE	100.00	100.00	*100.00*	*100.00*
44	Henikwon Corporation SDN. BHD.	Malaysia	100.00	100.00	*100.00*	*100.00*
45	Kana Controls General Trading & Contracting Company W.L.L.	Kuwait	49.00	100.00	*49.00*	*100.00*
46	L&T Electrical & Automation FZE	UAE	100.00	100.00	*100.00*	*100.00*
47	L&T Electricals & Automation Saudi Arabia Company Limited LLC	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
48	PT Tamco Indonesia	Indonesia	100.00	100.00	*100.00*	*100.00*
49	Servowatch Systems Limited	UK	100.00	100.00	*100.00*	*100.00*
50	Tamco Electrical Industries Australia Pty Limited	Australia	100.00	100.00	*100.00*	*100.00*
51	Tamco Switchgear (Malaysia) SDN BHD	Malaysia	100.00	100.00	*100.00*	*100.00*
52	Thalest Limited	UK	100.00	100.00	*100.00*	*100.00*
53	Larsen & Toubro (East Asia) Sdn.Bhd.	Malaysia	30.00	100.00	*30.00*	*100.00*
54	Larsen & Toubro International FZE	UAE	100.00	100.00	*100.00*	*100.00*
55	L&T Global Holdings Limited	UAE	100.00	100.00	*100.00*	*100.00*
56	L&T Capital Markets (Middle East) Ltd @@	UAE	63.91	63.91	–	–

\# The company is in process of liquidation.
^ The company has been incorporated on September 9, 2018
* The company has been incorporated on November 20, 2018
** The Group has acquired stake on February 1, 2019
@ The Group has acquired stake on October 15, 2018
@@ The company has been incorporated on July 1, 2018

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] *(contd.)*

Sr. No.	Name of associates	Principal place of business	As at 31-3-2019		*As at 31-3-2018*	
			Proportion of effective ownership Interest (%)	Proportion of voting power held (%)	*Proportion of effective ownership Interest (%)*	*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	LTIDPL INDVIT Services Limited*	India	97.45	97.45	–	–
8	Magtorq Engineering Solutions Private Limited	India	39.28	39.28	*39.28*	*39.28*

@ The company is under liquidation

* The company has been re-classified as associate w.e.f. August 14, 2018 on amendment to Articles of Association

Sr. No.	Name of joint ventures	Principal place of business	As at 31-3-2019	*As at 31-3-2018*
			Proportion of effective ownership interest (%)	*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	*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	*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*
14	Krishnagiri Thopur Toll Road Limited *	India	–	*97.45*
15	Western Andhra Tollways Limited *	India	–	*97.45*
16	Krishnagiri Walajahpet Tollway Limited *	India	–	*97.45*
17	Devihalli Hassan Tollway Limited *	India	–	*97.45*
18	L&T Rajkot-Vadinar Tollway Limited	India	97.45	*97.45*
19	L&T Deccan Tollways Limited	India	97.45	*97.45*
20	L&T Samakhiali Gandhidham Tollway Limited	India	97.45	*97.45*
21	Kudgi Transmission Limited	India	97.45	*97.45*
22	L&T Sambalpur-Rourkela Tollway limited	India	97.45	*97.45*
23	Panipat Elevated Corridor Limited	India	97.45	*97.45*
24	Vadodara Bharuch Tollway Limited	India	97.45	*97.45*
25	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 ventures	Principal place of business	As at 31-3-2019 Proportion of effective ownership interest (%)	*As at 31-3-2018 Proportion of effective ownership interest (%)*
	Joint Ventures			
26	LTIDPL INDVIT Services Limited**	India	–	*97.45*
27	L&T Interstate Road Corridor Limited	India	97.45	*97.45*
28	Ahmedabad-Maliya Tollway Limited	India	97.45	*97.45*
29	L&T Halol-Shamlaji Tollway Limited	India	47.75	*47.75*
30	PNG Tollway Limited	India	72.11	*72.11*
31	L&T IDPL Trustee Manager Pte. Ltd. ***	Singapore	–	*97.45*
32	L&T Kobelco Machinery Private Limited [Note 66]	India	51.00	*51.00*
33	Raykal Aluminium Company Private Limited	India	75.50	*75.50*
34	Indiran Engineering Projects and Systems Kish PJSC	Iran	50.00	*50.00*

* The Group has sold its stake on May 4, 2018

** The company has been re-classified as associate w.e.f. August 14, 2018 on amendment to Articles of Association

*** The name of the company has been struck off from the register of companies on August 6, 2018

Sr. No.	Name of joint operations (with specific ownership interest in the arrangement)	Principal place of business	As at 31-3-2019 Proportion of effective ownership interest (%)	*As at 31-3-2018 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	Kindgom 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	*100.00*
18	L&T-IHI Consortium	India	100.00	*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*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of joint operations (with specific ownership interest in the arrangement)	Principal place of business	As at 31-3-2019 Proportion of effective ownership interest (%)	*As at 31-3-2018 Proportion of effective ownership interest (%)*
22	L&T- Inabensa Consortium	India	100.00	*100.00*
23	L&T-Delma Mafraq Joint Venture	UAE	100.00	*100.00*
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	50.00	*37.00*
31	EMAS Saudi Arabia Ltd	Kindgom of Saudi Arabia	50.00	*50.00*

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	Sojitz Corporation-L&T consortium (for 4 projects)	India
13	Sojitz Corporation-Gayathri Projects Ltd-L&T consortium	India
14	PESB and Larsen & Toubro Joint Venture	Malaysia
15	Scomi Engineering Bhd-L&T consortium	India
16	Consortium of M/s. J. Ray McDermott Sdn. Bhd. and M/s. L&T Hydrocarbon Engineering Limited	India
17	Consortium of L&T Hydrocarbon Engineering Limited and EMAS AMC Pte. Ltd.	Kingdom of Saudi Arabia
18	Consortium of L&T Hydrocarbon Engineering Limited and Reliance Naval and Engineering Limited	India
19	Consortium of L&T Hydrocarbon Engineering Limited, GE Oil & Gas UK Ltd., McDermott International Management S.de RL, Berlian McDermott Sdn Bhd and Vetco Gray Pte Ltd	India
20	Consortium of L&T Hydrocarbon Engineering Limited and Technip India Limited	India
21	L&T Parel Project LLP-Omkar Realtors & Developers Pvt. Ltd. (Crescent bay)	India
22	L&T Asian Realty Project LLP-Nirmal Life Style Developers Pvt. Ltd. (Nirmal Lifestyle)	India
23	L&T Infrastructure Engineering Limited-Fortress Infrastructure Advisory Services (for 4 projects)	India
24	L&T Infrastructure Engineering Limited-Mahindra Consulting Engineers Ltd.	India
25	L&T Infrastructure Engineering Limited-Pricewaterhouse Coopers Pvt. Ltd. (for 2 projects)	India
26	L&T Infrastructure Engineering Limited-Rajendran Associates	India
27	L&T Infrastructure Engineering Limited-Transtek Engineers & Services Pvt. Ltd.	India
28	L&T Infrastructure Engineering Limited-Vax Consultants Pvt.Ltd. (for 5 projects)	India
29	L&T Infrastructure Engineering Limited-Aakar Abhinav Consultants Pvt. Ltd.	India
30	L&T Infrastructure Engineering Limited-Centre for Symbiosis of Technology Environment & Management (STEM)	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 interests is reported separately in the Consolidated Balance Sheet. Retained earnings comprise Group's share in general reserve and balance of Profit and Loss.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [42]

(a) Exceptional item for 2018-19 represents recognition of certain customer dues now considered recoverable.

(b) 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.

(c) The Competition Commission of India (CCI) accorded on April 18, 2019 its approval for the acquisition of the Group's Electrical & Automation (E&A) business by Schneider Electric subject to certain conditions, the details of which are awaited. Pending receipt of CCI's detailed order, the E&A business is treated as continuing operation and accordingly, the relevant assets are not classified as held for sale.

NOTE [43]

The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 232.27 crore *(previous year: ₹ 206.80 crore)*. Further, the Group has incurred capital expenditure on research and development activities as follows:

(a) on Property, Plant & Equipment ₹ 5.59 crore *(previous year: ₹ 6.73 crore)*

(b) on intangible assets being expenditure on new product development ₹ 52.54 crore *(previous year: ₹ 51.38 crore)*

(c) on other intangible assets ₹ 1.96 crore *(previous year: ₹ 5.64 crore)*

NOTE [44]

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":

(a) Disaggregation of revenue into operating segments and geographical areas for the year ended March 31, 2019:

₹ crore

Segment	Revenue as per Ind AS 115			Other revenue	Total as per Statement of Profit & Loss / Segment report
	Domestic	Foreign	Total		
Infrastructure	53212.17	19095.51	72307.68	110.37	72418.05
Power	2583.78	1383.77	3967.55	3.95	3971.50
Heavy Engineering	964.08	1184.05	2148.13	26.09	2174.22
Defence Engineering	3420.43	331.53	3751.96	–	3751.96
Electrical & Automation	4234.45	1533.30	5767.75	19.06	5786.81
Hydrocarbon	7174.51	7945.69	15120.20	11.38	15131.58
IT & Technology Services	1217.91	13153.45	14371.36	–	14371.36
Financial Services	1135.97	–	1135.97	11501.72	12637.69
Developmental Projects	3521.39	–	3521.39	1546.65	5068.04
Others	4581.92	443.95	5025.87	670.01	5695.88
Total	82046.61	45071.25	127117.86	13889.23	141007.09

(b) Out of the total revenue recognised under Ind AS 115 during the year, ₹ 109086.70 crore was recognised over a period of time and ₹ 18031.16 crore was recognised at a point in time.

(c) Movement in Expected Credit Loss during the year:

₹ crore

Particulars	Provision on Trade receivables covered under Ind AS 115	Provision on Contract assets
Opening balance as at April 1, 2018	2900.10	121.85
Ind AS 115 transition impact	–	780.87
Changes in allowance for expected credit loss:		
Provision / (reversal) of allowance for expected credit loss	84.34	(195.46)
Additional provision (net)	265.62	155.14
Write off as bad debts	(249.23)	(2.75)
Closing balance as at March 31, 2019	3000.83	859.65

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [44] *(contd.)*

(d) Contract balances:

(i) Movement in contract balances during the year -

₹ crore

Particulars	Contract Assets	Contract Liabilities	Net contract balances
Opening balance as on April 01, 2018	42763.74	24196.28	18567.46
Closing balance as on March 31, 2019	47020.30	28292.15	18728.15
Net Increase	4256.56	4095.87	160.69

Note: Increase in net contract balances is primarily due to higher revenue recognition as compared to progress bills raised during the year and Ind AS 115 transition adjustment.

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to ₹ 9724.78 crore.

(iii) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to ₹ 221.00 crore.

(e) Cost to obtain the contract :

i. Amount of amortisation recognised in Statement of Profit and Loss during the year 2018-19: ₹ 5.32 crore.

ii. Amount recognised as contract assets as at March 31, 2019: ₹ 30.26 crore.

(f) Reconciliation of contracted price with revenue during the year -

₹ crore

Opening contracted price of orders as at April 1, 2018*		560785.57
Add:		
Fresh orders /change orders received (net)		156242.07
Increase due to additional consideration recognised as per contractual terms		5944.08
Increase due to exchange rate movements (net)		2798.27
Less:		
Orders completed during the year		85624.38
Closing contracted price of orders as at March 31, 2019*		640145.61
Total Revenue recognised during the year	127117.86	
Less: Revenue out of orders completed during the year	27545.22	
Revenue out of orders under execution at the end of the year (I)		99572.64
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)		242938.20
Decrease due to exchange rate movements (net) (III)		(68.63)
Balance revenue to be recognised in future viz. Order book (IV)		297703.40
Closing contracted price of orders as at March 31, 2019* (I+II+III+IV)		640145.61

* including full value of partially executed contracts

(g) Remaining performance obligations: The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows -

₹ crore

Particulars	Total	Expected conversion in revenue					
		Upto 1 Year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Beyond 5 years
Transaction price allocated to the remaining performance obligation	297703.40	116804.46	108730.85	44795.85	16996.20	5926.62	4449.42

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [44] *(contd.)*

(h) Disclosure of amount by which Consolidated financial statements are impacted by application of Ind AS 115 as compared to Ind AS 11 and Ind AS 18 -

(i) Impact on Balance Sheet:

₹ crore

Particulars	As per Ind AS 11/ Ind AS 18 as at 31.03.2019	Impact of application of Ind AS 115 Increase/(decrease)		After application of Ind AS 115 as at 31.03.2019
		Transition impact as at April 1, 2018	For the year 2018-19	
Assets	278489.21	1516.73	(871.87)	279134.07
Liabilities	208509.40	2757.11	(1333.35)	209933.16
Total Equity	69979.81	(1240.38)	461.48	69200.91

(ii) Impact on Statement of Profit & Loss:

₹ crore

Particulars	For the year 2018-19		
	As per Ind AS 11/ Ind AS 18	Impact of application of Ind AS 115 Increase/(decrease)	After application of Ind AS 115
Revenue from operations	139725.20	1281.89	141007.09
Manufacturing, construction and operating expenses	98518.70	762.39	99281.09
Employee benefits expense	18130.84	(30.26)	18100.58
Sales, administration and other expenses	7506.39	(204.12)	7302.27
Profit before tax	13827.04	753.88	14580.92
Tax Expenses	4050.94	292.40	4343.34
Profit after tax	9776.10	461.48	10237.58
Non-controlling interest (NCI) in (income)/losses	(1306.65)	(4.80)	(1311.45)
Net Profit after tax, non-controlling interest and share in profit of joint ventures/associates	8448.45	456.68	8905.13
Basic earnings per share	60.26	3.25	63.51
Diluted earnings per share	60.15	3.25	63.40

A. Pursuant to adoption of Ind AS 115, the Group recognised impairment loss on contract assets using expected credit loss applied to trade receivables.

Impact during transition: Opening total equity as on April 1, 2018 reduced by ₹ 552.17 crore (net of tax) due to initial recognition of expected credit loss on contract assets with a corresponding increase in deferred tax asset by ₹ 260.19 crore and reduction in contract assets by ₹ 812.36 crore.

Impact for the year: There is a decrease in sales, administration and other expenses due to reversal of provision for expected credit loss on contract asset resulting in profit after tax being higher by ₹ 131.90 crore (net of tax) with corresponding increase in contract assets by ₹ 204.12 crore and reduction in deferred tax asset ₹ 72.22 crore. Further, there is an increase in Profit after tax due to recognition of contract cost (net) by ₹ 22.90 crore (net of tax) with a corresponding increase in contract assets by ₹ 34.85 crore, increase in inventory by ₹ 0.65 crore, decrease in deferred tax asset by ₹ 7.82 crore and increase in contract liability by ₹ 4.78 crore.

B. Under Ind AS 115, revenue from realty business is recognised upon delivery of units as against percentage of completion method followed under Ind AS 11.

Impact during transition: Opening total equity as on April 1, 2018 reduced by ₹ 688.21 crore (net of tax) with a corresponding increase in contract liability by ₹ 2757.11 crore, decrease in contract asset by ₹ 3.51 crore, increase

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [44] ***(contd.)***

in inventory by ₹ 1748.47 crore, decrease in trade receivable by ₹ 22.02 crore and increase in deferred tax asset by ₹ 345.96 crore.

Impact for the year: Profit after tax during the year is higher by ₹ 306.68 crore (net of tax) with a corresponding decrease in contract liability by ₹ 1319.06 crore, decrease in current tax liability by ₹ 19.07 crore, decrease in inventory by ₹ 656.66 crore, decrease in trade receivable by ₹ 148.53 crore, increase in other current asset by ₹ 5.17 crore and decrease in deferred tax assets by ₹ 231.43 crore.

(i) 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	₹ 387.33 crore *(previous year: ₹ 469.10 crore)* [included in Note 44 (a) above]

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45]

Disclosure pursuant to Ind AS 19 "Employee Benefits" [Note 1(p)]

(a) Defined contribution plans: Amount of ₹ 400.64 crore *(previous year: ₹ 387.19 crore)* is recognised as an expense. Out of above, ₹ 399.84 crore *(previous year: ₹ 386.04 crore)* is included in "employee benefit expense" [Note 37] in the Statement of Profit and Loss and ₹ 0.80 crore *(previous year: ₹ 1.15 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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
A) Present value of defined benefit obligation								
– Wholly funded	753.52	*676.92*	–	–	–	–	4090.42	*3618.47*
– Wholly unfunded	254.53	*215.17*	241.63	*222.16*	337.28	*326.68*	–	*14.84*
	1008.05	*892.09*	241.63	*222.16*	337.28	*326.68*	4090.42	*3633.31*
Less: Fair value of plan assets	649.28	*610.99*	–	–	–	–	4128.60	*3676.19*
Add: Amount not recognised as an asset (limit in para 64(b))	3.24	*4.78*	–	–	–	–	3.38	–
Amount to be recognised as liability or (asset)	362.01	*285.88*	241.63	*222.16*	337.28	*326.68*	(34.80)	*(42.88)*
B) Amounts reflected in the Balance Sheet								
Liabilities	364.96	*292.73*	241.63	*222.16*	337.28	*326.68*	46.33	*33.83*
Assets	(2.95)	*(6.85)*	–	–	–	–	(0.10)	*(2.96)*
Net liability/(asset)	362.01	*285.88*	241.63	*222.16*	337.28	*326.68*	46.23	*30.87*
Net liability/(asset) - current #	362.01	*285.88*	14.97	*13.12*	28.92	*25.55*	46.23	*30.87*
Net liability/(asset) - Non-current	–	–	226.66	*209.04*	308.36	*301.13*	–	–

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	
	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
1 Current service cost	149.50	*134.31*	20.01	*21.51*	3.14	*3.68*	136.98$	*116.19 $*
2 Interest cost	53.22	45.74	16.71	16.48	24.22	22.00	314.71	280.26
3 Interest income on plan assets	(44.24)	(41.19)	–	–	–	–	(314.71)	(280.26)
4 Re-measurement - Actuarial losses/(gains) - Difference between actual return on plan assets and interest income	5.74	(24.87)	–	–	–	–	(18.86)	(14.02)
5 Re-measurement - Actuarial losses/ (gains) - Others	28.77	21.00	(5.40)	(34.82)	4.57	3.75	–	–
6 Past service cost	–	3.30	0.05	(0.70)	0.63	–	–	–
7 Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	18.86	14.02
8 Adjustment for earlier years	1.29	–	–	–	–	–	–	–
9 Re-measurement - Effect of the limit in para 64(b)	(2.76)	(0.19)	–	–	–	–	–	–
10 Business Combination	–	–	–	–	–	–	–	–
10 Translation adjustments	1.22	(0.30)	–	–	–	–	–	–
11 Amount capitalised out of the above	(1.19)	(0.81)	(0.01)	(0.02)	–	–	–	–
Total (1 to 11)	191.55	136.99	31.36	2.45	32.56	29.43	136.98	116.19

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	
	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
I. Amount included in "employee benefits expense"	152.65	140.83	21.76	22.60	3.77	3.68	136.98	116.19
II. Amount included as part of "manufacturing, construction and operating expenses"	0.31	0.21	–	–	–	–	–	–
III. Amount included as part of "finance cost"	7.47	0.47	15.00	14.67	24.22	22.00	–	–
IV. Amount included as part of "Other comprehensive income"	31.12	(4.52)	(5.40)	(34.82)	4.57	3.75	–	–
Total (I+II+III+IV)	191.55	136.99	31.36	2.45	32.56	29.43	136.98	116.19
Actual return on plan assets	38.50	66.06	–	–	–	–	333.57	294.28

(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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Opening 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*
Add: Current service cost	149.50	134.31	20.01	21.51	3.14	3.68	136.98$	116.19$
Add: Interest cost	53.22	45.74	16.71	16.48	24.22	22.00	314.71	280.26
Add: Contribution by plan participants								
i) Employer	–	–	–	–	–	–	–	–
ii) Employee	–	–	–	–	–	–	352.78	295.03
iii) Transfer-in/(out)	–	–	–	–	–	–	–	–
Add/(less): Re-measurement - Actuarial losses/(gains)								
i) Actuarial (gains)/losses arising from changes in demographic assumptions	6.32	19.82	(11.43)	(30.16)	(15.00)	–	–	–
ii) Actuarial (gains)/losses arising from changes in financial assumptions	11.66	(16.61)	8.40	(18.66)	7.60	(15.48)	–	–
iii) Actuarial (gains)/losses arising from changes in experience adjustments	10.79	17.79	(2.37)	14.00	11.96	19.23	–	–
Less: Benefits paid	(109.45)	(168.71)	(11.85)	(12.02)	(21.96)	(20.16)	(477.56)	(482.35)
Add: Past Service Cost	–	3.30	–	(0.70)	0.64	–	–	–
Add: Liabilities assumed on transfer of employees	(15.31)	6.28	–	–	–	–	128.71	105.86
Add: Business combination/acquisition	0.19	5.49	–	(2.84)	–	–	–	–
Add: Adjustment for earlier years	1.48	–	–	–	–	–	–	–
Add/(less): Translation adjustments	7.56	0.52	–	–	–	–	1.49	–
Closing balance of the present value of defined benefit obligation	1008.05	892.09	241.63	222.16	337.28	326.68	4090.42	3633.31

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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Opening balance of the fair value of the plan assets	610.99	*615.72*	3676.19	*3348.38*
Add: Interest Income on plan assets*	44.24	*41.19*	314.71	*280.26*
Add/(less): Re-measurement - Actuarial gains/(losses)				
Add/(less): Actuarial gains/(losses) - Difference between actual return on plan assets and interest income	(5.74)	*24.87*	18.86	*14.02*
Add/(less): Actuarial gains/(losses) - Others	–	–	–	–
Add: Contribution by the employer	95.13	*73.90*	132.76	*116.32*
Add/(less): Transfer in/(out)	–	–	–	–
Add: Contribution by plan participants	–	–	334.82	*295.44*
Add: Assets assumed on transfer of employees	–	–	128.98	*108.71*
Add: Business combination/disposal (net)	–	*(3.70)*	–	*(4.43)*
Less: Benefits paid	(95.18)	*(140.99)*	(477.56)	*(482.35)*
Add: Adjustment for earlier years	–	–	0.18	*(0.16)*
Less: Settlements	(0.16)	–	(0.34)	–
Closing balance of the plan assets	649.28	*610.99*	4128.60	*3676.19*

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 Trusts formed by the Parent Company and a few subsidiaries manage the investments of provident funds and gratuity funds. Interest income on plan assets is determined by multiplying the fair value of the plan assets by the discount rate determined at the start of the annual reporting period.

The Group expects to fund ₹ 111.90 crore *(previous year: ₹ 93.63 crore)* towards its gratuity plan and ₹ 143.83 crore *(previous year: ₹ 122.04 crore)* towards its trust-managed provident fund plan during the year 2019-20.

$ Employer's contribution to provident fund.

(v) The fair values of major categories of plan assets are as follows:

₹ crore

Particulars	Gratuity plan					
	As at 31-3-2019			*As at 31-3-2018*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	1.78	1.78	–	*1.68*	*1.68*
Equity instruments	15.81	–	15.81	*16.51*	–	*16.51*
Debt instruments - Corporate bonds	193.00	–	193.00	*82.54*	*99.91*	*182.45*
Debt instruments - Central Government bonds	162.66	–	162.66	*128.18*	–	*128.18*
Debt instruments - State Government bonds	77.63	–	77.63	*66.35*	–	*66.35*
Debt instruments - Public Sector Unit bonds	8.41	–	8.41	–	*55.59*	*55.59*
Mutual funds - Equity	7.20	9.88	17.08	*4.96*	–	*4.96*
Mutual funds - Debt	–	4.75	4.75	–	*0.29*	*0.29*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] ***(contd.)***

₹ *crore*

Particulars	Gratuity plan					
	As at 31-3-2019			*As at 31-3-2018*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Special deposit scheme	–	1.49	1.49	–	*2.54*	*2.54*
Fixed deposits	–	1.85	1.85	–	*1.47*	*1.47*
Insurer managed fund	–	163.17	163.17	–	*147.80*	*147.80*
Other (payables)/receivables	–	1.65	1.65	–	*3.17*	*3.17*
Closing balance of the plan assets	464.71	184.57	649.28	*298.54*	*312.45*	*610.99*

₹ *crore*

Particulars	Trust-managed provident fund plan					
	As at 31-3-2019			*As at 31-3-2018*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	7.28	7.28	–	*7.50*	*7.50*
Equity instruments	0.06	–	0.06	–	*0.01*	*0.01*
Debt instruments - Corporate bonds	831.42	–	831.42	*541.31*	*104.37*	*645.68*
Debt instruments - Central Government bonds	956.71	–	956.71	*838.08*	*0.20*	*838.28*
Debt instruments - State Government bonds	988.14	–	988.14	*748.74*	*0.18*	*748.92*
Debt instruments - Public Sector Unit bonds	890.85	–	890.85	*483.37*	*582.43*	*1065.80*
Mutual funds - Equity	56.48	75.28	131.76	*85.69*	*14.32*	*100.01*
Mutual funds - Debt	0.34	34.09	34.43	*0.05*	*0.26*	*0.31*
Mutual funds - Others	–	1.98	1.98	*2.81*	*6.71*	*9.52*
Special deposit scheme	–	271.20	271.20	–	*270.32*	*270.32*
Fixed deposits	–	2.60	2.60	–	*3.09*	*3.09*
Other (payables)/receivables	7.99	4.18	12.17	*0.70*	*(13.95)*	*(13.25)*
Closing balance of the plan assets	3731.99	396.61	4128.60	*2700.75*	*975.44*	*3676.19*

(vi) The average duration (years) of the Defined Benefit Obligation at the end of the reporting period is as follows:

	Plans	As at 31-3-2019	*As at 31-3-2018*
1.	Gratuity	6.02	*6.30*
2.	Post-retirement medical benefit plan	14.60	*14.86*
3.	Pension plan	7.70	*7.50*

(vii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

	Plans	As at 31-3-2019	*As at 31-3-2018*
(A)	Discount rate:		
	(a) Gratuity plan	7.31%	*7.56%*
	(b) Pension plan	7.31%	*7.56%*
	(c) Post-retirement medical benefit plan	7.31%	*7.56%*
(B)	Annual increase in healthcare costs (see note below)	5.00%	*5.00%*
(C)	Salary Growth rate:		
	(a) Gratuity plan	5.13%	*5.03%*
	(b) Pension plan	7.00%	*5.99%*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] ***(contd.)***

(D) Attrition Rate:

(a) For gratuity plan, the attrition rate varies from 1% to 25% *(previous year: 1% to 25%)* for various age groups.

(b) For pension plan, the attrition rate varies from 0% to 2% *(previous year: 0% to 2%)* for various age groups.

(c) For post-retirement medical benefit plan, the attrition rate varies from 1% to 11% *(previous year: 1% to 12%)* 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 loss.

(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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Gratuity				
Impact of change in salary growth rate	78.92	*81.24*	(71.48)	*(71.74)*
Impact of change in discount rate	(69.88)	*(70.36)*	78.62	*81.31*
Post-retirement medical benefit plan				
Impact of change in Health care cost	26.97	*24.44*	(22.03)	*(19.96)*
Impact of change in discount rate	(33.66)	*(29.80)*	41.66	*37.71*
Pension plan				
Impact of change in discount rate	(24.45)	*(24.29)*	28.13	*28.04*

(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 are 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 plans. 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, the unfunded portion 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 31-3-2019			*For the year ended 31-3-2018*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Revenue						
Infrastructure	72418.05	785.71	73203.76	*62286.62*	*1130.29*	*63416.91*
Power	3971.50	11.59	3983.09	*6200.58*	*7.65*	*6208.23*
Heavy Engineering	2174.22	339.44	2513.66	*1391.60*	*243.47*	*1635.07*
Defence Engineering	3751.96	97.28	3849.24	*3214.44*	*5.62*	*3220.06*
Electrical & Automation [Note 42(c)]	5786.81	306.82	6093.63	*5209.03*	*299.24*	*5508.27*
Hydrocarbon	15131.58	44.65	15176.23	*11735.83*	*23.80*	*11759.63*
IT & Technology Services	14371.36	181.74	14553.10	*11187.79*	*169.64*	*11357.43*
Financial Services	12637.69	–	12637.69	*10063.75*	–	*10063.75*
Developmental Projects	5068.04	–	5068.04	*4294.05*	–	*4294.05*
Others	5695.88	239.10	5934.98	*4278.41*	*165.79*	*4444.20*
Elimination	–	(2006.33)	(2006.33)	–	*(2045.50)*	*(2045.50)*
Total	141007.09	–	141007.09	*119862.10*	–	*119862.10*
Segment result [Profit/(Loss) before interest and tax]						
Infrastructure			5388.77			*5440.08*
Power			129.88			*163.99*
Heavy Engineering			487.01			*205.21*
Defence Engineering			472.22			*120.38*
Electrical & Automation [Note 42(c)]			850.09			*668.82*
Hydrocarbon			1178.10			*771.81*
IT & Technology Services			3084.20			*2146.51*
Financial Services			3052.64			*1440.64*
Developmental Projects			314.35			*196.40*
Others			776.20			*1182.57*
Total			15733.46			*12336.41*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46]

(a) Information about Reportable segments *(contd.)*

₹ *crore*

Particulars	For the year ended 31-3-2019			*For the year ended 31-3-2018*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Inter-segment margins on capital jobs			(5.50)			*12.90*
Finance costs			(1806.04)			*(1538.52)*
Unallocated corporate income net of expenditure			659.00			*828.37*
Profit before Tax			14580.92			*11639.16*
Provision for current tax			(4693.33)			*(3732.27)*
Provision for deferred tax			349.99			*533.40*
Profit after tax			10237.58			*8440.29*
Share in profit/(loss) of joint venture/associate companies (net)			(21.00)			*(435.86)*
Adjustments for non-controlling interests in subsidiaries			(1311.45)			*(634.57)*
Net profit after tax, non-controlling interests and share in profit/(loss) of joint ventures/associates			8905.13			*7369.86*

₹ *crore*

Particulars	Segment Assets		Segment Liabilities	
	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Infrastructure	74848.71	*65485.32*	50908.92	*43235.53*
Power	6030.51	*6491.79*	4838.09	*5647.48*
Heavy Engineering	4614.54	*3962.73*	2111.79	*1541.48*
Defence Engineering	7826.76	*7734.33*	4964.28	*4618.63*
Electrical & Automation [Note 42(c)]	4458.66	*4449.55*	2178.18	*2139.88*
Hydrocarbon	12224.57	*9226.17*	10096.59	*7841.04*
IT & Technology Services	9647.21	*7568.14*	2575.96	*2187.10*
Financial Services	104842.19	*86088.63*	92973.64	*76390.47*
Developmental Projects	31191.27	*30375.07*	9560.38	*11109.86*
Others	9819.89	*10576.54*	3936.13	*2975.92*
Segment Total	265504.31	*231958.27*	184143.96	*157687.39*
Corporate unallocated assets/liabilities	15890.10	*14329.15*	28049.54	*28495.10*
Inter-segment assets/liabilities	(2260.34)	*(2409.97)*	(2260.34)	*(2409.97)*
Consolidated Total assets/liabilities	279134.07	*243877.45*	209933.16	*183772.52*

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 expense		Non-cash expenses other than depreciation included in segment expense	
	2018-19	*2017-18*	2018-19	*2017-18*
Infrastructure	764.59	*683.64*	46.40	*22.86*
Power	47.16	*43.56*	2.99	*1.40*
Heavy Engineering	44.95	*87.47*	2.19	*1.06*
Defence Engineering	134.03	*141.44*	2.59	*0.95*
Electrical & Automation [Note 42(c)]	161.63	*152.74*	6.37	*3.85*
Hydrocarbon	151.83	*132.41*	7.82	*3.66*
IT & Technology Services	251.34	*244.43*	7.25	*8.47*
Financial Services	49.01	*51.23*	68.15	*29.43*
Developmental Projects	207.22	*73.68*	–	–
Others	96.77	*115.42*	1.46	*1.29*
Segment Total	1908.53	*1726.02*	145.22	*72.97*
Unallocable	175.47	*202.71*	12.75	*38.42*
Consolidated Total	2084.00	*1928.73*	157.97	*111.39*

Note : Impairment loss included in segment expense: Heavy Engineering Segment ₹ Nil *(previous year: ₹ 31.88 crore)*, Developmental Projects Segment ₹ 127.94 crore *(previous year: ₹ Nil)*, Other segment ₹ 2.08 crore *(previous year: ₹ 27.69 crore)* and Corporate Unallocated ₹ 146.93 crore *(previous year: ₹ 84.32 crore)*.

₹ crore

Particulars	Interest Income included in segment income		Finance costs included in segment expense		Profit or (loss) of associates and joint ventures accounted applying equity method not included in segment result	
	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
Infrastructure	6.37	*2.95*	297.87	*236.90*	0.96	*2.44*
Power	–	–	–	–	183.60	*164.45*
Heavy Engineering	–	–	–	–	(156.81)	*(227.96)*
Defence Engineering	1.29	*0.48*	–	–	0.40	*0.06*
Electrical & Automation [Note 42(c)]	6.61	*5.29*	–	–	–	–
Hydrocarbon	244.92	*119.43*	–	–	17.70	*29.72*
IT & Technology Services	5.20	*4.04*	–	–	–	–
Financial Services	286.25	*215.74*	6859.46	*5449.67*	–	*0.70*
Developmental Projects	1.17	*0.54*	599.54	*627.53*	(90.38)	*(392.85)*
Others	66.57	*53.62*	–	–	6.24	*2.98*
Segment Total	618.38	*402.09*	7756.87	*6314.10*	(38.29)	*(420.46)*
Unallocable	629.65	*518.66*	(297.87)	*(236.90)*	17.29	*(15.40)*
Inter-segment	(347.45)	*(255.08)*	(73.37)	*(57.46)*	–	–
Consolidated Total	900.58	*665.67*	7385.63	*6019.74*	(21.00)	*(435.86)*

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	
	2018-19	*2017-18*	As at 31-3-2019	*As at 31-3-2018*
Infrastructure	1251.62	*1516.19*	4.70	*8.95*
Power	62.96	*133.40*	933.37	*774.53*
Heavy Engineering	76.76	*41.25*	–	–
Defence Engineering	219.15	*229.40*	6.36	*5.96*
Electrical & Automation [Note 42(c)]	258.30	*202.16*	–	–
Hydrocarbon	386.99	*399.29*	394.60	*359.92*
IT & Technology Services	667.31	*512.16*	–	–
Financial Services	860.12	*351.39*	–	–
Developmental Projects	2938.11	*2461.60*	1275.49	*1310.94*
Others	629.99	*410.14*	26.93	*20.73*
Segment Total	7351.31	*6256.98*	2641.45	*2481.03*
Unallocable	228.58	*457.28*	0.84	*0.56*
Inter-segment	(105.29)	*(74.61)*	–	–
Consolidated Total	7474.60	*6639.65*	2642.29	*2481.59*

b) Geographical Information

₹ crore

Particulars	Revenues by location of customers	
	2018-19	*2017-18*
India (a)	95898.05	*80162.78*
Foreign countries (b):		
United States of America	8826.86	*7355.33*
Kingdom of Saudi Arabia	6575.22	*8053.68*
Sultanate of Oman	3031.69	*4485.12*
United Arab Emirates	6306.93	*3866.38*
Kuwait	1672.07	*2174.35*
Qatar	4146.69	*5335.10*
Other countries	14549.58	*8429.36*
Total Foreign countries (b)	45109.04	*39699.32*
Total (a+b)	141007.09	*119862.10*

₹ crore

Particulars	Non-current Assets	
	As at 31-3-2019	*As at 31-3-2018*
India	38648.64	*35096.97*
Foreign countries	2113.39	*1680.43*
Total	40762.03	*36777.40*

(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 group (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 nine reportable segments [described under "segment composition"] 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 seven 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, smart world & communication projects and metallurgical & material handling systems.
- **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 and Thermal & Nuclear Power.
- **Defence Engineering segment** comprises design, development, prototyping, serial production, delivery, commissioning and through life-support of equipment, systems and platforms for Defence and Aerospace sectors. It also includes Defence Shipbuilding comprising design, construction, commissioning, repair/refit and upgrades of Naval and Coast Guard vessels.
- **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 and wealth management.
- **Developmental projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll and fare collection, power development, development and operation of port facilities (till the date of sale) and providing related advisory services.
- **Others segment** includes realty, 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, 2019.

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) List of related parties:

(i) Name of associates with whom transactions were carried out during the year :

Associate Companies:	
1. L&T-Chiyoda Limited	2. Feedback Infra Private Limited@
3. Magtorq Private Limited	4. L&T Camp Facilities LLC
5. LTIDPL INDVIT Services Limited@@	6. Larsen & Toubro Qatar & HBK Contracting Co. WLL

@ The Group has sold its stake on March 19, 2018 @@ w.e.f. August 14, 2018

(ii) Name of joint ventures with whom transactions were carried out during the year :

Joint Venture Companies:	
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
31. LTIDPL INDVIT Services Limited#	32. L&T MBDA Missile Systems Limited
33. L&T Hydrocarbon Caspian LLC	

*Reclassified as subsidiary w.e.f. August 16, 2017 due to purchase of additional stake
** The Group has sold its stake on May 4, 2018
# Re-classified as associate w.e.f. August 14, 2018 on amendment of Articles of Association

(iii) Name of post-employment benefit plans with whom transactions were carried out during the year :

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. L&T Technology Services Limited Employee Group Gratuity Scheme
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 Trust
1. Larsen & Toubro Limited Senior Officers' Superannuation Scheme

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

(iv) Name of Key Management Personnel (of the parent company) and their relatives with whom transactions were carried out during the year:

(i) Executive Directors:	
1. Mr. S. N. Subrahmanyan (Chief Executive Officer and Managing Director)#	2. Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)
3. Mr. Shailendra Roy (Whole-time Director)	4. Mr. D. K. Sen (Whole-time Director)
5. Mr. M. V. Satish (Whole-time Director)	6. Mr. J.D. Patil (Whole-time Director)**

(ii) Independent/Non-executive Directors:	
1. Mr. A.M. Naik (Group Chairman)*	2. Mr. M. M. Chitale
3. Mr. Subodh Bhargava	4. Mr. M. Damodaran
5. Mr. Vikram Singh Mehta	6. Mr. Adil Zainulbhai
7. Mr. Akhilesh Krishna Gupta	8. Mrs. Sunita Sharma
9. Mr. Thomas Mathew T	10. Mr. Ajay Shankar
11. Mr. Subramanian Sarma	12. Mrs. Naina Lal Kidwai
13. Mr. Sanjeev Aga	14. Mr. Narayanan Kumar
15. Mr. Arvind Gupta ##	16. Mr. Sushobhan Sarkar ###
17. Mr. Hemant Bhargava @	

w.e.f. July 1,2017 (Whole-time Director till June 30, 2017) **Appointed w.e.f. July 1, 2017
* w.e.f. October 1, 2017 (Group Executive Chairman till September 30, 2017)
Appointed w.e.f. July 1, 2017 ### ceased w.e.f. May 2, 2018
@ Appointed w.e.f. May 28, 2018

(b) Disclosure of related party transactions:

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19		*2017-18*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(i)	Purchase of goods & services (including commission paid)				
	Joint ventures, including:	1210.35		*1941.69*	
	L&T-MHPS Boilers Private Limited		779.49		*1385.93*
	L&T-MHPS Turbine Generators Private Limited		187.78		*362.45*
	Associates, including:	162.15		*156.61*	
	L&T-Chiyoda Limited		154.52		*149.50*
	Total	1372.50		*2098.30*	
(ii) (A)	Sale of goods/contract revenue & services				
	Joint ventures, including:	184.85		*438.62*	
	L&T-MHPS Boilers Private Limited		168.41		*194.04*
	L&T Infrastructure Development Projects Limited		7.67		*134.85*
	L&T Deccan Tollways Limited		–		*87.37*
	Associate:	0.13		*0.17*	
	L&T-Chiyoda Limited		0.13		*0.17*
	Total	184.98		*438.79*	
(B)	Reversal of sale of goods/contract revenue & services				
	Joint ventures:	25.99		*0.28*	
	L&T Deccan Tollways Limited		23.86		–
	L&T Samakhiali Gandhidham Tollway Limited		2.13		*0.28*
	Total	25.99		*0.28*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19		*2017-18*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(iii)	Purchase/lease of property, plant and equipment				
	Joint ventures:	0.54		*0.01*	
	L&T-MHPS Turbine Generators Private Limited		0.13		*0.01*
	L&T Special Steels and Heavy Forgings Private Limited		0.13		–
	L&T Sapura Shipping Private Limited		0.16		–
	L&T Kobelco Machinery Private Limited		0.12		–
	Total	0.54		*0.01*	
(iv)	Sale of property, plant and equipment				
	Joint venture:	0.69		–	
	L&T-MHPS Boilers Private Limited		0.69		–
	Key management personnel:	6.25		–	
	Mr. Shailendra Roy		6.25		–
	Total	6.94		–	
(v)	Investments including subscription to equity shares and preference shares (equity portion)				
	Joint ventures, including:	1.17		*261.37*	
	L&T Special Steels and Heavy Forgings Private Limited		–		*260.65*
	L&T-MHPS Turbine Generators Private Limited		0.69		*0.33*
	L&T MBDA Missile Systems Limited		0.48		*0.03*
	Total	1.17		*261.37*	
(vi)	Subscription of preference share (debt portion)				
	Joint venture:	–		*214.43*	
	L&T Special Steels and Heavy Forgings Private Limited		–		*214.43*
	Total	–		*214.43*	
(vii)	Inter-corporate deposits given/(repaid)-net				
	Joint ventures:	55.86		*392.76*	
	L&T Special Steels and Heavy Forgings Private Limited		84.48		*211.89*
	L&T Sapura Shipping Private Limited		(28.62)		*180.87*
	Total	55.86		*392.76*	
(viii)	Charges paid for miscellaneous services				
	Joint ventures, including:	6.65		*7.08*	
	L&T-Sargent & Lundy Limited		4.92		*4.27*
	L&T Sapura Shipping Private Limited		0.45		*2.25*
	L&T-MHPS Boilers Private Limited		1.05		*0.11*
	Associate:	0.97		*2.37*	
	L&T-Chiyoda Limited		0.97		*2.37*
	Total	7.62		*9.45*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
(ix)	Rent paid, including lease rentals under leasing arrangements				
	Joint ventures, including:	1.24		–	
	L&T Special Steels and Heavy Forgings Private Limited		1.20		–
	Total	1.24		–	
(x)	Rent received, overheads recovered and miscellaneous income				
	Joint ventures , including:	79.40		*92.28*	
	L&T-MHPS Boilers Private Limited		35.10		*40.99*
	L&T-Sargent & Lundy Limited		11.77		*13.60*
	L&T-MHPS Turbine Generators Private Limited		8.04		*8.81*
	Associates, including:	23.20		*23.55*	
	L&T-Chiyoda Limited		23.20		*23.52*
	Key management personnel:	0.03		*0.08*	
	Mr. D. K. Sen		0.03		*0.08*
	Total	102.63		*115.91*	
(xi) (A)	Charges incurred for deputation of employees from related parties				
	Joint venture:	–		*0.04*	
	L&T Infrastructure Development Projects Limited		–		*0.04*
	Total	–		*0.04*	
(B)	Charges recovered for deputation of employees to related parties				
	Joint ventures, including:	7.71		*9.94*	
	L&T Infrastructure Development Projects Limited		1.62		*2.17*
	L&T Special Steels and Heavy Forgings Private Limited		1.35		*1.97*
	L&T Sapura Shipping Private Limited		4.13		*5.28*
	Associate:	12.88		*15.81*	
	L&T-Chiyoda Limited		12.88		*15.81*
	Total	20.59		*25.75*	
(xii)	Dividend received				
	Joint ventures:	19.44		–	
	L&T-MHPS Boilers Private Limited		11.94		–
	L&T-Sargent & Lundy Limited		7.50		–
	Associate:	–		*0.66*	
	Feedback Infra Private Limited		–		*0.66*
	Total	19.44		*0.66*	
(xiii)	Commission received, including those under agency arrangements				
	Joint ventures, including:	3.80		*2.00*	
	L&T Kobelco Machinery Private Limited		3.75		*2.00*
	Total	3.80		*2.00*	
(xiv)	Guarantee charges recovered from				
	Joint ventures:	0.52		*0.50*	
	L&T-MHPS Boilers Private Limited		0.02		*0.07*
	L&T-MHPS Turbine Generators Private Limited		0.50		*0.43*
	Total	0.52		*0.50*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
(xv)	Interest paid to				
	Joint venture:	1.81		*33.06*	
	L&T Infrastructure Development Projects Limited		–		*33.06*
	L&T-MHPS Turbine Generators Private Limited		1.81		–
	Total	1.81		*33.06*	
(xvi)	Interest received from				
	Joint ventures, including:	111.86		*106.90*	
	L&T Special Steels and Heavy Forgings Private Limited		106.83		*102.05*
	Associate:	0.26		*0.20*	
	L&T Camp Facilities LLC		0.26		*0.20*
	Total	112.12		*107.10*	
(xvii)	Amount written off as bad debts				
	Joint venture:	25.08		–	
	PNG Tollway Limited		25.08		–
	Total	25.08		–	
(xviii)	Amount recognised/(reversed) in P&L as provision towards bad and doubtful debts (including expected credit loss on account of delay)				
	Joint ventures, including:	(0.38)		*22.69*	
	L&T Special Steels and Heavy Forgings Private Limited		(0.09)		*(0.03)*
	L&T Howden Private Limited		(0.33)		*0.46*
	L&T-MHPS Boilers Private Limited		1.55		*21.66*
	L&T Samakhiali Gandhidham Tollway Limited		(1.54)		*0.01*
	Total	(0.38)		*22.69*	
(xix)	Guarantees given on behalf of				
	Joint venture :	–		*54.26*	
	L&T-MHPS Turbine Generators Private Limited		–		*54.26*
	Total	–		*54.26*	
(xx)	Rent deposit returned:				
	Key management personnel:	0.08		–	
	Mr. D.K. Sen		0.08		–
	Total	0.08		–	
(xxi)	Contribution to post employment benefit plans				
(A)	Towards Employer's contribution to provident fund trusts, including:	143.11		*115.40*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		130.58		*103.95*
	Total	143.11		*115.40*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2018-19 Amount	2018-19 Amounts for major parties	*2017-18 Amount*	*2017-18 Amounts for major parties*
(B)	Towards Employer's contribution to gratuity trusts, including:	59.56		*24.06*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		43.35		*5.01*
	L&T Hydrocarbon Engineering Ltd Group Gratuity Scheme		0.85		*9.86*
	L&T Technology Services Limited Employee Group Gratuity Scheme		13.03		*7.63*
	Total	59.56		*24.06*	
(C)	Towards advance contribution to/(refund from) gratuity trusts:	–		*(175.00)*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		–		*(142.30)*
	Larsen & Toubro Gratuity Fund		–		*(32.70)*
	Total	–		*(175.00)*	
(D)	Towards Employer's contribution to superannuation trust:	9.78		*11.29*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		9.78		*11.29*
	Total	9.78		*11.29*	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

(xxii) Compensation to Key Management Personnel (KMP):

₹ crore

Key Management Personnel	2018-19 Short-term employee benefits	2018-19 Post-employment benefits	2018-19 Other Long term benefit	2018-19 Total	*2017-18 Short-term employee benefits*	*2017-18 Post-employment benefits*	*2017-18 Other long term benefit*	*2017-18 Total*
Executive Directors:								
(a) Mr. A.M. Naik (Group Executive Chairman up to September 30, 2017)	–	–	–	–	*11.58*	*56.80 ^*	*19.38 ^^*	*87.76*
(b) Mr. S.N.Subrahmanyan	21.28	5.67	–	26.95	*13.99*	*3.70*	–	*17.69*
(c) Mr. R. Shankar Raman	14.06	3.75	–	17.81	*9.16*	*2.42*	–	*11.58*
(d) Mr. Shailendra Roy	9.16	2.33	–	11.49	*7.96*	*1.83*	–	*9.79*
(e) Mr. D. K. Sen	5.54	1.46	–	7.00	*6.37*	*1.69*	–	*8.06*
(f) Mr. M. V. Satish	7.43	1.95	–	9.38	*5.86*	*1.52*	–	*7.38*
(g) Mr. J.D. Patil*	6.51	1.71	–	8.22	*3.14*	*0.81*	–	*3.95*
Independent/Non Executive Directors:								
(a) Mr. A.M. Naik (Group Chairman w.e.f. October 1, 2017)	9.21	3.00 #	–	12.21	*4.56*	*1.50 #*	–	*6.06*
(b) Mr. Subramanian Sarma	14.00	–	–	14.00	*11.28*	–	–	*11.28*
(c) Other Independent/Non-Executive Directors	6.20	–	–	6.20	*4.79*	–	–	*4.79*
Total	93.39	19.87	–	113.26	*78.69*	*70.27*	*19.38*	*168.34*

^ Includes 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 Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

(c) Amount due to/from related parties (including commitments):

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2019		*As at 31-3-2018*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(i)	Accounts receivable				
	Joint ventures, including:	267.98		*297.84*	
	L&T-MHPS Boilers Private Limited		127.37		*86.91*
	L&T Infrastructure Development Projects Limited		53.17		*40.70*
	Krishnagiri Walajahpet Tollway Limited		–		*42.68*
	L&T Samakhiali Gandhidham Tollway Limited		0.05		*38.19*
	L&T Deccan Tollways Limited		75.62		*33.22*
	Associate:	0.01		*0.15*	
	L&T-Chiyoda Limited		0.01		*0.15*
	Total	267.99		*297.99*	
(ii)	Accounts payable including other payable				
	Joint ventures, including:	1113.57		*1148.30*	
	L&T-MHPS Boilers Private Limited		463.50		*276.49*
	L&T-MHPS Turbine Generators Private Limited		506.61		*700.47*
	Associates, including:	28.83		*19.07*	
	L&T-Chiyoda Limited		23.88		*15.45*
	Magtorq Private Limited		5.35		*3.79*
	Total	1142.40		*1167.37*	
(iii)	Investment in debt securities [including preference shares (debt portion)]				
	Joint ventures:	955.12		*987.58*	
	L&T Special Steels and Heavy Forgings Private Limited		213.17		*217.73*
	L&T Infrastructure Development Projects Limited		253.06		*260.36*
	Kudgi Transmission Limited		488.89		*509.49*
	Total	955.12		*987.58*	
(iv)	Loans & advances recoverable				
	Joint ventures, including:	1852.69		*1819.92*	
	L&T Special Steels and Heavy Forgings Private Limited		1539.83		*1400.00*
	L&T Sapura Shipping Private Limited		167.38		*191.60*
	Associates, including:	33.54		*24.40*	
	L&T Camp Facilities LLC		19.56		*18.54*
	L&T-Chiyoda Limited		11.54		*6.26*
	Total	1886.23		*1844.32*	
(v)	Advances received in the capacity of supplier of goods/services classified as "advances from customers" in the Balance Sheet				
	Joint ventures, including:	7.15		*17.00*	
	L&T-MHPS Boilers Private Limited		6.97		*17.00*
	Total	7.15		*17.00*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2019		*As at 31-3-2018*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(vi)	Due to directors #:				
	Key management personnel, including:	66.27		*58.10*	
	Mr. A. M. Naik		1.75		*11.77*
	Mr. S. N. Subrahmanyan		18.60		*11.58*
	Mr. R. Shankar Raman		12.15		*7.39*
	Mr. Shailendra Roy		7.05		*5.32*
	Mr. D. K. Sen		4.20		*5.19*
	Mr. M. V. Satish		6.00		*4.50*
	Mr. J.D. Patil		5.30		*2.28*
	Mr. Subramanian Sarma		6.68		*6.28*
	Total	66.27		*58.10*	
(vii)	Post-employment benefit plans				
(A)	Due to provident fund trusts, including:	28.28		*24.51*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		24.77		*21.65*
	Total	28.28		*24.51*	
(B)	Due to gratuity trusts:	60.92		*45.06*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		49.70		*36.31*
	Larsen & Toubro Gratuity Fund		11.22		*8.75*
	Total	60.92		*45.06*	
(C)	Due to superannuation trust:	7.99		*6.74*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		7.99		*6.74*
	Total	7.99		*6.74*	
(viii)	Capital commitment given				
	Joint ventures:	34.07		*0.13*	
	L&T Special Steels and Heavy Forgings Private Limited		0.02		*0.13*
	L&T-MHPS Turbine Generators Private Limited		34.05		*–*
	Total	34.07		*0.13*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2019		*As at 31-3-2018*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
(ix)	Revenue commitment given				
	Joint ventures, including:	401.52		*1237.63*	
	L&T-MHPS Boilers Private Limited		207.56		*667.58*
	L&T-MHPS Turbine Generators Private Limited		42.63		*394.67*
	L&T Howden Private Limited		103.60		–
	Associates, including:	205.99		*115.07*	
	L&T-Chiyoda Limited		186.89		*111.24*
	Total	607.51		*1352.70*	
(x)	Revenue commitment received				
	Joint ventures, including:	88.31		*76.10*	
	L&T Infrastructure Development Projects Limited		–		*13.70*
	Krishnagiri Thopur Toll Road Limited		–		*13.63*
	L&T BPP Tollway Limited		–		*20.43*
	L&T Samakhiali Gandhidham Tollway Limited		–		*13.08*
	L&T Deccan Tollways Limited		–		*15.24*
	L&T MBDA Missile Systems Limited		69.19		–
	L&T-Gulf Private Limited		18.77		–
	Total	88.31		*76.10*	
(xi)	Provision for doubtful debts on outstanding balances in respect of				
	Joint ventures, including:	23.55		*52.73*	
	L&T-MHPS Boilers Private Limited		23.37		*21.84*
	PNG Tollway Limited		–		*25.08*
	Total	23.55		*52.73*	
(xii)	Guarantees given on behalf of				
	Joint ventures:	456.24		*508.34*	
	L&T-MHPS Boilers Private Limited		28.93		*89.39*
	L&T-MHPS Turbine Generators Private Limited		427.31		*418.95*
	Total	456.24		*508.34*	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of balance during respective period.

includes commission due to other non-executive directors ₹ 4.54 crore *(as at 31-3-2018: ₹ 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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
1	Receivable not later than 1 year	1252.22	*1333.70*	247.96	*307.42*
2	Receivable later than 1 year and not later than 5 years	5067.24	*4814.95*	1324.17	*937.55*
3	Receivable later than 5 years	15739.76	*17251.74*	7495.57	*8128.44*
	Gross investment in lease (1+2+3)	22059.22	*23400.39*	9067.70	*9373.41*
	Less: Unearned finance income	12991.52	*14026.98*		
	Present value of minimum lease payments receivable	9067.70	*9373.41*		

(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 31-3-2019	*As at 31-3-2018*
1	Receivable not later than 1 year	88.69	*89.75*
2	Receivable later than 1 year and not later than 5 years	145.40	*97.44*
3	Receivable later than 5 years	7.29	*10.42*
	Total	241.38	*197.61*

(b) Where the Group is a Lessee:

(i) Finance leases:

A. Assets acquired on finance lease comprises of plant & equipment and land. The leases have a primary period which is fixed and non-cancellable. The Group has an option to renew the lease for secondary period.

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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
1	Payable not later than 1 year	–	*0.06*	–	*0.06*
2	Payable later than 1 year and not later than 5 years	0.02	*0.02*	–	–
3	Payable later than 5 years	0.14	*0.28*	0.06	*0.20*
	Total	0.16	*0.36*	0.06	*0.26*
	Less: Future Finance Charges	0.10	*0.10*		
	Present value of minimum lease payments	0.06	*0.26*		

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. (i) 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 31-3-2019	*As at 31-3-2018*
1	Payable not later than 1 year	281.97	*202.78*
2	Payable later than 1 year and not later than 5 years	797.64	*585.07*
3	Payable later than 5 years	234.55	*131.06*
	Total	1314.16	*918.91*

(ii) 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: ₹ 583.10 crore *(previous year: ₹ 425.48 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 "Earnings per Share":

Particulars		2018-19	*2017-18*
Basic EPS			
Profit after tax as per accounts (₹ crore)	A	8905.13	*7369.86*
Weighted average number of equity shares outstanding	B	1,40,20,87,033	*1,40,06,13,951*
Basic EPS (₹)	A/B	63.51	*52.62*
Diluted EPS			
Profit after tax as per accounts (₹ crore)	A	8905.13	*7369.86*
Weighted average number of equity shares outstanding	B	1,40,20,87,033	*1,40,06,13,951*
Add: Weighted average number of potential equity shares on account of employee stock options	C	24,57,688	*35,69,417*
Weighted average number of equity shares outstanding for diluted EPS	D=B+C	1,40,45,44,721	*1,40,41,83,368*
Diluted EPS (₹)	A/D	63.40	*52.49*
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	2018-19	*2017-18*
Weighted average number of potential equity shares on account of conversion of foreign currency convertible bonds	95,20,455	*95,20,455*

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	2018-19	2017-18
	Consolidated statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	5002.74	3609.98
	Effect of previously unrecognised tax losses and tax offsets used during the current year	(568.96)	(42.62)
	Tax expense in respect of earlier years	259.55	164.91
		4693.33	3732.27
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(349.72)	(509.37)
	Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised	(0.27)	(13.39)
	Effect on deferred tax balances due to the change in income tax rate	–	(10.64)
		(349.99)	(533.40)
	Income tax expense/(income) reported in the consolidated statement of profit or loss [(i)+(ii)]	4343.34	3198.87
(b)	Other Comprehensive Income 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	(11.37)	5.60
		(11.37)	5.60
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	0.39	(0.13)
		0.39	(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	(88.36)	(30.00)
	On foreign currency translation	0.49	(0.49)
		(87.87)	(30.49)
	(B) Deferred tax expense/(income):		
	Net gain/(loss) on cost of hedging Reserve	9.31	0.52
	On mark-to-market gain/(loss) on cash flow hedges	(18.33)	38.38
	On gain/(loss) on fair value of debt securities	(7.61)	2.05
	On foreign currency translation	2.76	–
		(13.87)	40.95
	Income tax expense/(income) reported in the other comprehensive income [(i)+(ii)]	(112.72)	15.93
(c)	Retained earnings:		
	Deferred tax	(606.15)	–
	Income tax expense/(income) reported in retained earnings	(606.15)	–

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	2018-19	*2017-18*
(a)	Profit before tax	14580.92	*11639.16*
(b)	Corporate tax rate as per Income tax Act, 1961	34.944%	*34.608%*
(c)	Tax on accounting profit [(c)=(a)*(b)]	5095.16	*4028.08*
(d)	(i) Tax on Income exempt from tax :		
	Dividend income and interest on tax free bonds	(69.75)	*(937.39)*
	(ii) Tax on expenses not tax deductible :		
	(A) Corporate Social Responsibility expenses	60.10	*45.76*
	(B) Expenses in relation to exempt income	48.58	*85.15*
	(C) Tax on employee perquisites borne by the Group	1.57	*2.37*
	(iii) Weighted deduction on Research & Development expenditure and deduction u/s 80 IA	(151.25)	*(402.85)*
	(iv) Tax effect on impairment and fair valuation losses recognised on which deferred tax asset is not recognised	168.15	*257.28*
	(v) Effect of previously unrecognised tax losses and unutilised tax credits used to reduce tax expense	(774.91)	*(19.4)*
	(vi) Tax effect of losses of current year on which no deferred tax benefit is recognised	580.92	*749.94*
	(vii) Effect of tax paid on foreign source income which is exempt from tax in India	(321.18)	*(258.75)*
	(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	(228.35)	*(226.15)*
	(x) Tax effect on various other Items	(65.70)	*(114.53)*
	Total effect of tax adjustments [(i) to (x)]	(751.82)	*(829.21)*
(e)	Tax expense recognised during the year [(e)=(c)-(d)]	4343.34	*3198.87*
(f)	Effective tax Rate [(f)=(e)/(a)]	29.79%	*27.48%*

(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	₹ crore	Expiry year	*₹ crore*	*Expiry year*
Tax losses (Business loss and unabsorbed depreciation)				
- Amount of losses having expiry	3710.67	FY 2020-34	*2800.85*	*FY 2019-34*
- Amount of losses having no expiry	7082.48		*7176.81*	
Tax losses (Capital loss)	3901.55	FY 2020-27	*4297.09*	*FY 2019-26*
Unused tax credits [Minimum Alternate Tax (MAT) credit not recognised]	199.12	FY 2029-34	*230.83*	*FY 2028-33*
Total	14893.82		*14505.58*	

(ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet

₹ crore

Sr. No.	Particulars	As at 31-3-2019	*As at 31-3-2018*
(a)	Towards provision for diminution in value of investments	783.94	*1023.29*
(b)	Arising out of upward revaluation of tax base of assets (on account of indexation benefit)	2491.23	*2335.48*
	Total	3275.17	*3358.77*

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 31-3-2018*	Charge/ (credit) to Retained Earnings	Charge/ (credit) to Statement of Profit and Loss	Effect due to acquisition/ disposal	Charge/(credit) to other comprehensive income	(Credit) to Hedge Reserve (other than through OCI)	Exchange Difference	Deferred tax liabilities/ (assets) as at 31-3-2019
Deferred tax liabilities:								
- Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	*1681.60*	–	(18.03)	–	–	–	–	1663.57
- Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	*138.11*	–	19.10	–	–	–	–	157.21
- Gain on derivative transactions to be offered for tax purposes in the year of transfer/ settlement	*124.93*	–	6.30	–	(60.52)	–	–	70.71
- Other items giving rise to temporary differences	*(355.14)*	–	(69.92)	19.95	2.76	–	0.82	(401.53)
Deferred tax liabilities:	*1589.50*	–	(62.55)	19.95	(57.76)	–	0.82	1489.96
Offsetting of deferred tax liabilities with deferred tax (assets)	*(951.58)*							(1178.83)
Net Deferred tax liabilities	*637.92*							311.13
Deferred tax (assets):								
- Provision for doubtful debts, loans & advances and contract assets	*(2218.23)*	(249.19)	260.48	–	–	–	–	(2206.94)
- Unpaid statutory liabilities	*(237.65)*	–	(52.40)	(1.27)	–	–	–	(291.32)
- Unabsorbed depreciation	*(345.82)*	–	8.01	54.78	–	–	–	(283.03)
- Carried forward tax losses	*(95.49)*	–	(23.69)	–	–	–	–	(119.18)
- Unutilised MAT credit	*(565.68)*	–	(228.16)	–	–	–	–	(793.84)
- Loss on derivative transactions to be claimed for tax purposes in the year of transfer/ settlement	*(10.82)*	–	(0.39)	–	51.49	(0.20)	–	40.08
- Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	*(13.18)*	–	27.95	(0.11)	–	–	–	14.66
- Other items giving rise to temporary differences	*(219.63)*	(356.96)	(279.24)	(93.49)	(7.21)	–	(1.66)	(958.19)
Deferred tax (assets):	*(3706.50)*	(606.15)	(287.44)	(40.09)	44.28	(0.20)	(1.66)	(4597.76)
Offsetting of deferred tax (assets) with deferred tax liabilities	*951.58*							1178.83
Net Deferred tax (assets)	*(2754.92)*							(3418.93)
Net deferred tax liability/(assets)	*(2117.00)*	(606.15)	(349.99)	(20.14)	(13.48)	(0.20)	(0.84)	(3107.80)

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [51]

Disclosure pursuant to Ind AS 103 "Business Combinations":

(a) Acquisition of Graphene Group

(i) On October 15, 2018, the Group has acquired 100% stake in Graphene Semiconductor Services Private Limited, a Bengaluru based company, along-with its fully owned subsidiary viz. Graphene Solutions PTE Ltd., Graphene Solutions SDN.BHD, Graphene Solutions Taiwan Limited and Seastar Labs Private limited, operating in the IT & Technology Services segment.

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

₹ crore

	Graphene Semiconductor Services Private Limited (Consolidated)	
Assets		
Non-current assets		
Trade Names	3.86	
Customer Relationships	35.52	
Deferred Tax Assets	1.51	
Other non-current assets	2.33	43.22
Current assets		
Trade receivables	12.18	
Cash and bank balances	8.68	
Other current assets	5.61	26.47
Total Assets		69.69
Liabilities		
Non-current liabilities		
Deferred Tax Liability	13.56	
Other non- current Liabilities	0.39	13.95
Current liabilities		
Trade payables	0.79	
Other current liabilities	15.31	16.10
Total Liabilities		30.05
Net Assets acquired		39.64

(iii) Calculation of Goodwill:

₹ crore

	Graphene Semiconductor Services Private Limited (Consolidated)
Purchase consideration:	
Cash (A)	66.72
Contingent consideration payable over one year (B)	11.50
Purchase consideration paid (C=A+B)	78.22
Less: Net assets acquired	39.64
Goodwill	38.58

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.

(v) The Group has recognised contingent consideration in accordance with terms of share purchase and subscription agreement. The maximum contingent consideration of ₹ 13.00 crore is payable to the promoters of Graphene upon achievement of specified financial targets. The fair value of contingent consideration is determined by assigning probabilities of achievement of the targets.

(vi) These entities have reported revenue of ₹ 38.51 crore and profit after tax of ₹ 5.15 crore from the date of acquisition till March 31, 2019. Had the entities been acquired from April 1, 2018, they would have reported revenue of ₹ 84.20 crore and profit after tax of ₹ 11.30 crore during 2018-19.

(vii) Trade receivables acquired have been substantially collected during the year.

(b) Acquisition of Ruletronics Group

(i) On February 01, 2019, the Group has acquired 100% stake in Ruletronics Systems Private Limited, India, Ruletronics Limited, UK and Ruletronics Systems Inc, USA, operating in the IT & Technology Services segment.

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

₹ crore

	Ruletronics Systems Private Limited, India		Ruletronics Limited, UK		Ruletronics Systems Inc, USA	
Assets						
Non-current assets						
Property, Plant & Equipment	0.26		0.07		0.04	
Other non-current assets	0.003	0.26	–	0.07	–	0.04
Current assets						
Trade receivables	3.13		5.75		4.24	
Cash and bank balances	0.40		3.64		0.27	
Other current assets	2.17	5.70	0.85	10.24	–	4.51
Total Assets		5.96		10.31		4.55
Liabilities						
Non-current liabilities						
Deferred Tax Liability		0.02		–		–
Current liabilities						
Trade payables	0.28		1.42		0.42	
Other current liabilities	1.41	1.69	2.57	3.99	0.15	0.57
Total Liabilities		1.71		3.99		0.57
Net Assets acquired		4.25		6.32		3.98

(iii) Calculation of Goodwill:

₹ crore

	Ruletronics Systems Private Limited, India	Ruletronics Limited, UK	Ruletronics Systems Inc, USA
Purchase consideration:			
Cash (A)	2.84	13.66	7.13
Deferred consideration payable over future years (B)	2.54	–	–
Present Value of Contingent consideration payable over future years (C)	–	15.48	12.92
Purchase consideration paid (D=A+B+C)	5.38	29.14	20.05
Less: Net assets acquired	4.25	6.32	3.98
Goodwill	1.13	22.82	16.07

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.

(v) The Group has recognised contingent consideration in accordance with the terms of the share purchase agreement. The maximum contingent consideration of ₹ 32.81 crore is payable to the promoters of Ruletronics upon achievement of the specified financial targets. The fair value of the contingent consideration is determined by assigning probabilities of achievement of targets.

(vi) These entities have reported revenue of ₹ 7.56 crore and profit after tax of ₹ 0.34 crore from the date of acquisition till March 31, 2019. Had the entities been acquired from April 1, 2018, they would have reported revenue of ₹ 36.46 crore and profit after tax of ₹ 7.10 crore during 2018-19.

(vii) Out of ₹ 13.12 crore trade receivables acquired, ₹ 6.95 crore have been collected during the year.

(c) Acquisition of Nielsen+Partner Group

(i) On February 01, 2019, the Group has acquired 100% stake in Nielsen+Partner Unternehmensberater GmbH, Germany, along-with its fully owned subsidiaries viz. Nielsen+Partner Unternehmensberater AG, Switzerland, Nielsen+Partner Pte. Ltd., Singapore, Nielsen+Partner S.A. Luxembourg, Nielsen&Partner Pty Ltd., Australia, Nielsen&Partner Co. Ltd., Thailand, operating in the IT & Technology Services

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

₹ crore

	Nielsen+Partner (Consolidated)	
Assets		
Non-current assets		
Customer Relationships	18.29	
Property, Plant & Equipment	0.58	
Other non-current assets	2.42	21.29
Current assets		
Trade receivables	24.39	
Cash and bank balances	20.06	
Other current assets	1.18	45.63
Total Assets		66.92
Liabilities		
Non-current liabilities		
Deferred Tax Liability		6.39
Current liabilities		
Trade payables	3.76	
Other current liabilities	16.36	20.12
Total Liabilities		26.51
Net Assets acquired		40.41

(iii) Calculation of Goodwill:

₹ crore

	Nielsen+Partner (Consolidated)
Purchase consideration:	
Cash (A)	186.37
Present Value of Contingent consideration payable over future years (B)	35.11
Purchase consideration paid (C=A+B)	221.48
Less: Net assets acquired	40.41
Goodwill	181.07

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.

(v) The Group has recognised contingent consideration in accordance with the terms of the share purchase agreement. The maximum contingent consideration of ₹ 40.26 crore is payable to the promoters of Nielsen+Partner upon achievement of the specified financial targets. The fair value of the contingent consideration is determined by assigning probabilities of achievement of targets.

(vi) These entities have reported revenue of ₹ 18.77 crore and profit after tax of ₹ 2.13 crore from the date of acquisition till March 31, 2019. Had the entities been acquired from April 1, 2018, they would have reported revenue of ₹ 119.18 crore and profit after tax of ₹ 19.00 crore during 2018-19.

(vii) Out of ₹ 24.39 crore of trade receivables acquired, ₹ 16.31 crore have been collected during the year.

NOTE [52]

Disclosure 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, 2019:

Assets/Disposal Group	Reportable Segment
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, 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

(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 31-3-2019	*As at 31-3-2018*
Group(s) of assets classified as held for sale:		
Property, Plant and Equipment	1.17	*1464.24*
Other Intangible assets	–	*0.58*
Inventories	–	*0.48*
Trade receivable	–	*2.50*
Cash and cash equivalents	–	*0.18*
Other assets	6.24	*44.45*
Total	7.41	*1512.43*
Liabilities associated with group(s) of assets classified as held for sale:		
Provisions	–	*0.90*
Tax liabilities (Net)	–	*1.38*
Other liabilities	3.20	*1459.69*
Total	3.20	*1461.97*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [53]

Disclosure 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 1-4-2018*	*45.09*	*210.39*	*9.15*	*374.62*	*458.24*	*76.39*	*1173.88*
2	Additional provision during the year	37.04	41.33	50.00	429.59	136.17	2.61	696.74
3	Provision used during the year	(21.74)	(4.13)	–	–	–	(58.78)	(84.65)
4	Unused provision reversed during the period	(4.22)	(4.04)	–	(276.39)	–	(16.50)	(301.15)
5	Translation adjustments	6.91	–	–	5.03	–	23.73	35.67
6	Additional provision for unwinding of interest and change in discount rate	0.63	–	0.38	–	–	–	1.01
7	Balance as at 31-3-2019 (1 to 6)	63.71	243.55	59.53	532.85	594.41	27.45	1521.50

* includes liquidated damages/backwork charges adjusted against revenue/manufacturing, construction and operating expenses during the year.

Break up of provisions:

₹ crore

Particulars	Note 24	Note 31	Total
Balance as at 1-4-2018	0.93	1172.95	1173.88
Balance as at 31-3-2019	7.73	1513.77	1521.50

(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, 2019 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 115 "Revenue from contracts with customers".

(v) Constructive obligation represents losses absorbed by the group in a joint venture over and above the investments.

(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": Subsidiaries

(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 2018-19, the Group has sold 7.44% stake in Larsen & Toubro Infotech Limited and 8.43% stake in L&T Technology Services Limited. The proceeds on disposal of ₹ 3378.02 crore were received in cash. An amount of ₹ 417.19 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 ₹ 2960.83 crore between the consideration received and the increase in the non-controlling interests has been credited to retained earnings.

During the year 2017-18, the Group has sold 0.61% 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.

(ii) On account of dilution

During the year 2018-19, the Group's continuing interest has reduced on account of dilution due to exercise of ESOPs by 0.10%, 0.72% and 1.33% in L&T Finance Holdings Limited, Larsen & Toubro Infotech Limited and L&T Technology Services Limited respectively. The proceeds on dilution of ₹ 22.13 crore were received in cash. An amount of ₹ 132.23 crore (being the proportionate share of the carrying amount of the net assets of L&T Finance Holdings Limited, Larsen & Toubro Infotech Limited and L&T Technology Services Limited) has been transferred to non-controlling interests. The difference of ₹ 110.10 crore between the increase in the non-controlling interests and the consideration received has been debited to retained earnings.

During the year 2017-18, the Group's continuing interest has reduced on account of dilution due to exercise of ESOPs by 0.20%, 0.70% and 0.67% in L&T Finance Holdings Limited, Larsen & Toubro Infotech Limited and 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, Larsen & Toubro Infotech Limited and 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 2.41% 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 ₹ 1393.83 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 ₹ 61.96 crore between the consideration received and increase in the non-controlling interests has been credited 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
		2018-19	*2017-18*	
1	Marine Infrastructure Developer Private Limited	415.61	–	Other operational income
2	L&T Cutting Tools Limited	–	*136.74*	Exceptional Items
3	EWAC Alloys Limited	–	*273.40*	Exceptional Items: ₹ 281.01 crore Current tax: ₹ 7.61 crore
4	Larsen & Toubro Readymix and Asphalt Concrete Industries LLC	–	*3.16*	Other income
	Total	415.61	*413.30*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

(b) Disclosure of subsidiaries having material non-controlling interests :

(i) Summarised Statement of Profit and Loss

₹ crore

Particulars	L&T Finance Limited		L&T Finance Holdings Limited	
	2018-19	*2017-18*	2018-19	*2017-18*
Revenue	6890.59	*4930.71*	481.73	*89.52*
Profit/(loss) for the year	845.93	*116.26*	267.79	*266.05*
Other comprehensive income	(1.38)	*(1.43)*	(0.32)	*0.62*
Total comprehensive income	844.55	*114.83*	267.47	*266.67*
Effective % of non-controlling interest	36.09%	*35.99%*	36.09%	*35.99%*
Profit/(loss) allocated to non-controlling Interest (including consolidation adjustments)	539.68	*281.64*	(28.76)	*(39.34)*
Dividend (including dividend distribution tax) to non-controlling Interest	–	–	71.87	*52.16*

₹ crore

Particulars	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	2018-19	*2017-18*	2018-19	*2017-18*
Revenue	9016.17	*7203.05*	4781.37	*3596.70*
Profit/(loss) for the year	1475.06	*1160.12*	700.10	*489.38*
Other comprehensive income	25.87	*(99.41)*	(2.13)	*21.69*
Total comprehensive income	1500.93	*1060.71*	697.97	*511.07*
Effective % of non-controlling interest	25.20%	*17.04%*	21.12%	*11.36%*
Profit/(loss) allocated to non-controlling Interest (including consolidation adjustments)	314.13	*166.99*	118.82	*50.05*
Dividend (including dividend distribution tax) to non-controlling Interest	115.89	*58.63*	37.66	*12.71*

(ii) Summarised Balance Sheet

₹ crore

Particulars	L&T Finance Limited		L&T Finance Holdings Limited	
	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Current assets (a)	32026.49	*22115.80*	866.85	*1251.80*
Current liabilities (b)	20353.11	*14635.77*	1370.42	*727.61*
Net current assets (c)=(a) - (b)	11673.38	*7480.03*	(503.57)	*524.19*
Non-current assets (d)	23810.66	*22088.00*	9182.03	*7942.77*
Non-current liabilities (e)	26583.43	*21256.22*	848.11	*781.30*
Net non-current assets (f)=(d) - (e)	(2772.77)	*831.78*	8333.92	*7161.47*
Net assets (g)=(c) + (f)	8900.61	*8311.81*	7830.35	*7685.66*
Accumulated Non-Controlling Interest	1492.01	*1031.65*	2766.57	*2723.96*

₹ crore

Particulars	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Current assets (a)	4838.98	*3997.88*	2271.41	*1810.98*
Current liabilities (b)	1482.92	*1285.00*	783.45	*611.54*
Net current assets (c)=(a) - (b)	3356.06	*2712.88*	1487.96	*1199.44*
Non-current assets (d)	1379.71	*1044.07*	953.93	*767.70*
Non-current liabilities (e)	22.32	*38.37*	5.97	*1.80*
Net non-current assets (f)=(d) - (e)	1357.39	*1005.70*	947.96	*765.90*
Net assets (g)=(c) + (f)	4713.45	*3718.58*	2435.92	*1965.34*
Accumulated Non-Controlling Interest	1177.75	*624.00*	507.15	*216.70*

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 Finance Holdings Limited	
	2018-19	*2017-18*	2018-19	*2017-18*
Cash flows from operating activities	(7517.73)	*(9028.02)*	765.22	*(260.20)*
Cash flows from investing activities	(2145.81)	*753.42*	(1306.32)	*(2191.00)*
Cash flows from financing activities	10845.39	*8328.44*	530.33	*2461.93*
Net increase/(decrease) in cash and cash equivalents	1181.85	*53.84*	(10.77)	*10.73*

₹ crore

Particulars	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	2018-19	*2017-18*	2018-19	*2017-18*
Cash flows from operating activities	1247.49	*710.95*	736.62	*339.60*
Cash flows from investing activities	(682.69)	*(249.52)*	(486.06)	*(165.60)*
Cash flows from financing activities	(595.17)	*(407.49)*	(202.14)	*(98.50)*
Net increase/(decrease) in cash and cash equivalents	(30.37)	*53.94*	48.42	*75.50*

NOTE [55]

Disclosure pursuant to Ind AS 112 "Disclosure of interest in other entities" :- Joint Ventures and Associates

(a) Summarised Balance Sheet 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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Current assets							
Cash and bank balances		318.67	*334.77*	0.15	*0.28*	923.34	*643.69*
Other assets		3112.87	*3371.25*	278.67	*187.79*	2739.12	*3707.88*
Total current assets	(A)	3431.54	*3706.02*	278.82	*188.07*	3662.46	*4351.57*
Total non-current assets (including Goodwill)	(B)	501.86	*574.84*	1255.08	*1307.31*	11799.38	*18882.85*
Current liabilities							
Financial liabilities (excluding trade payables)		565.09	*549.38*	1585.44	*1434.18*	2184.58	*2469.76*
Other liabilities (including trade payables)		1918.24	*2533.92*	138.37	*92.49*	297.50	*313.46*
Total current liabilities	(C)	2483.33	*3083.30*	1723.81	*1526.67*	2482.08	*2783.22*
Non-current liabilities							
Financial liabilities (excluding trade payables)		4.65	*11.90*	606.25	*550.36*	10690.79	*11831.44*
Other liabilities (including trade payables)		–	–	16.32	*16.92*	434.73	*7137.86*
Total non-current liabilities	(D)	4.65	*11.90*	622.57	*567.28*	11125.52	*18969.30*
Non-controlling interest (NCI)	(E)	–	–	–	–	161.26	*132.04*
Net assets	(A+B-C-D-E)	1445.42	*1185.66*	(812.48)	*(598.57)*	1692.98	*1349.86*

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 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*	As at 31-3-2019	*As at 31-3-2018*
Opening net assets	1185.66	*929.88*	(598.57)	*(641.09)*	1349.86	*1749.80*
Profit/(loss) for the year (net of NCI)	279.96	*241.47*	(213.89)	*(270.30)*	588.70	*(404.18)*
Dividend distributed during the year (including dividend tax)	(28.22)	–	–	–	–	–
Other comprehensive income (net of NCI)	8.02	*14.31*	(0.02)	*1.21*	24.71	*(0.67)*
Infusion during the year	–	–	–	*311.61*	–	–
Amount adjusted against securities premium	–	–	–	–	(246.59)	–
Equity component of other financial instruments	–	–	–	–	70.00	–
Other adjustments	–	–	–	–	(93.70)	*4.91*
Closing net assets	1445.42	*1185.66*	(812.48)	*(598.57)*	1692.98	*1349.86*
Group's share in %	51.00%	*51.00%*	74.00%	*74.00%*	97.45%	*97.45%*
Group's share	737.16	*604.69*	(601.24)	*(442.94)*	1657.53	*1325.49*
Impairment	–	–		–	(288.44)	*(113.00)*
Parent's Investment in group companies	–	–	–	–	33.30	*33.30*
Regrouped to provisions	–	–	594.41	*458.24*	–	–
Other adjusments	–	–	6.83	*(15.30)*	(127.58)	*65.14*
Carrying amount	737.16	*604.69*	–	–	1274.81	*1310.93*

(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)	
	2018-19	*2017-18*	2018-19	*2017-18*	2018-19	*2017-18*
Revenue	2735.70	*2966.52*	210.83	*127.87*	1666.57	*1760.54*
Interest Income	20.26	*19.22*	0.12	*0.16*	29.71	*7.16*
Depreciation and amortisation	(62.32)	*(58.63)*	(47.65)	*(49.28)*	(452.16)	*(329.58)*
Finance cost	(17.72)	*(21.25)*	(181.59)	*(179.22)*	(1070.17)	*(905.61)*
Tax expense	(137.93)	*(126.70)*	–	–	(36.97)	*(70.91)*
Profit/(loss) from continuing operations (net of NCI)	279.96	*241.47*	(213.89)	*(270.30)*	607.52	*(193.60)*
Profit/(loss) from discontinued operations (net of NCI)	–	–		–	(18.82)	*(210.58)*
Profit/(loss) for the year (net of NCI)	279.96	*241.47*	(213.89)	*(270.30)*	588.70	*(404.18)*
Other comprehensive income (net of NCI)	8.02	*14.31*	(0.02)	*1.21*	24.71	*(0.67)*
Total comprehensive income (net of NCI)	287.98	*255.78*	(213.91)	*(269.09)*	613.41	*(404.85)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [55] *(contd.)*

(d) Financial Information in respect of individually not material joint venture/associate

₹ crore

Particulars	As at 31-3-2019	*As at 31-3-2018*
Aggregate carrying amount of investment in individually not material joint venture/associate	630.32	*565.98*
Aggregate amounts of the Group's share of:		
Profit/(loss) for the year	66.11	*77.20*
Other comprehensive income for the year	(17.80)	*11.53*
Total comprehensive income for the year	48.31	*88.73*

(e) Carrying amount of investments in joint ventures/associates

₹ crore

Particulars	As at 31-3-2019	*As at 31-3-2018*
Non-material associates	88.52	*71.10*
Non-material joint ventures	541.80	*494.87*
Sub-total	630.32	*565.97*
Material joint ventures	2011.97	*1915.62*
Total	2642.29	*2481.59*

(f) Share in profit /(loss) of joint ventures/associates (net)

₹ crore

Particulars	2018-19	*2017-18*
Non-material associates	17.72	*18.67*
Non-material joint ventures	48.39	*58.53*
Sub-total	66.11	*77.20*
Material joint ventures	(87.11)	*(513.06)*
Total	(21.00)	*(435.86)*

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 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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [56] ***(contd.)***

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 31-3-2019						*As at 31-3-2018*					
	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)	(5474.23)	286.37	67.37	91.74	(10.43)	162.25	*(2966.34)*	*(23.64)*	*66.84*	*50.96*	*(179.21)*	*78.01*
Derivatives including embedded derivatives for hedging receivable/ (payable) exposure with respect to non financial assets/(non financial liabilities)	552.57	222.95	–	–	–	–	*594.48*	*222.04*	–	–	–	–
Derivatives including embedded derivatives for hedging receivable/(payable) exposures with respect to firm commitments and highly probable forecast transactions	16327.53	(813.82)	102.09	(38.66)	538.14	974.77	*11598.88*	*(1673.88)*	*49.17*	*51.14*	*659.25*	*1273.26*
Receivable/(payable) exposures with respect to forward contracts and embedded derivatives not designated as cash flow hedge	(1237.61)	586.94	–	–	31.73	–	*(1705.20)*	*(239.02)*	–	–	–	–
Options (written) not designated as cash flow hedge	(527.50)	(533.77)	–	–	–	–	–	–	–	–	–	–

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 ₹ 106.11 crore as at March 31, 2019 and ₹ 59.93 crore as at March 31, 2018.

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, 2019 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.

(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

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [56] *(contd.)*

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 31-3-2019	*As at 31-3-2018*
Floating rate borrowings	49107.01	*45476.71*

A hypothetical 50 basis point shift in respective currency LIBOR and other benchmarks on the unhedged loans would result in a corresponding increase/decrease in finance cost for the Group on a yearly basis as follows:

₹ crore

Particulars	Impact on profit and loss after tax		Impact on equity	
	2018-19	*2017-18*	As at 31-3-2019	*As at 31-3-2018*
Indian Rupee				
Interest rates -increase by 0.50% in INR interest rate*	1.63	*(25.77)*	1.63	*(25.77)*
Interest rates -decrease by 0.50% in INR interest rate*	(1.63)	*25.77*	(1.63)	*25.77*
US Dollar				
Interest rates -increase by 0.50% in USD interest rate*	(20.44)	*(20.91)*	(20.44)	*(20.91)*
Interest rates -decrease by 0.50% in USD interest rate*	20.44	*20.91*	20.44	*20.91*

* 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 +/- ₹ 38.01 crore as at March 31, 2019 and +/-₹ 24.17 crore as at March 31, 2018. A 5% change in the equity funds, NAV would result in a value change of +/- ₹ 39.16 crore as at March 31, 2019 and +/- ₹ 17.19 crore as at March 31, 2018 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 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,

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [56] *(contd.)*

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 1-4-2017	307.45	143.92	3865.51
Provision on new financial assets	188.74	16.89	67.93
Transferred to and from 12-month ECL to life time ECL	(64.69)	(51.09)	115.78
Higher/(lower) provision on existing financial assets	(151.69)	82.89	871.18
Loss allowance as on 31-3-2018	279.81	192.61	4920.40
Provision on new financial assets	313.71	33.49	123.00
Transferred to and from 12-month ECL to life time ECL	28.36	(25.78)	(2.59)
Higher/(lower) provision on existing financial assets	(141.88)	27.79	(1127.93)
Loss allowance as on 31-3-2019	480.00	228.11	3912.88

(iv) Reconciliation of allowance for expected credit loss on trade receivables (other than financial services business):

₹ crore

Particulars	Trade Receivables	
	2018-19	*2017-18*
Opening balance	2900.10	*2465.16*
Changes in allowance for expected credit loss:		
Loss allowance based on ECL	84.34	*41.80*
Additional provision	265.62	*766.83*
Write off as bad debts	(249.23)	*(373.69)*
Closing balance [Refer Note 13]	3000.83	*2900.10*

(v) Amounts written off:

₹ crore

Particulars	2018-19	*2017-18*
Amount of financial assets written off during the period but still enforceable	1531.86	*557.52*

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	Note	As at 31-3-2019	*As at 31-3-2018*
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Investment in equity instruments	6,12	582.49	*843.99*
	(ii) Investment in preference shares	6,12	312.98	*287.39*
	(iii) Investment in mutual funds and units of fund	6,12	8990.10	*4514.29*
	(ii) Investment in government securities, debentures and bonds	6,12	1523.26	*1253.23*
	(v) Derivative instruments not designated as cash flow hedges	9,18	139.12	*17.12*
	(vi) Embedded derivatives not designated as cash flow hedges	9,18	28.40	*47.60*
	(vii) Investment in security receipts	6	791.07	*1016.88*
	(viii) Loans	7,8,16,17	24395.92	*16836.61*
	Sub-total (I)		36763.34	*24817.11*
II.	Measured at amortised cost:			
	(i) Loans	7,8,16,17	78412.79	*71981.52*
	(ii) Investment in government securities, debentures and bonds	6,12	1832.55	*84.94*
	(iii) Trade receivables	13	37038.17	*33116.98*
	(iv) Advances recoverable in cash	18	974.20	*3428.27*
	(v) Cash and bank balances	9,14,15	12217.35	*8353.04*
	(vi) Other receivables		287.14	*121.53*
	Sub-total (II)		130762.20	*117086.28*
III.	Measured at fair value through Other Comprehensive Income (FVTOCI):			
	(i) Investment in government securities, debentures and bonds	6,12	4445.53	*4829.00*
	(iii) Derivative instruments designated as cash flow hedges	9,18	1212.86	*865.18*
	(iv) Embedded derivative designated as cash flow hedges	9,18	17.50	*8.72*
	Sub-total (III)		5675.89	*5702.90*
	Total (I+II+III)		173201.43	*147606.29*

(b) Category-wise classification for applicable financial liabilities:

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2019	*As at 31-3-2018*
I.	Measured at Fair value through Profit or Loss (FVTPL):			
	(i) Derivative instruments not designated as cash flow hedges	23,29	24.93	21.44
	(ii) Embedded derivatives not designated as cash flow hedges	23,29	99.41	47.11
	Sub-total (I)		124.34	68.55
II.	Measured at amortised cost:			
	(i) Borrowings	22,26,27	125555.17	107524.08
	(ii) Trade payables	28	42994.81	37797.38
	(iii) Others		4489.42	4981.81
	Sub-total (II)		173039.40	150303.27
III.	Derivative instruments (including embedded derivatives) through Other Comprehensive Income:			
	(i) Derivative instruments designated as cash flow hedges	23,29	368.52	170.18
	(ii) Embedded derivatives designated as cash flow hedges	23,29	185.85	164.12
	Sub-total (III)		554.37	334.30
IV.	Financial guarantee contracts	23,29	1.78	1.47
	Total (I+II+III+IV)		173719.89	150707.59

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	2018-19	*2017-18*
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	137.91	*(2160.12)*
	2. Gains/(losses) on fair valuation or sale of Loan (Financial Services)	(77.62)	*(30.73)*
	3. Gains/(losses) on fair valuation/settlement of derivative:		
	(a) Gains/(losses) on fair valuation or settlement of forward contracts not designated as cash flow hedges	7.73	*59.40*
	(b) Gains/(losses) on fair valuation or settlement of embedded derivative contracts not designated as cash flow hedges	(1.65)	*28.22*
	(c) Gains/(losses) on fair valuation or settlement of futures not designated as cash flow hedges	(21.81)	*(125.74)*
	Sub-total (A)	44.56	*(2228.97)*
B.	Financial assets measured at amortised cost:		
	(i) Exchange difference gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	471.76	*220.53*
	(ii) (Allowance)/reversal for expected credit loss during the year	(699.45)	*(1265.19)*
	(iii) Provision for impairment loss (other than ECL)[net]	(803.87)	*(778.78)*
	(iv) Gains/(losses) on derecognition:		
	(a) Bad debts written off [net]	438.15	*(220.29)*
	(b) Gains/(losses) on transfer of financial assets (non recourse)	(364.34)	*(477.26)*
	Sub-total (B)	(957.75)	*(2520.99)*
C.	Financial liabilities measured at amortised cost:		
	(i) Exchange difference gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade payables, borrowing availed etc.)	(452.17)	*(172.42)*
	(ii) Unclaimed credit balances written back	90.86	*128.76*
	Sub-total (C)	(361.31)	*(43.66)*
	Total [I] = (A+B+C)	(1274.50)	*(4793.62)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] ***(contd.)***

₹ crore

Sr. No.	Particulars	2018-19	*2017-18*
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.	(125.90)	*(51.18)*
	(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	(225.41)	*640.56*
	(c) Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	18.49	*(82.38)*
	Sub-total (A)	(332.82)	*507.00*
	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	(62.89)	*(5.70)*
	(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	355.28	*434.30*
	3. On embedded derivative contracts upon hedged future cash flows affecting the Profit and Loss or related assets or liabilities	15.42	*(150.25)*
	Sub-total (B)	307.81	*278.35*
	Net gains recognised in Other Comprehensive Income [II]=[(A)-(B)]	(640.63)	*228.65*
	Total [II] = (A-B)	(640.63)	*228.65*
III.	Interest and Other income/expense:		
A.	Dividend Income:		
	Dividend income from investments measured at FVTPL	236.91	*2748.08*
	Sub-total (A)	236.91	*2748.08*
B.	Interest Income:		
	(i) Financial assets measured at amortised cost	10901.16	*8789.81*
	(ii) Financial assets measured at fair value through Other Comprehensive Income	356.91	*391.27*
	(iii) Financial assets measured at fair value through Profit or Loss	2197.22	*1443.07*
	Sub-total (B)	13455.29	*10624.15*
C.	Interest expense:		
	(i) Financial liabilities measured at amortised cost	(8528.80)	*(6969.13)*
	(ii) Derivative instruments (including embeded derivatives) that are measured at fair value through Other Comprehensive Income (reclassified to Profit and Loss during the year)	(259.02)	*(266.60)*
	(iii) Financial liabilities measured at fair value through Profit or Loss	(0.06)	*(15.48)*
	Sub-total (C)	(8787.88)	*(7251.21)*
	Total [III] =(A+B+C)	4904.32	*6121.02*

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 31-3-2019		*As at 31-3-2018*	
		Carrying amount	Fair value	*Carrying amount*	*Fair value*
Financial assets:					
Loans	7,8,16,17	62234.11	57890.20	*61500.75*	*56265.75*
Government securities, debentures and bonds	6,12	1832.55	1899.07	*84.94*	*84.94*
Total		64066.66	59789.27	*61585.69*	*56350.69*
Financial liabilities:					
Borrowings	22,26,27	51252.31	51656.55	*44982.93*	*45417.30*
Total		51252.31	51656.55	*44982.93*	*45417.30*

Notes:

1. Carrying amount of Loans is gross of provsion for expected credit losses
2. 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 31-3-2019	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	8783.50	49106.70	57890.20	Discounted cash flow
Government securities, debentures and bonds	–	1899.07	–	1899.07	Discounted cash flow
Total	–	10682.57	49106.70	59789.27	
Financial Liabilities:					
Borrowings	737.02	9360.96	41558.57	51656.55	Discounted cash flow
Total	737.02	9360.96	41558.57	51656.55	

₹ crore

As at 31-3-2018	*Level 1*	*Level 2*	*Level 3*	*Total*	*Valuation technique for level 3 items*
Financial assets:					
Loans	–	*8989.57*	*47276.18*	*56265.75*	*Discounted cash flow*
Debentures and Bonds	–	*84.94*	–	*84.94*	*Discounted cash flow*
Total	–	*9074.51*	*47276.18*	*56350.69*	
Financial Liabilities:					
Borrowings	*811.49*	*9202.25*	*35403.56*	*45417.30*	*Discounted cash flow*
Total	*811.49*	*9202.25*	*35403.56*	*45417.30*	

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 31-3-2019				*As at 31-3-2018*			
		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	39.93	–	542.56	582.49	*102.16*	–	*741.83*	*843.99*
(ii) Preference shares	6, 12	–	213.17	99.81	312.98	–	*217.73*	*69.67*	*287.40*
(iii) Mutual fund	6, 12	8801.31	–	–	8801.31	*4385.66*	–	–	*4385.66*
(iv) Debt instruments viz. government securities, bonds and debentures	6, 7, 12	656.38	0.53	866.35	1523.26	*424.46*	–	*828.77*	*1253.23*
(v) Derivative instruments not designated as cash flow hedges	9,18	–	139.12	–	139.12	–	*17.12*	–	*17.12*
(vi) Embedded derivative instruments not designated as cash flow hedges	9,18	–	28.40	–	28.40	–	*47.60*	–	*47.60*
(vii) Other investments		–	–	979.86	979.86	–	–	*1145.50*	*1145.50*
(viii) Loans (financial services business)	8,17	–	–	24395.92	24395.92	–	–	*16836.61*	*16836.61*
Financial assets at FVTOCI									
(i) Debt instruments viz. government securities, bonds and debentures	6, 7, 12	2133.84	2303.29	8.40	4445.53	*2849.72*	*1889.70*	*89.58*	*4829.00*
(ii) Derivative financial instruments designated as cash flow hedges	9,18	–	1212.86	–	1212.86	–	*865.18*	–	*865.18*
(iii) Embedded derivative financial instruments designated as cash flow hedges	9,18	–	17.50	–	17.50	–	*8.72*	–	*8.72*
Total		11631.46	3914.87	26892.90	42439.23	*7762.00*	*3046.05*	*19711.96*	*30520.01*
Financial Liabilities:									
Financial liabilities at FVTPL:									
(i) Designated at FVTPL:									
(a) Derivative instruments not designated as cash flow hedges	23,29	–	24.93	–	24.93	–	*21.44*	–	*21.44*
(b) Embedded derivative instruments not designated as cash flow hedges	23,29	–	99.41	–	99.41	–	*47.11*	–	*47.11*
(ii) Designated at FVTOCI:									
(a) Derivative financial instruments designated as cash flow hedges	23,29	–	368.52	–	368.52	–	*170.18*	–	*170.18*
(b) Embedded derivative financial instruments designated as cash flow hedges	23,29	–	185.85	–	185.85	–	*164.12*	–	*164.12*
Total		–	678.71	–	678.71	–	*402.85*	–	*402.85*

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 vaue technique using forward exchange rates at the end of reporting period.

(b) Preference share and government securities, bonds and debentures – 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 31-3-2017	752.53	75.45	1113.95	7900.36	733.61	10575.90
Addition during the year	141.45	–	244.58	13342.84	443.97	14172.84
Disposal during the year	(166.52)	–	(407.93)	(4406.59)	(14.05)	(4995.09)
Gains/(losses) recognised in Profit or Loss	14.37	(5.78)	(32.25)	–	(18.03)	(41.69)
Balance as at 31-3-2018	741.83	69.67	918.35	16836.61	1145.50	19711.96
Addition during the year	565.76	–	11.19	14248.11	192.46	15017.52
Disposal during the year	(571.03)	–	(33.33)	(6688.80)	(123.44)	(7416.60)
Gains/(losses) recognised in Profit or Loss	(194.00)	30.14	(21.46)	–	(234.66)	(419.98)
Balance as at 31-3-2019	542.56	99.81	874.75	24395.92	979.86	26892.90

(h) Sensitivity disclosure for level 3 fair value measurements:

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	As at 31-3-2019	*As at 31-3-2018*		
	₹ crore			
Equity shares	476.98	*656.51*	Book value	2019: Increase/decrease of 5% in the book value would result in impact on profit or loss by ₹ 18.02 crore 2018: Increase/decrease of 5% in the book value would result in impact on profit or loss by ₹ 24.51 crore
	65.58	*64.27*	31-3-2019: 1. Net realization per month ₹ 30.90 per sq/ft. 2. Capitalisation rate 12.25% 31-3-2018: 1. Net realization per month ₹ 30 per sq/ft. 2. Capitalisation rate 12%	2019 : 1% change in net realization would result in +/- ₹ 0.32 crore (post tax- ₹ 0.21 crore) 25 bps change in capitalization rate would result in +/- ₹ 0.63 crore (post tax- ₹ 0.41 crore) 2018 : 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*	Cost	2018: Sensitivity is insignificant
Preference shares	99.81	*69.67*	Expected yield	2019: Increase/decrease in the fair value by 5% would result in impact on profit or loss by ₹ 4.74 crore 2018: Increase/decrease in the fair value by 5% would result in impact on profit or loss by ₹ 3.21 crore
Debt instruments	874.75	*918.35*	Expected yield	2019: Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 1.65 crore 2018: Increase/(decrease) in fair a by 0.25% would result in impact on profit or loss by ₹ 1.73 crore
Loans	24395.92	*16836.61*	Expected yield	2019: Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 39.68 crore 2018: Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 27.52 crore
Other Investments	979.86	*1145.50*	Net Assets Value (NAV)	2019: Increase/decrease in the NAV by 5% would result in impact on profit or loss by ₹ 31.87 crore 2018: Increase/decrease in the NAV by 5% would result in impact on profit or loss by ₹ 37.45 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 31-3-2019			*As at 31-3-2018*		
		Within twelve month	After twelve month	Total	*Within twelve month*	*After twelve month*	*Total*
A. Non-derivative liabilities:							
Borrowings	22,26,27	53909.10	84473.80	138382.90	*35625.77*	*84552.99*	*120178.76*
Trade payables	28	41836.59	1158.22	42994.81	*37031.46*	*765.92*	*37797.38*
Other financial liabilities	23,29	4261.66	227.76	4489.42	*3245.58*	*1736.23*	*4981.81*
Total		100007.35	85859.78	185867.13	*75902.81*	*87055.14*	*162957.95*
B. Derivative liabilities:							
Forward contracts	23,29	384.74	14.14	398.88	*176.76*	*21.99*	*198.75*
Embedded derivatives	23,29	147.05	142.08	289.13	*136.50*	*89.29*	*225.79*
Total		531.79	156.22	688.01	*313.26*	*111.28*	*424.54*

(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 31-3-2019				*As at 31-3-2018*			
	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	24682.61	75.12	15833.62	8848.99	*15955.20*	*69.64*	*10243.19*	*5712.01*
EURO	2373.28	84.81	1643.94	729.34	*1823.48*	*85.20*	*1210.15*	*613.33*
Malaysian Ringgit	113.99	17.54	53.37	60.62	*138.38*	*17.07*	*138.38*	–
Omani Riyal	230.00	187.51	150.51	79.49	*301.94*	*179.55*	*301.94*	–
Arab Emirates Dirham	1228.16	19.34	1228.16	–	*1414.98*	*18.11*	*1411.17*	*3.81*
Canadian Dollar	–	–	–	–	*56.96*	*56.96*	*56.96*	–
British Pound	87.48	96.74	87.48	–	*68.97*	*97.34*	*68.97*	–
Japanese Yen	1449.58	0.68	1284.36	165.22	*923.19*	*0.65*	*889.42*	*33.77*
Kuwaiti Dinar	1524.52	237.38	1232.40	292.12	*2039.77*	*222.73*	*1698.31*	*341.46*
Qatari Riyal	1551.27	19.72	1227.83	323.44	*1476.18*	*18.55*	*1253.61*	*222.57*
Bangladesh Toka	873.53	0.88	854.91	18.62	–	–	–	–
Saudi Riyal	96.64	21.04	96.64	–	–	–	–	–
Australian Dollar	–	–	–	–	*25.90*	*56.32*	*25.90*	–
South African Rand	–	–	–	–	*102.69*	*5.40*	*102.69*	–
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 31-3-2019				*As at 31-3-2018*			
	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	13738.88	70.57	12789.54	949.34	*13167.42*	*67.43*	*7475.81*	*5691.61*
EURO	4472.40	81.43	4338.30	134.10	*4957.31*	*80.88*	*4887.56*	*69.75*
Arab Emirates Dirham	–	–	–	–	*0.75*	*17.86*	*0.75*	–
British Pound	71.10	94.52	71.10	–	*75.61*	*91.99*	*51.53*	*24.08*
Japanese Yen	1060.96	0.66	877.42	183.54	*337.91*	*0.62*	*337.91*	–
Kuwaiti Dinar	531.77	232.14	531.77	–	*760.92*	*219.15*	*760.92*	–
Swiss Franc	302.59	72.69	302.59	–	*417.42*	*74.49*	*417.42*	–
Chinese Yuan	–	–	–	–	*26.03*	*10.32*	*26.03*	–
Swedish Krona	–	–	–	–	*16.56*	*8.83*	*16.56*	–
Norwegian Krone	5.20	9.16	5.20	–	*8.02*	*8.74*	*7.00*	*1.02*
Omani Riyal	28.71	180.36	28.71	–	–	–	–	–
Canadian Dollar	40.53	54.04	40.53	–	–	–	–	–

(B) Options taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2019				*As at 31-3-2018*			
	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:								
US Dollars/Indian Rupees	1422.50	₹ 71.13 to ₹ 74.94	1422.50	–	–	–	–	–
EURO/US Dollars	632.65	$ 1.17 to $ 1.25	363.68	268.97	–	–	–	–
Payable:								
US Dollars/Indian Rupees	750.00	₹ 67.69 to ₹ 75	750.00	–	–	–	–	–

(C) Forward covers taken to hedge exchange rate risk and accounted as net investment hedge:

Particulars	As at 31-3-2019				*As at 31-3-2018*			
	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:								
US Dollar	28.73	71.83	28.73	–	*28.73*	*71.83*	–	*28.73*
Arab Emirates Dirham	81.20	20.46	–	81.20	–	–	–	–
Qatati Riyals	116.68	20.91	116.68	–	–	–	–	–
Saudi Riyal	51.07	19.34	51.07	–	*187.39*	*17.43*	*187.39*	–

(ii) Outstanding interest rate hedge instruments:
Interest rate swaps taken to hedge interest rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2019				*As at 31-3-2018*			
	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	373.90	7.17	369.58	4.32	*773.58*	*7.48*	*524.94*	*248.64*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] *(contd.)*

(iii) Outstanding commodity price hedge instruments:

Commodity forward Contract:

Particulars	As at 31-3-2019				*As at 31-3-2018*			
	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)*	(271.25)	514615.22	(271.25)	–	*(193.29)*	*486405.65*	*(193.29)*	–
Aluminium (Tn)	202.04	148790.59	202.04	–	*266.11*	*138402.62*	*266.11*	–
Iron Ore (Tn)	38.32	5469.41	29.47	8.85	*60.65*	*4055.89*	*60.65*	–
Coking Coal (Tn)	39.27	13631.02	29.26	10.01	*33.91*	*11958.33*	*33.91*	–
Zinc (Tn)	42.44	189480.24	42.44	–	*19.76*	*222813.00*	*19.76*	–
Lead (Tn)	33.63	142435.43	33.63	–	*10.99*	*160606.00*	*10.99*	–

*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 31-3-2019			*As at 31-3-2018*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	714.75	(0.40)	56.94	*538.62*	*(0.25)*	*25.18*
Liability - Other financial liabilities	396.77	–	46.57	*197.60*	–	*23.19*
Non-current:						
Asset - Other financial assets	366.37	(0.40)	–	*219.76*	*(0.48)*	–
Liability - Other financial liabilities	109.95	–	–	*98.81*	–	–
(ii) Swap contracts						
Current:						
Asset - Other financial assets	49.11	0.88	–	*66.58*	*(8.43)*	–
Liability - Other financial liabilities	–	–	–	*12.57*	–	–
Non-current:						
Asset - Other financial assets	–	–	–	*21.02*	*(3.65)*	–
Liability - Other financial liabilities	–	–	–	–	–	–
(iii) Option contracts						
Current:						
Asset - Other financial assets	22.43	–	–	–	–	–
Liability - Other financial liabilities	0.96	–	–	–	–	–
Non-current:						
Asset - Other financial assets	6.51	–	–	–	–	–
Liability - Other financial liabilities	–	–	–	–	–	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57] *(contd.)*

(B) Net Investment hedge:

₹ crore

Particulars	As at 31-3-2019			*As at 31-3-2018*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	11.48	–	–	*14.63*	–	–
Liability - Other financial liabilities	0.11	–	–	*2.15*	–	–
Non-current:						
Asset - Other financial assets	2.68	–	–	*0.91*	–	–

(l) Breakup of cash flow hedging reserve and cost of hedging reserve:

₹ crore

Particulars	As at 31-3-2019		*As at 31-3-2018*	
	Cash flow hedging reserve	Cost of hedging reserve	*Cash flow hedging reserve*	*Cost of hedging reserve*
Balance towards continuing hedges	360.54	6.77	*241.13*	*(11.45)*
Balance for which hedge accounting discontinued	(121.43)	(0.88)	*208.09*	–
Total	239.11	5.89	*449.22*	*(11.45)*

(m) Reclassification of hedging reserve and cost of hedging reserve to Profit or Loss:

₹ crore

Particulars	2018-19	*2017-18*
Future cash flows are no longer expected to occur:		
Revenue from operations	109.03	–
Sales, administration and other expenses	(45.53)	*(83.81)*
Other Income	0.34	–
Hedged expected future cash flows affecting profit or loss:		
Progress Billing	(28.32)	*441.59*
Revenue from operations	69.08	*331.25*
Manufacturing, construction and operating expenses	(24.26)	*(166.29)*
Finance costs	(259.35)	*(267.43)*
Other Income	–	*0.03*
Sales, administration and other expenses	262.37	*203.70*

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	2018-19	*2017-18*
Opening balance	449.22	*359.62*
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedges	261.47	*(4.49)*
Changes in fair value of forward contracts designated as hedging instruments	(301.78)	*719.83*
Changes in fair value of swaps	59.82	*(151.83)*
Amount reclassified to Profit or Loss	(364.94)	*(211.57)*
Amount included in non-financial asset/liability	0.31	*1.24*
Amount included in Progress Billing in balance sheet	28.32	*(255.20)*
Taxes related to above	106.69	*(8.38)*
Closing balance	239.11	*449.22*

₹ crore

Cost of hedging reserve	2018-19	*2017-18*
Opening balance	(11.45)	*(12.09)*
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	(226.43)	*(5.33)*
Less: Included in carrying amount of hedge item	0.13	–
Amount reclassified to Profit or Loss	252.95	*6.49*
Taxes related to above	(9.31)	*(0.52)*
Closing balance	5.89	*(11.45)*

NOTE [58]

Value of financial assets and inventories pledged as collateral for liabilities and/or commitments and/or contingent liabilities:

₹ crore

Particulars	As at 31-3-2019	*As at 31-3-2018*
Current:		
Investments	22.90	–
Inventories and trade receivables	11865.78	*11434.34*
Cash and cash equivalents	682.92	*1257.08*
Loans	24703.11	*10519.31*
Other assets	694.42	*525.62*
Total inventories and current financial assets pledged as collateral	37969.13	*23736.35*
Non-current:		
Investments	87.48	–
Loans	42797.67	*52722.97*
Other assets	–	*26.10*
Total non-current financial assets pledged as collateral	42885.15	*52749.07*

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 31-3-2019:

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	84.25%	52550.72	74.99%	6677.70	43.30%	(118.63)	75.99%	6559.07
Indian Subsidiaries								
Infrastructure:								
Hi-Tech Rock Products and Aggregates Limited	0.02%	14.15	0.03%	3.11	–	–	0.04%	3.11
L&T Geostructure LLP	0.24%	150.69	0.60%	53.19	–	–	0.62%	53.19
L&T Infrastructure Engineering Limited	0.07%	44.01	0.05%	4.52	(0.03%)	0.07	0.05%	4.59
Heavy Engineering:								
L&T Cassidian Limited	–	–	–	–	–	–	–	–
Defence Engineering:								
L&T Shipbuilding Limited	(1.96%)	(1225.59)	(4.66%)	(415.10)	(0.41%)	1.12	(4.80%)	(413.98)
Hydrocarbon:								
L&T Hydrocarbon Engineering Limited	3.19%	1989.46	6.23%	554.74	42.21%	(115.64)	5.09%	439.10
IT & Technology Services:								
Larsen & Toubro Infotech Limited	7.56%	4713.45	16.56%	1475.06	(9.44%)	25.87	17.39%	1500.93
L&T Technology Services Limited	3.91%	2435.92	7.86%	700.10	0.78%	(2.13)	8.09%	697.97
L&T Thales Technology Services Private Limited	0.02%	10.61	0.12%	10.67	(0.08%)	0.21	0.13%	10.88
Syncordis Software Services India Private Limited	0.00%	2.01	0.01%	0.67	0.01%	(0.02)	0.01%	0.65
Graphene Semiconductor Services Private Limited	0.03%	21.32	0.05%	4.70	(0.04%)	0.10	0.06%	4.80
Seastar Labs Private Limited	0.00%	0.21	0.00%	0.11	–	–	0.00%	0.11
Ruletronics Systems Private Limited	0.01%	3.82	0.00%	(0.43)	–	–	(0.01%)	(0.43)
Esencia Technologies India Private Limited	0.00%	0.70	0.00%	0.14	–	–	0.00%	0.14
Financial Services:								
L&T Capital Markets Limited	0.13%	82.45	0.37%	33.27	(0.05%)	0.14	0.39%	33.41
L&T Finance Holdings Limited	12.55%	7830.35	3.01%	267.79	0.12%	(0.32)	3.10%	267.47
L&T Housing Finance Limited	2.46%	1531.93	3.39%	302.00	(0.10%)	0.27	3.50%	302.27
L&T Infra Debt Fund Limited	1.70%	1061.22	1.48%	131.66	0.02%	(0.05)	1.52%	131.61
L&T Infra Investment Partners Advisory Private Limited	0.02%	11.21	(0.05%)	(4.26)	–	–	(0.05%)	(4.26)
L&T Infra Investment Partners Trustee Private Limited	0.00%	0.05	–	–	–	–	–	–
L&T Infrastructure Finance Company Limited	6.30%	3930.38	2.60%	231.90	0.19%	(0.52)	2.68%	231.38
L&T Investment Management Limited	0.85%	527.23	0.99%	88.35	0.07%	(0.20)	1.02%	88.15
L&T Mutual Fund Trustee Limited	0.00%	1.43	0.00%	(0.10)	–	–	0.00%	(0.10)
L&T Trustee Company Private Limited	–	–	–	–	–	–	–	–
L&T Financial Consultants Limited	0.11%	67.30	0.13%	11.93	0.01%	(0.02)	0.14%	11.91

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)
Mudit Cement Private Limited	(0.04%)	(26.20)	(0.08%)	(6.89)	–	–	(0.08%)	(6.89)
L&T Finance Limited	14.27%	8900.61	9.50%	845.93	0.50%	(1.38)	9.78%	844.55
L&T Infra Investment Partners (The Fund)	0.79%	493.74	0.14%	12.51	–	–	0.14%	12.51
Developmental Projects:								
L&T Metro Rail (Hyderabad) Limited	3.54%	2208.24	(1.66%)	(148.15)	0.26%	(0.72)	(1.73%)	(148.87)
Sahibganj Ganges Bridge-Company Private Limited	–	–	–	–	–	–	–	–
Marine Infrastructure Developer Private Limited	–	–	(0.59%)	(52.96)	–	–	(0.61%)	(52.96)
Power Development:								
L&T Arunachal Hydropower Limited	0.00%	(0.10)	(0.46%)	(40.68)	–	–	(0.47%)	(40.68)
L&T Himachal Hydropower Limited	0.00%	(1.00)	(2.26%)	(201.27)	–	–	(2.33%)	(201.27)
L&T Power Development Limited	4.76%	2967.95	(1.66%)	(148.12)	–	–	(1.72%)	(148.12)
L&T Uttaranchal Hydropower Limited	2.09%	1302.53	0.00%	0.03	–	–	0.00%	0.03
Nabha Power Limited	5.20%	3245.07	1.08%	96.42	0.41%	(1.11)	1.10%	95.31
Realty:								
Chennai Vision Developers Private Limited	0.00%	(0.02)	0.00%	(0.01)	–	–	0.00%	(0.01)
L&T Asian Realty Project LLP	(0.04%)	(26.89)	(9.71%)	(865.07)	–	–	(10.02%)	(865.07)
L&T Parel Project LLP	0.09%	56.20	3.33%	296.67	–	–	3.44%	296.67
L&T Realty Limited	0.40%	251.43	(9.38%)	(835.68)	–	–	(9.68%)	(835.68)
L&T Westend Project LLP	–	–	–	–	–	–	–	–
LTR SSM Private Limited	0.00%	0.05	0.00%	(0.05)	–	–	0.00%	(0.05)
L&T Seawoods Limited	4.34%	2706.91	0.51%	45.30	0.03%	(0.08)	0.52%	45.22
L&T Vision Ventures Limited	(0.01%)	(4.65)	0.00%	(0.02)	–	–	0.00%	(0.02)
Seawoods Realty Private Limited	–	–	–	–	–	–	–	–
Seawoods Retail Private Limited	–	–	–	–	–	–	–	–
L&T Electricals and Automation Limited	0.00%	2.03	(0.03%)	(2.44)	–	–	(0.03%)	(2.44)
Valves, Construction Equipment and Others:								
L&T Construction Equipment Limited	0.58%	362.10	0.63%	56.05	(0.40%)	1.09	0.66%	57.14
L&T Construction Machinery Limited	0.00%	0.01	–	–	–	–	–	–
L&T Valves Limited	0.70%	439.04	(1.63%)	(144.74)	(3.14%)	8.59	(1.58%)	(136.15)
Others:								
Bhilai Power Supply Company Limited	0.00%	0.05	–	–	–	–	–	–
L&T Power Limited	0.01%	5.27	0.00%	0.22	–	–	0.00%	0.22
Kesun Iron and Steel Company Private Limited	0.00%	(0.27)	–	–	–	–	–	–
L&T Aviation Services Private Limited	0.05%	33.92	(0.02%)	(1.50)	0.00%	(0.01)	(0.02%)	(1.51)
L&T Capital Company Limited	0.01%	4.96	0.01%	0.47	–	–	0.01%	0.47
L&T Infra Contractors Private Limited	0.00%	(0.01)	0.00%	(0.01)	–	–	0.00%	(0.01)

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)
Foreign Subsidiaries								
Infrastructure:								
Larsen & Toubro (Oman) LLC	0.62%	383.25	(0.27%)	(24.11)	(7.52%)	20.61	(0.04%)	(3.50)
Larsen & Toubro Qatar LLC	0.00%	0.50	0.00%	(0.01)	(0.01%)	0.03	0.00%	0.02
Larsen & Toubro Saudi Arabia LLC	0.88%	551.00	1.83%	163.11	(7.24%)	19.84	2.12%	182.95
Larsen & Toubro T&D SA (Proprietary) Limited	0.01%	2.96	0.00%	0.22	0.18%	(0.48)	0.00%	(0.26)
Larsen & Toubro (East Asia) Sdn.Bhd.	0.00%	1.04	0.01%	1.11	0.00%	(0.01)	0.01%	1.10
Hydrocarbon:								
Larsen & Toubro Heavy Engineering LLC	(0.10%)	(64.42)	(0.47%)	(42.10)	5.19%	(14.22)	(0.65%)	(56.32)
Larsen & Toubro Hydrocarbon International Limited LLC	0.00%	(2.72)	0.00%	(0.27)	0.05%	(0.14)	(0.01%)	(0.41)
L&T Modular Fabrication Yard LLC	0.16%	97.59	1.95%	173.52	3.80%	(10.42)	1.89%	163.10
L&T Overseas Projects Nigeria Limited	0.00%	(0.02)	0.00%	(0.03)	–	–	0.00%	(0.03)
Larsen Toubro Arabia LLC	(0.63%)	(390.04)	0.35%	30.90	8.90%	(24.38)	0.08%	6.52
L&T Hydrocarbon Saudi Company (formerly known as Larsen & Toubro ATCO Saudi LLC)	(0.74%)	(461.21)	0.26%	23.10	10.34%	(28.33)	(0.06%)	(5.23)
Larsen & Toubro Kuwait Construction General Contracting company WLL	0.00%	1.53	0.03%	2.75	0.03%	(0.08)	0.03%	2.67
PT Larsen & Toubro Hydrocarbon Engineering Indonesia	–	–	–	–	–	–	–	–
Larsen & Toubro Electromech LLC	(0.12%)	(73.82)	0.57%	51.03	2.98%	(8.18)	0.50%	42.85
L&T Hydrocarbon International FZE	0.00%	0.12	0.00%	(0.17)	–	–	0.00%	(0.17)
IT & Technology Services:								
L&T Information Technology Services (Shanghai) Co., Ltd.	0.00%	(0.37)	0.00%	(0.01)	–	–	0.00%	(0.01)
L&T Infotech Financial Services Technologies Inc.	0.39%	245.78	0.85%	75.48	(0.75%)	2.06	0.90%	77.54
Larsen & Toubro Infotech Canada Limited	0.03%	17.68	0.08%	6.76	0.01%	(0.02)	0.08%	6.74
Larsen & Toubro Infotech LLC	0.01%	3.34	0.00%	0.35	(0.06%)	0.17	0.01%	0.52
Larsen and Toubro Infotech South Africa (Proprietary) LTD	0.01%	3.12	(0.01%)	(1.24)	0.24%	(0.67)	(0.02%)	(1.91)
Larsen & Toubro Infotech GmbH	0.58%	358.79	0.06%	5.16	(0.71%)	1.94	0.08%	7.10
Larsen & Toubro Infotech Austria GmbH	0.00%	0.32	0.00%	(0.39)	0.00%	(0.01)	(0.01%)	(0.40)
L&T Information Technology Spain SL	0.00%	2.48	(0.01%)	(0.71)	0.04%	(0.10)	(0.01%)	(0.81)
Larsen & Toubro Infotech Norge AS	0.00%	0.02	–	–	–	–	–	–
Larsen & Toubro LLC	0.01%	2.59	0.00%	0.03	(0.05%)	0.15	0.00%	0.18
L&T Infotech S. DE R.L. DE C.V.	0.00%	(0.60)	(0.01%)	(0.93)	(0.01%)	0.01	(0.01%)	(0.92)
Syncordis S.A.	0.03%	21.25	0.08%	6.71	0.32%	(0.87)	0.07%	5.84
Syncordis SARL	0.00%	0.54	(0.05%)	(4.83)	0.01%	(0.02)	(0.06%)	(4.85)
Syncordis Limited	(0.01%)	(4.54)	(0.05%)	(4.60)	(0.03%)	0.07	(0.05%)	(4.53)
Syncordis Support Services S.A.	0.00%	1.15	0.01%	1.03	0.02%	(0.05)	0.01%	0.98

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)
Nielsen+Partner Unternehmensberater GmbH	0.03%	15.06	0.01%	0.55	0.17%	(0.47)	0.00%	0.08
Nielsen+Partner Unternehmensberater AG	0.00%	2.06	0.01%	0.69	0.03%	(0.08)	0.01%	0.61
Nielsen+Partner Pte Ltd	0.01%	9.27	0.00%	0.32	0.17%	(0.46)	0.00%	(0.14)
Nielsen+Partner S.A	0.01%	4.72	0.00%	0.25	0.08%	(0.22)	0.00%	0.03
Nielsen&Partner Company Limited	0.00%	(0.19)	0.00%	0.04	(0.05%)	0.14	0.00%	0.18
Nielsen&Partner Pty Ltd	0.00%	0.50	0.00%	0.29	0.01%	(0.02)	0.00%	0.27
Ruletronics Limited	0.01%	6.66	0.01%	0.57	0.08%	(0.22)	0.00%	0.35
Ruletronics Systems Inc	0.01%	4.06	0.00%	0.20	0.04%	(0.11)	0.00%	0.09
L&T Technology Services LLC	0.22%	136.93	0.87%	77.38	(1.07%)	2.93	0.93%	80.31
Graphene Solutions PTE Ltd.	0.00%	1.50	0.00%	0.11	0.03%	(0.07)	0.00%	0.04
Graphene Solutions SDN .BHD	0.00%	0.17	0.00%	(0.01)	0.00%	(0.01)	0.00%	(0.02)
Graphene Solutions Taiwan Limited	0.00%	1.27	0.00%	0.24	0.03%	(0.07)	0.00%	0.17
Esencia Technologies Inc	0.00%	(0.72)	0.78%	69.05	(0.11%)	0.30	0.80%	69.35
Financial Services:								
L&T Capital Markets (Middle East) Ltd	0.00%	1.17	(0.02%)	(1.56)	0.20%	(0.54)	(0.02%)	(2.10)
Realty:								
L&T Realty FZE	0.01%	5.60	(0.02%)	(2.19)	(0.17%)	0.46	(0.02%)	(1.73)
Electrical & Automation:								
Henikwon Corporation SDN. BHD.	(0.02%)	(12.30)	(0.01%)	(0.62)	0.02%	(0.04)	(0.01%)	(0.66)
Kana Controls General Trading and Contracting company WLL	(0.01%)	(3.74)	0.00%	0.10	0.06%	(0.16)	0.00%	(0.06)
L&T Electrical & Automation FZE	0.27%	166.45	0.18%	16.14	(3.12%)	8.54	0.29%	24.68
L&T Electricals & Automation Saudi Arabia company Limited LLC	(0.03%)	(16.00)	(0.03%)	(2.88)	0.27%	(0.74)	(0.04%)	(3.62)
PT. Tamco Indonesia	0.01%	2.90	(0.02%)	(1.79)	1.06%	(2.89)	(0.05%)	(4.68)
Servowatch Systems Limited	(0.04%)	(24.65)	(0.08%)	(6.93)	(0.16%)	0.42	(0.08%)	(6.51)
Tamco Electrical Industries Australia Pty Ltd.	0.01%	5.35	(0.03%)	(2.23)	0.03%	(0.08)	(0.03%)	(2.31)
Tamco Switchgear (Malaysia) SDN BHD	0.85%	527.84	0.19%	16.84	(1.10%)	3.01	0.23%	19.85
Thalest Limited	0.01%	7.77	0.00%	(0.14)	0.06%	(0.15)	0.00%	(0.29)
Others:								
Larsen & Toubro International FZE	1.23%	769.06	5.85%	521.29	145.29%	(398.08)	1.43%	123.21
L&T Global Holdings Limited	0.65%	407.36	4.99%	444.03	1.81%	(4.97)	5.09%	439.06
Total Subsidiaries		48840.69		3951.63		(521.42)		3430.21
Non-controlling Interest in all subsidiaries	(10.94%)	(6826.11)	(14.73%)	(1311.45)	16.10%	(44.11)	(15.71%)	(1355.56)
Indian Associates								
L&T-Chiyoda Limited	0.12%	76.73	0.18%	16.31	0.12%	(0.32)	0.19%	15.99
Gujarat Leather Industries Limited	–	–	–	–	–	–	–	–
Magtorq Private Limited	0.01%	4.76	0.00%	0.10	–	–	0.00%	0.10

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)
Magtorq Engineering Solutions Private Limited	0.00%	0.39	0.00%	0.05	–	–	0.00%	0.05
Foreign Associates								
Larsen & Toubro Qatar & HBK Contracting Co. WLL	(0.01%)	(3.63)	–	–	0.08%	(0.22)	0.00%	(0.22)
L&T Camp Facilities LLC	0.01%	4.93	0.01%	0.95	0.01%	(0.04)	0.01%	0.91
Total Associates		83.18		17.41		(0.58)		16.83
Indian Joint Ventures								
Power:								
L&T-MHPS Boilers Private Limited	1.18%	737.16	1.60%	142.78	(1.49%)	4.09	1.70%	146.87
L&T-MHPS Turbine Generators Private Limited	0.23%	146.39	0.26%	23.22	4.27%	(11.70)	0.13%	11.52
L&T Howden Private Limited	0.07%	45.38	0.11%	9.74	0.01%	(0.03)	0.11%	9.71
L&T-Sargent & Lundy Limited	0.05%	30.60	0.07%	6.07	(0.28%)	0.78	0.08%	6.85
Heavy Engineering:								
L&T Special Steels and Heavy Forgings Private Limited	(0.96%)	(601.24)	(1.78%)	(158.28)	0.00%	(0.01)	(1.83%)	(158.29)
Defence Engineering:								
L&T MBDA Missile Systems Limited	0.00%	0.45	0.00%	(0.02)	–	–	0.00%	(0.02)
Hydrocarbon:								
L&T Sapura Offshore Private Limited	0.00%	0.29	0.00%	(0.16)	–	–	0.00%	(0.16)
L&T Sapura Shipping Private Limited	0.48%	300.73	0.00%	0.40	(6.31%)	17.28	0.20%	17.68
L&T-Gulf Private Limited	0.03%	15.90	0.02%	1.41	–	–	0.02%	1.41
Developmental Projects:								
L&T Infrastructure Development Projects Limited (Consolidated)	2.17%	1354.74	6.44%	573.55	(8.83%)	24.20	6.93%	597.75
Valves, Construction Equipment and Others:								
L&T Kobelco Machinery Private Limited	0.04%	26.70	0.07%	6.27	0.01%	(0.04)	0.07%	6.23
Others:								
Raykal Aluminium Company Private Limited	0.00%	0.23	0.00%	(0.03)	–	–	0.00%	(0.03)
Foreign Joint Ventures								
Hydrocarbon:								
Indiran Engineering Projects & Systems, Kish, (PJSC)	0.00%	(0.31)	0.00%	(0.20)	(0.03%)	0.09	0.00%	(0.11)
L&T Hydrocarbon Caspian LLC	–	–	–	–	–	–	–	–
Total Joint Ventures		2057.02		604.75		34.66		639.41
CFS Adjustment and elimination	(55.04%)	(34330.70)	(11.62%)	(1034.91)	(137.27%)	376.09	(7.63%)	(658.82)
Total		62374.80		8905.13		(273.99)		8631.14

Notes forming part of the Consolidated Financial Statements (contd.)

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	Note	As at 31-3-2019			*As at 31-3-2018*		
			Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
1	Inventories	11	5318.60	1095.33	6413.93	*3873.97*	*973.83*	*4847.80*
2	Trade receivables	13	36645.76	392.41	37038.17	*32589.64*	*527.34*	*33116.98*
3	Loans - current	16	625.59	1.10	626.69	*556.38*	*3.34*	*559.72*
4	Other financial assets	18	2006.28	–	2006.28	*4194.41*	–	*4194.41*
5	Other current assets	19	45317.53	7370.50	52688.03	*38949.33*	*8947.69*	*47897.02*

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2019			*As at 31-3-2018*		
			Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
1	Trade payables :							
	Due to micro enterprises and small enterprises		252.96	8.16	261.12	*166.40*	*9.76*	*176.16*
	Due to others	28	41583.63	1150.06	42733.69	*36865.06*	*756.16*	*37621.22*
2	Other financial liabilities	29	4734.92	80.16	4815.08	*5000.35*	*31.83*	*5032.18*
3	Other current liabilities	30	26333.88	4832.67	31166.55	*22344.67*	*4750.97*	*27095.64*
4	Provisions	31	2864.80	173.04	3037.84	*2328.52*	*196.53*	*2525.05*

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:

On March 30, 2019, the Ministry of Corporate Affairs notified Ind AS 116 "Leases", applicable in respect of accounting periods commencing on or after April 1, 2019.

Ind AS 116 "Leases" supersedes AS 17 "Leases" in respect of accounting periods commencing on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Pursuant to transition methods permitted under Ind AS 116, the Group is proposing to use "modified retrospective approach" for transitioning to Ind AS 116 with effect from April 1, 2019. Under modified retrospective approach, cumulative effect of initially applying the accounting standard as at April 1, 2019 will be recognised as an adjustment to the opening balance of retained earnings of the financial year 2019-20 and figures for the financial year 2018-19 will not be restated as per the new accounting standard. With respect to existing leases as at the date of initial application of the accounting standard, the Group is proposing to use the practical expedient available on transition to Ind AS 116 and will not reassess whether a contract is or contains a lease and instead apply Ind AS 116 only to the contracts that were previously identified as lease applying Ind AS 17.

The Group has carried out an initial assessment of the impact of adopting this standard and there would not be any significant impact on the financial statements of the Group.

Notes forming part of the Consolidated Financial Statements (contd.)

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 22)	Current borrowings (note 26)	Current maturities of long term borrowings (note 27)	Total
1	Balance as at 1-4-2017	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	Balance as at 31-3-2018	72914.76	19331.85	15277.47	107524.08
7	Proceeds from Borrowings (net)	8493.76	7765.14	1606.44	17865.34
8	Effect of changes in foreign exchange rates	46.45	210.74	240.30	497.49
9	Interest accrued (net of interest paid)	(250.03)	0.11	(81.82)	(331.74)
10	Other changes (transfer within categories)	(7084.15)	1916.00	5168.15	–
11	Balance as at 31-3-2019	74120.79	29223.84	22210.54	125555.17

Amounts reported in Statement of Cash Flows under financing activities:

₹ crore

Particulars	2018-19	*2017-18*
Proceeds from non-current borrowings	24181.62	*46903.46*
Repayments of non-current borrowings	(14081.42)	*(36942.20)*
Proceeds from other borrowings (net)	7765.14	*2680.02*
Changes from financing cash flows (as above) (a)	17865.34	*12641.28*
Repayments on account of liability classified as held for sale (b)	–	*(22.28)*
Total changes from financing cash flows (a+b)	17865.34	*12619.00*

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 ₹ 252.91 crore *(previous year: ₹ 385.17 crore)*.

NOTE [64]

The Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2019. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	2018-19	*2017-18*
Principal amount due to suppliers under MSMED Act	193.92	*105.66*
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.13	*0.33*
Payment made to suppliers (other than interest) beyond the appointed day during the year	125.39	*144.48*
Interest paid to suppliers under MSMED Act (other than Section 16)	–	*0.02*
Interest paid to suppliers under MSMED Act (Section 16)	0.30	*0.11*
Interest due and payable to suppliers under MSMED Act for payments already made	0.38	*5.68*
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	11.25	*10.45*
Amount of further interest remaining due and payable even in the succeeding years	8.24	*8.18*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [65]

The financial services business of the Group has changed its accounting policy in respect of provision for expected credit loss to adopt more prudent norms for determining stage 3 (credit impaired) assets and its classification of loans into at amortised cost or at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI). Accordingly, the Balance Sheet as at April 1, 2017 has been restated. The impact of the change amounting to ₹ 753.49 crore (net of tax) has been debited to the opening retained earnings as on April 1, 2017 as below. The impact on the financial results for 2017-18 is not material.

₹ crore

Particulars	As at April 1, 2017	As at March 31, 2017	Impact of change	Remarks
Assets				
Loan towards financing activities	70261.24	72061.24	(1800.00)	Additional provision as per expected credit loss (ECL) method on change in accounting policy
Deferred tax assets (net)	2359.10	1736.15	622.94	Deferred tax assets on additional ECL provision
Total			(1177.06)	
Equity and Liabilities				
Other equity	49276.44	50029.93	(753.49)	Net impact on retained earnings (Group share)
Non-controlling interests	3140.03	3563.60	(423.57)	Share of Non-controlling interests on additional ECL provision (net of tax)
Total			(1177.06)	

NOTE [66]

Subsequent to the year under review, the Company has divested its entire stake in L&T Kobelco Machinery Private Limited (part of Others Segment) to Kobe Steel, Ltd. on April 17, 2019. Since the criteria for classifying the said investment as held for sale is not met as at reporting date, the same has not been classified as held for sale in the consolidated financial statements.

NOTE [67]

The Board of Directors in its meeting held on May 10, 2019, has approved amalgamation of its wholly-owned subsidiary L&T Shipbuilding Limited ('LTSB') with the Company subject to receipt of regulatory and other approvals.

NOTE [68]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2019.

NOTE [69]

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 and Steel Company Private Limited	L&T Valves Limited	L&T Realty Limited
	Financial year ending on	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
	Currency	INR	INR	INR	INR	INR	INR	INR	INR
	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	1654.55	0.01	18.00	47.16
2	Other equity / Reserves and surplus (as applicable)	–	(1669.59)	(5.41)	14.10	1052.36	(0.28)	421.04	204.27
3	Liabilities	1.07	3810.25	8.92	400.73	71.13	0.29	556.27	83.81
4	Total equity and liabilities	1.12	2584.66	10.95	414.88	2778.04	0.02	995.31	335.24
5	Total assets	1.12	2584.66	10.95	414.88	2778.04	0.02	995.31	335.24
6	Investments	–	11.87	–	299.80	–	–	33.86	43.45
7	Turnover	–	599.77	–	360.14	281.19	–	739.32	51.84
8	Profit before taxation	–	(415.10)	(2.44)	4.39	20.99	(0.00)	(219.12)	(828.32)
9	Provision for taxation	–	–	–	1.28	(24.31)	–	(74.39)	7.36
10	Profit after taxation	–	(415.10)	(2.44)	3.11	45.30	(0.00)	(144.73)	(835.68)
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-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
	Currency	INR	INR	INR	INR	INR	INR	INR	INR
	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	17.35	1998.81	165.37
2	Other equity / Reserves and surplus (as applicable)	(0.03)	(4.70)	5.21	(0.05)	(11.68)	4696.10	5831.54	1366.57
3	Liabilities	0.02	10.89	0.06	0.00	13.86	1513.15	2218.53	11559.29
4	Total equity and liabilities	0.00	6.24	5.32	0.00	47.78	6226.60	10048.88	13091.23
5	Total assets	0.00	6.24	5.32	0.00	47.78	6226.60	10048.88	13091.23
6	Investments	–	–	5.31	–	–	2260.06	9146.20	1617.18
7	Turnover	–	–	–	–	17.99	8907.20	482.11	1484.03
8	Profit before taxation	(0.01)	(0.02)	0.25	–	(2.05)	1959.75	304.03	394.08
9	Provision for taxation	–	–	0.03	–	(0.55)	484.69	36.97	92.07
10	Profit after taxation	(0.01)	(0.02)	0.22	–	(1.50)	1475.06	267.06	302.01
11	Interim dividend - equity	–	–	–	–	–	(216.84)	–	(114.94)
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	(268.94)	(199.70)	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	68.00	99.99	100.00	100.00	74.80	63.91	63.91

Note: * Date of incorporation

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-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	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	52.31	251.82	0.15	1255.30	490.18	5.00	0.10
2	Other equity / Reserves and surplus (as applicable)	7301.47	30.14	275.40	1.28	2675.06	571.04	6.21	(0.05)
3	Liabilities	46936.55	17.17	77.15	0.06	24478.41	7545.17	1.50	0.01
4	Total equity and liabilities	55837.16	99.62	604.37	1.49	28408.77	8606.39	12.71	0.06
5	Total assets	55837.16	99.62	604.37	1.49	28408.77	8606.39	12.71	0.06
6	Investments	4683.62	68.50	277.79	1.11	2080.54	167.04	8.23	0.03
7	Turnover	6890.59	77.32	618.84	0.07	2817.18	728.56	6.52	0.03
8	Profit before taxation	1303.05	40.89	88.35	(0.08)	421.88	131.66	(5.91)	0.00
9	Provision for taxation	457.12	7.62	–	0.02	189.99	–	(1.64)	(0.00)
10	Profit after taxation	845.93	33.27	88.35	(0.10)	231.89	131.66	(4.27)	0.00
11	Interim dividend - equity	(191.90)	–	(30.22)	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	63.91	63.91	63.91	63.91	63.91	63.91	63.91	63.91

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 Power Development Limited	L&T Uttaranchal Hydropower Limited	L&T Arunachal Hydropower Limited	L&T Himachal Hydropower Limited	Nabha Power Limited
	Financial year ending on	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
	Date of Acquisition	**16-Jun-11***	**27-Dec-13**	**06-Apr-00***	**12-Sep-07***	**13-Nov-06***	**24-Jun-10***	**22-Jun-10***	**09-Apr-07**
1	Share capital (including share application money pending allotment)	18.75	2.10	0.05	3112.70	161.05	40.39	200.55	2325.00
2	Other equity / Reserves and surplus (as applicable)	48.55	(28.30)	4.91	(144.75)	1141.48	(40.49)	(201.55)	920.07
3	Liabilities	414.89	61.32	0.07	1.10	112.60	0.11	1.12	8023.75
4	Total equity and liabilities	482.19	35.12	5.03	2969.05	1415.13	0.01	0.12	11268.82
5	Total assets	482.19	35.12	5.03	2969.05	1415.13	0.01	0.12	11268.82
6	Investments	4.26	–	0.01	2963.97	0.30	–	–	–
7	Turnover	81.06	–	0.75	6.78	–	–	–	3968.04
8	Profit before taxation	16.60	(6.26)	0.47	(148.09)	0.03	(40.68)	(201.27)	121.03
9	Provision for taxation	4.66	0.63	(0.00)	0.03	0.00	0.00	0.00	24.61
10	Profit after taxation	11.94	(6.89)	0.47	(148.12)	0.03	(40.68)	(201.27)	96.42
11	Interim dividend - equity	(6.75)	–	(9.00)	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	63.91	63.91	100.00	100.00	100.00	100.00	100.00	100.00

Note: * Date of incorporation

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	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	L&T Infra Contractors Private Limited
	Financial year ending on	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
	Date of Acquisition	**24-Aug-10***	**14-Jun-12***	**29-Jul-97***	**09-Dec-98***	**15-Feb-14**	**14-Jul-16***	**02-Apr-09***	**17-Mar-17***
1	Share capital (including share application money pending allotment)	2427.18	20.80	120.00	3.60	2.05	0.01	1000.05	0.01
2	Other equity / Reserves and surplus (as applicable)	(218.93)	2415.12	242.10	40.41	8.56	(0.01)	989.40	(0.02)
3	Liabilities	13748.98	789.42	1050.80	42.58	71.40	–	9886.94	0.01
4	Total equity and liabilities	15957.23	3225.34	1412.90	86.59	82.01	–	11876.39	0.00
5	Total assets	15957.23	3225.34	1412.90	86.59	82.01	–	11876.39	0.00
6	Investments	–	752.40	92.75	–	7.11	–	2771.78	–
7	Turnover	1629.04	4712.00	493.05	68.32	116.75	–	12694.83	–
8	Profit before taxation	(147.32)	941.45	8.75	6.92	12.81	0.00	847.35	(0.01)
9	Provision for taxation	0.82	241.35	(47.30)	2.40	2.14	0.00	292.59	–
10	Profit after taxation	(148.14)	700.10	56.05	4.52	10.67	0.00	554.76	(0.01)
11	Interim dividend - equity	–	(77.98)	(318.00)	–	–	–	(250.01)	–
12	Interim dividend - preference	–	–	–	–	–	–	(60.90)	–
13	Proposed dividend - equity	–	(140.42)	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	78.88	100.00	100.00	58.37	100.00	100.00	100.00

Sr. no.	Sr. No.	41	42	43	44	45	46	47	48
	Particulars	Esencia Technologies India Private Limited	Syncordis Software Services India Private Limited	LTR SSM Private Limited	Larsen & Toubro LLC	Larsen & Toubro Infotech GmbH	Larsen & Toubro Infotech Canada Limited	Larsen & Toubro Infotech LLC	L&T Infotech Financial Services Technologies Inc.
	Financial year ending on	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**
	Currency	**INR**	**INR**	**INR**	**USD**	**EURO**	**CAD**	**USD**	**CAD**
	Exchange rate on the last day of financial year	–	–	–	**69.16**	**77.67**	**51.54**	**69.16**	**51.54**
	Date of Acquisition	**31-May-17**	**11-Dec-17**	**24-Sept-18***	**02-Jan-01***	**14-Jun-99***	**25-Apr-00**	**21-Jul-09***	**01-Jan-11**
1	Share capital (including share application money pending allotment)	0.01	0.45	0.10	0.36	0.39	0.00	–	193.28
2	Other equity / Reserves and surplus (as applicable)	0.69	1.57	(0.05)	2.23	353.80	17.80	3.34	53.34
3	Liabilities	0.05	1.01	0.00	0.94	189.39	25.46	0.48	46.71
4	Total equity and liabilities	0.75	3.03	0.05	3.53	543.58	43.26	3.82	293.33
5	Total assets	0.75	3.03	0.05	3.53	543.58	43.26	3.82	293.33
6	Investments	–	–	–	–	–	–	–	–
7	Turnover	1.59	7.08	–	3.43	94.07	164.79	6.71	298.19
8	Profit before taxation	0.22	0.94	(0.05)	0.04	5.42	9.10	0.32	104.31
9	Provision for taxation	0.08	0.29	–	0.01	(0.85)	2.44	–	28.44
10	Profit after taxation	0.14	0.65	(0.05)	0.03	6.27	6.66	0.32	75.87
11	Interim dividend - equity	–	–	–	–	(8.10)	–	–	(31.79)
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	78.88	74.80	100.00	98.80	74.80	74.80	74.80	74.80

Note: * Date of incorporation

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	Larsen & Toubro Infotech South Africa (Proprietary) 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	L&T Modular Fabrication Yard LLC
	Financial year ending on	31-Mar-19	31-Dec-18	31-Mar-19	31-Mar-19	31-Dec-18	31-Mar-19	31-Mar-19	31-Dec-18
	Currency	ZAR	CNY	AED	USD	SAR	GBP	GBP	OMR
	Exchange rate on the last day of financial year	4.77	10.14	18.83	69.16	18.60	90.53	90.53	179.63
	Date of Acquisition	25-Jul-12	28-Jun-13*	27-Jan-08*	25-Sep-01*	17-Jun-13*	04-Apr-12	04-Apr-12	05-Jul-06*
1	Share capital (including share application money pending allotment)	0.21	1.09	16.94	756.21	0.93	1.21	23.08	51.81
2	Other equity / Reserves and surplus (as applicable)	3.20	(2.80)	(10.96)	(38.61)	(3.70)	6.56	(47.73)	131.91
3	Liabilities	16.60	4.78	0.12	22.55	7.18	–	53.59	281.80
4	Total equity and liabilities	20.01	3.07	6.10	740.15	4.41	7.77	28.94	465.52
5	Total assets	20.01	3.07	6.10	740.15	4.41	7.77	28.94	465.52
6	Investments	–	–	–	577.14	–	–	–	–
7	Turnover	25.83	4.11	–	0.19	–	–	43.44	1089.79
8	Profit before taxation	(1.48)	(1.51)	(2.75)	532.51	(0.22)	(0.14)	(7.04)	183.79
9	Provision for taxation	(0.40)	–	–	11.66	0.21	–	(0.11)	–
10	Profit after taxation	(1.08)	(1.51)	(2.75)	520.85	(0.43)	(0.14)	(6.93)	183.79
11	Interim dividend - equity	–	–	–	(487.42)	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	56.02	74.80	100.00	100.00	100.00	100.00	100.00	70.00

Sr. no.	Sr. No.	57	58	59	60	61	62	63	64
	Particulars	Larsen & Toubro (East Asia) SDN. BHD	Larsen & Toubro Qatar LLC	L&T Overseas Projects Nigeria Limited	L&T Electricals & 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	L&T Hydrocarbon Saudi Company (formerly known as Larsen & Toubro ATCO Saudi LLC)
	Financial year ending on	31-Mar-19	31-Dec-18	31-Dec-18	31-Mar-19	31-Dec-18	31-Dec-18	31-Dec-18	31-Dec-18
	Currency	MYR	QAR	NGN	SAR	KWD	SAR	SAR	SAR
	Exchange rate on the last day of financial year	16.94	19.00	0.19	18.44	229.91	18.60	18.60	18.60
	Date of Acquisition	13-Jun-96*	31-Mar-04*	15-Jul-04*	22-Aug-06*	29-Nov-06*	22-Jun-99*	01-Jul-12*	08-Jul-07*
1	Share capital (including share application money pending allotment)	1.27	0.38	0.19	33.19	45.98	26.74	18.60	1.86
2	Other equity / Reserves and surplus (as applicable)	(1.66)	0.18	(0.19)	(48.56)	(44.57)	555.11	(372.89)	(477.84)
3	Liabilities	3.08	4.41	0.03	149.22	22.39	1673.52	806.33	1191.93
4	Total equity and liabilities	2.69	4.97	0.03	133.85	23.80	2255.37	452.04	715.95
5	Total assets	2.69	4.97	0.03	133.85	23.80	2255.37	452.04	715.95
6	Investments	–	0.19	–	–	–	–	–	–
7	Turnover	2.42	–	–	146.38	–	2140.92	825.54	799.00
8	Profit before taxation	0.16	(0.03)	(0.00)	(2.67)	0.45	281.60	88.53	14.08
9	Provision for taxation	0.00	–	–	0.30	–	58.34	12.97	3.30
10	Profit after taxation	0.16	(0.03)	(0.00)	(2.97)	0.45	223.26	75.56	10.78
11	Interim dividend - equity	–	–	–	–	–	(174.00)	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	30.00	49.00	100.00	100.00	49.00	100.00	75.00	100.00

Note: * Date of incorporation

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	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	Larsen and Toubro T&D SA (Propreitary) Limited
	Financial year ending on	31-Mar-19	31-Mar-19	31-Mar-19	31-Dec-18	31-Dec-18	31-Mar-19	31-Mar-19	31-Mar-19
	Currency	MYR	MYR	AUD	IDR	OMR	AED	KWD	ZAR
	Exchange rate on the last day of financial year	16.94	16.94	49.02	0.00	181.24	18.83	227.43	4.77
	Date of Acquisition	29-May-07	03-Jul-12	23-Apr-08	23-Apr-08	07-Apr-08*	04-Apr-08*	10-Sep-13	06-Sep-10*
1	Share capital (including share application money pending allotment)	169.40	10.93	80.75	12.58	102.67	1.88	2.27	3.58
2	Other equity / Reserves and surplus (as applicable)	358.47	(23.20)	(75.40)	(52.45)	(83.11)	178.74	(6.01)	(0.62)
3	Liabilities	249.66	29.29	11.48	133.84	112.73	199.41	22.30	0.28
4	Total equity and liabilities	777.53	17.02	16.83	93.97	132.29	380.03	18.56	3.24
5	Total assets	777.53	17.02	16.83	93.97	132.29	380.03	18.56	3.24
6	Investments	–	–	–	–	–	–	–	–
7	Turnover	529.96	51.35	18.43	40.54	105.01	453.99	56.63	–
8	Profit before taxation	19.88	(0.60)	(2.23)	(5.46)	(44.43)	19.82	0.06	0.22
9	Provision for taxation	3.05	0.00	–	(0.03)	(2.49)	3.68	–	–
10	Profit after taxation	16.83	(0.60)	(2.23)	(5.43)	(41.94)	16.14	0.06	0.22
11	Interim dividend - equity	(69.77)	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	100.00	100.00	100.00	100.00	70.00	100.00	49.00	72.50

Sr. no.	Sr. No.	73	74	75	76	77	78	79	80
	Particulars	L&T Technology Services LLC	L&T Infotech Austria GmbH	L&T Global Holdings Limited	L&T Information Technology Spain, S.L.	Larsen & Toubro (Oman) LLC	Esencia Technologies Inc.	Syncordis S.A.	Syncordis SARL
	Financial year ending on	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18	31-Dec-18
	Currency	USD	EURO	USD	EURO	OMR	USD	EURO	EURO
	Exchange rate on the last day of financial year	69.16	77.67	69.16	77.67	181.24	69.16	79.99	79.99
	Date of Acquisition	26-Jun-14*	18-Jun-15*	24-Feb-16*	01-Feb-16*	29-Jan-94*	31-May-17	15-Dec-17	15-Dec-17
1	Share capital (including share application money pending allotment)	103.80	0.27	55.32	0.39	26.41	0.01	0.28	0.12
2	Other equity / Reserves and surplus (as applicable)	33.13	0.42	352.04	2.24	398.31	11.72	20.12	0.95
3	Liabilities	72.85	0.16	781.90	11.31	2943.08	33.64	33.84	17.91
4	Total equity and liabilities	209.78	0.85	1189.26	13.94	3367.80	45.37	54.24	18.98
5	Total assets	209.78	0.85	1189.26	13.94	3367.80	45.37	54.24	18.98
6	Investments	–	–	1186.16	–	–	0.03	1.01	–
7	Turnover	208.23	3.15	–	37.30	2592.69	129.06	115.76	28.83
8	Profit before taxation	77.57	0.21	444.03	(1.11)	13.74	91.95	10.49	(6.01)
9	Provision for taxation	0.19	0.06	–	(0.24)	(0.45)	22.90	2.58	(1.17)
10	Profit after taxation	77.38	0.15	444.03	(0.87)	14.19	69.05	7.91	(4.84)
11	Interim dividend - equity	–	–	–	–	–	(74.85)	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	78.88	74.80	100.00	74.80	65.00	78.88	74.80	74.80

Note: * Date of incorporation

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 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	L&T - MHPS Turbine Generators Private Limited
	Financial year ending on	31-Mar-19	31-Dec-18	31-Dec-18	31-Dec-18	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
	Currency	GBP	EURO	MXN	OMR	INR	INR	INR	INR
	Exchange rate on the last day of financial year	90.53	79.99	3.54	181.24	–	–	–	–
	Date of Acquisition	15-Dec-17	15-Dec-17	01-Mar-17*	01-Jan-05	05-May-95*	11-Jan-08*	09-Oct-06*	27-Dec-06*
1	Share capital (including share application money pending allotment)	0.01	0.24	0.00	5.44	5.57	8.00	234.10	710.60
2	Other equity / Reserves and surplus (as applicable)	(2.34)	0.90	(0.48)	(138.08)	55.64	23.79	1211.32	(423.56)
3	Liabilities	6.61	3.84	6.54	418.18	26.79	8.04	2487.98	1935.59
4	Total equity and liabilities	4.28	4.98	6.06	285.54	88.00	39.83	3933.40	2222.63
5	Total assets	4.28	4.98	6.06	285.54	88.00	39.83	3933.40	2222.63
6	Investments	–	–	–	–	30.98	1.22	455.88	427.30
7	Turnover	4.62	–	15.55	345.10	93.41	24.75	2735.70	812.08
8	Profit before taxation	(2.90)	0.95	(0.87)	18.29	14.32	3.58	417.89	45.56
9	Provision for taxation	(0.54)	0.00	(0.28)	0.73	2.18	0.75	137.93	–
10	Profit after taxation	(2.36)	0.95	(0.59)	17.56	12.14	2.83	279.96	45.56
11	Interim dividend - equity	–	–	–	–	(15.00)	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	(23.41)	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	74.80	74.80	74.80	70.00	50.0001	50.0002	51.00	51.00

Sr. no.	Sr. No.	89	90	91	92	93	94	95	96
	Particulars	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	L&T Infrastructure Development Projects Limited
	Financial year ending on	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
	Currency	INR	INR	INR	INR	INR	USD	INR	INR
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
	Date of Acquisition	23-Feb-99*	01-Jul-09*	17-Jun-10*	02-Sep-10*	25-Nov-10*	02-Sep-10*	05-Apr-17*	26-Feb-01*
1	Share capital (including share application money pending allotment)	0.05	566.60	30.00	0.01	50.00	158.85	1.00	321.06
2	Other equity / Reserves and surplus (as applicable)	0.25	(1379.09)	60.58	0.48	2.28	342.36	(0.12)	2182.46
3	Liabilities	0.67	2346.38	118.52	5.93	61.02	309.16	55.81	1687.14
4	Total equity and liabilities	0.97	1533.89	209.10	6.42	113.30	810.37	56.69	4190.66
5	Total assets	0.97	1533.89	209.10	6.42	113.30	810.37	56.69	4190.66
6	Investments	–	–	–	–	–	–	–	3284.64
7	Turnover	–	210.83	162.88	–	101.30	108.03	–	246.34
8	Profit before taxation	(0.04)	(213.88)	26.06	(0.26)	14.92	1.14	(0.04)	92.13
9	Provision for taxation	–	0.01	6.62	0.00	2.70	0.48	–	(0.47)
10	Profit after taxation	(0.04)	(213.89)	19.44	(0.26)	12.22	0.66	(0.04)	92.60
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	(1.15)	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	75.50	74.00	50.10	60.00	51.00	60.00	51.00	97.45

Note: * Date of incorporation

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	**Panipat Elevated Corridor Limited**	**Vadodara Bharuch Tollway Limited**	**L&T Interstate Road Corridor Limited**	**L&T Transportation Infrastructure Limited**	**L&T Halol-Shamlaji Tollway Limited**	**Ahmedabad-Maliya Tollway Limited**	**L&T Samakhiali Gandhidham Tollway Limited**	**L&T Deccan Tollways Limited**
	Financial year ending on	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**21-Jul-05***	**23-Dec-05***	**02-Feb-06***	**24-Sep-97***	**09-Sep-08***	**09-Sep-08***	**05-Feb-10***	**20-Dec-11***
1	Share capital (including share application money pending allotment)	30.05	43.50	57.16	41.40	795.35	149.00	80.54	285.34
2	Other equity / Reserves and surplus (as applicable)	(317.75)	(192.50)	(13.63)	171.33	(410.45)	(57.34)	(204.17)	(343.33)
3	Liabilities	498.21	895.17	261.88	175.38	747.33	1227.08	1759.01	2248.39
4	Total equity and liabilities	210.51	746.17	305.41	388.11	1132.23	1318.74	1635.38	2190.40
5	Total assets	210.51	746.17	305.41	388.11	1132.23	1318.74	1635.38	2190.40
6	Investments	9.68	135.85	141.38	56.64	–	7.16	–	46.32
7	Turnover	78.30	345.13	30.29	32.01	86.23	190.41	154.36	134.83
8	Profit before taxation	(19.35)	72.81	(56.54)	22.22	(49.51)	(12.38)	(108.38)	(227.40)
9	Provision for taxation	–	15.92	–	6.97	–	–	–	–
10	Profit after taxation	(19.35)	56.89	(56.54)	15.25	(49.51)	(12.38)	(108.38)	(227.40)
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	98.12	47.75	97.45	97.45	97.45

Sr. no.	Sr. No.	105	106	107	108	109	110	111	112
	Particulars	**Kudgi Transmission Limited**	**L&T Sambalpur - Rourkela Tollway Limited**	**PNG Tollway Limited**	**L&T Rajkot-Vadinar Tollway Limited**	**L&T Chennai - Tada Tollway Limited**	**L&T Capital Markets (Middle East) Limited**	**Larsen & Toubro Infotech Norge AS**	**Graphene Semiconductor Services Private Limited**
	Financial year ending on	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**USD**	**NOK**	**INR**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**69.16**	**18.83**	**–**
	Date of Acquisition	**30-Aug-13**	**18-Oct-13***	**16-Feb-09***	**08-Sep-08***	**24-Mar-08***	**01-Jul-18***	**20-Nov-18***	**15-Oct-18**
1	Share capital (including share application money pending allotment)	192.60	290.03	169.10	110.00	42.00	5.19	0.03	1.43
2	Other equity / Reserves and surplus (as applicable)	157.06	(66.37)	(327.68)	(230.47)	(5.49)	(3.63)	(0.00)	19.89
3	Liabilities	1604.86	1116.11	974.20	956.78	357.25	18.24	–	6.99
4	Total equity and liabilities	1954.52	1339.77	815.62	836.31	393.76	19.80	0.03	28.31
5	Total assets	1954.52	1339.77	815.62	836.31	393.76	19.80	0.03	28.31
6	Investments	277.09	89.83	–	–	–	–	–	1.74
7	Turnover	195.45	224.28	–	104.10	–	1.90	–	34.58
8	Profit before taxation	58.94	(57.56)	194.12	(107.71)	(0.13)	(1.56)	0.00	6.44
9	Provision for taxation	15.25	–	–	–	–	–	–	1.74
10	Profit after taxation	43.69	(57.56)	194.12	(107.71)	(0.13)	(1.56)	0.00	4.70
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	63.91	74.80	78.88

Note: * Date of incorporation

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	118	119	120
	Particulars	**Graphene Solutions Pte. Ltd.**	**Graphene Solutions SDN. BHD.**	**Graphene Solutions Taiwan Limited**	**Seastar Labs Private Limited**	**L&T Hydrocarbon International FZE**	**L&T Construction Machinery Limited**	**Ruletronics Systems Private Limited**	**LT IDPL INDVIT Services Limited**
	Financial year ending on	**31-Mar-19**	**31-Mar-19**	**31-Dec-18**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**	**31-Mar-19**
	Currency	**SGD**	**MYR**	**TWD**	**INR**	**AED**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	**51.04**	**16.94**	**–**	**–**	**18.83**	**–**	**–**	**–**
	Date of Acquisition	**15-Oct-18**	**15-Oct-18**	**15-Oct-18**	**15-Oct-18**	**09-Sep-18***	**18-Dec-18***	**01-Feb-19**	**20-May-99***
1	Share capital (including share application money pending allotment)	0.31	0.17	1.12	0.05	0.29	0.01	0.51	13.95
2	Other equity / Reserves and surplus (as applicable)	1.19	0.00	0.15	0.16	(0.18)	–	3.31	23.34
3	Liabilities	0.62	0.03	0.24	0.38	0.28	0.00	2.13	73.26
4	Total equity and liabilities	2.12	0.20	1.51	0.59	0.39	0.01	5.95	110.55
5	Total assets	2.12	0.20	1.51	0.59	0.39	0.01	5.95	110.55
6	Investments	–	–	–	–	–	–	–	70.00
7	Turnover	3.49	–	0.52	–	–	–	1.03	6.72
8	Profit before taxation	0.16	(0.01)	0.30	0.11	(0.17)	–	(0.57)	4.19
9	Provision for taxation	0.05	(0.00)	0.06	–	–	–	(0.14)	0.60
10	Profit after taxation	0.11	(0.01)	0.24	0.11	(0.17)	–	(0.43)	3.59
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–
15	% of share holding	78.88	78.88	78.88	78.88	100.00	100.00	74.80	97.45

Note: * Date of incorporation

Notes:

A) Names of subsidiaries which are yet to commence operations:

a) PT Larsen & Toubro Hydrocarbon Engineering Indonesia
b) L&T Hydrocarbon Caspian LLC
c) L&T Infra Contractors Private Limited
d) LTR SSM Private Limited
e) L&T Construction Machinery Limited
f) L&T Hydrocarbon International FZE

B) Names of subsidiaries which have been sold/dissolved/struck-off from the register of companies during the year:

(i) Sold:

a) Marine Infrastructure Developer Private Limited
b) L&T BPP Tollway Limited
c) Krishnagiri Thopur Toll Road Limited
d) Western Andhra Tollways Limited
e) Krishnagiri Walajahpet Tollway Limited
f) Devihalli Hassan Tollway Limited

(ii) Dissolved/struck-off:

a) L&T IDPL Trustee Manager Pte. Ltd.
b) L&T Trustee Company Private Limited
c) Seawoods Retail Private Limited
d) Seawoods Realty Private Limited

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 Seaport (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-19	31-Mar-18	31-Dec-18	31-Dec-18	31-Mar-19
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	2-Aug-10
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	9.50	0.38	0.21
	Reserves closing	144.47	17.51	(0.76)	(7.59)	10.89
	Total No of shares	90,00,000	4,40,58,020	5,000	200	21,003
	Extent of Holding % (effective)	50.00%	21.74%	49.00%	50.00%	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)	76.73	13.39	4.28	(3.60)	4.76
7	Profit / (Loss) for the year (₹ crore)					
	Considered in Consolidation	32.62	14.31	1.23	–	0.24
	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	**Magtorq Engineering Solutions Private Limited**	**Indiran Engineering Projects and Systems Kish PJSC**	**Gujarat Leather Industries Limited**
1	Latest audited Balance Sheet Date	31-Mar-19	Refer Note 2	
2	Date on which the Associate or Joint Venture was associated or acquired	2-Aug-10	31-Oct-09	27-Jun-91
3	Shares of Associate/Joint Ventures held by the company at the year end			
	Number	22,000	875	7,35,000
	Amount of Investment in Associates/Joint Venture (₹ crore)	0.22	0.39	–
	Total Share capital (₹ crore)	0.24	0.78	–
	Reserves closing	0.74	(1.40)	–
	Total No of shares	24,000	1,750	–
	Extent of Holding % (effective)	39.28%	50.00%	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 3
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ crore)	0.39	(0.31)	–
7	Profit / (Loss) for the year (₹ crore)			
	Considered in Consolidation	0.14	(0.41)	–
	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. 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. 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)

N. KUMAR
(DIN 00007848)

Directors

Mumbai, May 10, 2019

NOTES

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) is/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 Fourth Annual General Meeting of the Company, to be held at Birla Matushri Sabhagar,19, Marine Lines, Mumbai - 400020 on Thursday, August 1, 2019 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, 2019 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, 2019.		
2	Dividend on equity shares for the financial year 2018-19.		
3	Appoint Mr. M. V. Satish (DIN: 06393156) as a Director liable to retire by rotation.		
4	Appoint Mr. Shailendra Roy (DIN: 02144836), as a Director liable to retire by rotation.		
5	Appoint Mr. R. Shankar Raman (DIN: 00019798), as a Director liable to retire by rotation.		
6	Appoint Mr. J. D. Patil (DIN: 01252184), as a Director liable to retire by rotation.		
7	Re-appoint Mr. M. M. Chitale (DIN: 00101004), as an Independent Director		
8	Re-appoint Mr. M. Damodaran (DIN: 02106990), as an Independent Director and approve his continuation beyond the age of 75 years		

Item No.	Resolutions	For	Against
9	Re-appoint Mr. Vikram Singh Mehta (DIN: 00041197), as an Independent Director		
10	Re-appoint Mr. Adil Zainulbhai (DIN: 06646490), as an Independent Director		
11	Change in scale of salary of Mr. S. N. Subrahmanyan (DIN: 02255382), Chief Executive Officer and Managing Director		
12	Change in scale of salary of Mr. R. Shankar Raman (DIN: 00019798), Chief Financial Officer & Whole-time Director		
13	Alteration to the objects clause of the Memorandum of Association of the Company		
14	Raise funds through issue of convertible bonds and/or equity shares through depository receipts and including by way of Qualified Institution Placement ('QIP'), to Qualified Institutional Buyers ('QIB') for an amount not exceeding ₹ 4000 Crore or US $ 600 million, if higher.		
15	Ratification of remuneration payable to M/s R. Nanabhoy & Co. Cost Accountants (Regn. No. 00010) for the financial year 2019-20.		

Affix a 1 Rupee Revenue Stamp

Signed this ..... day of 2019

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 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.

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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: _____

Fold here

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.

Fold here

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

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.

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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 Fintech 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**



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