

Notes forming part of the Financial Statements

NOTE [1]

Significant Accounting Policies

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at their meeting held on May 28, 2018.

(b) Basis of accounting

The Company maintains its accounts on accrual basis following historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

(d) Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

(e) Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances.

(i) Revenue from operations

Revenue for the periods upto June 30, 2017 includes excise duty collected from customers. Revenue from July 1, 2017 onwards is exclusive of goods and service tax (GST) which subsumed excise duty. Revenue also includes adjustments made towards liquidated damages and other variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

A. Sale of goods

Revenue from sale of manufactured and traded goods is recognised when the goods are delivered and titles have been passed, provided all the following conditions are satisfied:

1. significant risks and rewards of ownership of the goods are transferred to the buyer;

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

2. the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the good sold;
 3. the amount of revenue can be measured reliably;
 4. it is probable that the economic benefits associated with the transaction will flow to the company; and
 5. the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- B. Revenue from construction/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:
1. Cost plus contracts: Revenue from cost plus contracts is determined with reference to the recoverable costs incurred during the period plus the margin as agreed with the customer.
 2. Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to the condition that it is probable such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- i. the amount of revenue can be measured reliably;
- ii. it is probable that the economic benefits associated with the contract will flow to the Company;
- iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as due from customers. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

- C. Revenue from property development activity which are in substance similar to delivery of goods is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.
- D. Revenue from property development activity in the nature of a construction contract is recognised based on the 'percentage of completion method' (POC) when the outcome of the contract can be estimated reliably upon fulfilment of all the following conditions:
 1. all critical approvals necessary for commencement of the project have been obtained;
 2. contract costs for work performed (excluding cost of land/developmental rights and borrowing cost) constitute at least 25% of the estimated total contract costs representing a reasonable level of development;
 3. at least 25% of the saleable project area is secured by contracts or agreements with buyers; and
 4. at least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents is realised at the reporting date in respect of each of the contracts and the parties to such contracts can be reasonably expected to comply with the contractual payment terms.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to-date, to the total estimated cost of the project. For the purpose of computing percentage of construction, cost of land, developmental rights and borrowing costs are excluded.

Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

E. Rendering of services

Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. the amount of revenue can be measured reliably;
2. it is probable that the economic benefits associated with the transaction will flow to the Company;
3. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

- F. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (B) supra.
- G. Commission income is recognised as and when the terms of the contract are fulfilled.
- H. Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the company, are recognised as other operational income in the Statement of Profit and Loss in the period in which such costs are incurred. Government grant receivable in the form duty credit scrips is recognised as other operational income in the Statement of Profit and Loss in the period in which the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.
- I. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(ii) Other income

- A. Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
- B. Dividend income is accounted in the period in which the right to receive the same is established.
- C. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(f) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

(g) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Own manufactured PPE is capitalised at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalised as a part of the cost of the PPE.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions infra).

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use. Extra shift depreciation is provided on a location basis.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life adopted by the Company for similar assets.

Freehold land is not depreciated.

(h) Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

(i) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

Research and development expenditure on new products:

- (i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.
- (ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:
 - A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
 - B. the company has intention to complete the intangible asset and use or sell it;
 - C. the company has ability to use or sell the intangible asset;
 - D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
 - E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
 - F. the company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

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

(j) Impairment of assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

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

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

(k) Employee Benefits

(i) Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

(ii) Post-employment benefits:

A. Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

B. Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii)(B) supra.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognised in the Statement of Profit and Loss under finance cost.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

(l) Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases:

A. Leases where the Company has substantially transferred all the risks and rewards of ownership of the related assets to the lessee are classified as finance leases. Assets taken under finance lease are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

- B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

- A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.
- B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

(Also refer to policy on depreciation, supra)

(m) Financial instruments

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Profit or Loss.

In case of funding to subsidiary companies in the form of interest free or concession loans and preference shares, the excess of the actual amount of the funding over initially measured fair value is accounted as an equity investment.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets:

- A. All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets as follows:
- Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value.
 - Investments in debt instruments that meet the following conditions are subsequently measured at - at amortised cost (unless the same designated as fair value through profit or loss):
 - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - Investment in debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)
 - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

4. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.
 5. Investment in equity instruments issued by subsidiary, associate and joint venture companies are measured at cost less impairment.
 6. Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.
 7. Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.
- B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.
- C. A financial asset is primarily derecognised when:
1. the right to receive cash flows from the asset has expired, or
 2. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in Profit or Loss.
- D. Impairment of financial assets: The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. Impairment loss on investments is recognised when the carrying amount exceeds its recoverable amount.
- (ii) Financial liabilities:
- A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.
 - B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.
- (iii) The Company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.
- A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Profit or Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to Profit or Loss from that date.

- B. Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss. Amounts previously recognised in Other Comprehensive Income and accumulated in equity relating to the effective portion, are reclassified to Profit or Loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

In case of time period related hedges, the forward element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the forward element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging reserve'. The changes in the fair value of such forward element or foreign currency basis spread are reclassified to Profit or Loss as a reclassification adjustment on a straight line basis over the period of the forward contract or the financial instrument.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in Profit or Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in Profit or Loss.

- (iv) Compound financial instruments issued by the Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(n) Inventories

Inventories are valued after providing for obsolescence, as under:

- (i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- (ii) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.
- (iii) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes related overheads and excise duty paid/payable on such goods.
- (iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

(o) Cash and bank balances

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

(p) Securities premium account

(i) Securities premium includes:

- A. The difference between the face value of the equity shares and the consideration received in respect of shares issued.
- B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

(q) Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in Profit or Loss in the period in which they are incurred.

(r) Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The fair value of the stock options granted to employees of the Company by the Company's subsidiaries is accounted as employee compensation cost over the vesting period and where such fair value is not recovered by the subsidiaries, the same is treated as dividend declared by them.

(s) Foreign currencies

(i) The functional currency and presentation currency of the company is Indian Rupee.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- B. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

(iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

- A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- B. income and expenses for each income statement are translated at average exchange rates; and
- C. all resulting exchange differences are recognised in Other Comprehensive Income and accumulated in equity as 'foreign currency translation reserve' for subsequent reclassification to Profit or Loss on disposal of such foreign operations.

(t) Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.
- iii) Most of the centrally incurred costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.
- iv) Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income/(expenditure)(net)".
- v) Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.
- vi) Segment result includes the interest expense incurred on interest bearing advances with corresponding credit included in "unallocable corporate income/(expenditure)(net)".
- vii) Segment results have not been adjusted for the exceptional item attributable to the corresponding segment. The said exceptional item has been included in "unallocable corporate income/(expenditure)(net)". The corresponding segment assets have been carried under the respective segments without adjusting the exceptional item.
- viii) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.
- ix) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(r) supra] and is allocated to the segment.
- x) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.

(u) Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside Profit or Loss, either in Other Comprehensive Income or in equity, is recorded along with the tax as applicable.

(v) Interests in joint operations

The Company as a joint operator recognises in relation to its interest in a joint operation, its share in the assets/liabilities held/incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

Interests in joint operations are included in the segments to which they relate.

(w) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- (i) the Company has a present obligation (legal or constructive) as a result of a past event;
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- (ii) a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

(x) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (i) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (ii) uncalled liability on shares and other investments partly paid;
- (iii) funding related commitment to subsidiary, associate and joint venture companies; and

Notes forming part of the Financial Statements (contd.)

NOTE [1]

Significant Accounting Policies (contd.)

- (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

(y) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(z) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

- (i) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

(aa) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & 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.

(ab) Business Combination

Common control business combination where the Company is transferee is accounted using the pooling of interest method. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statement of the transferor company. The excess between the amount of consideration paid over the share capital of the transferor company is recognised as a negative amount and the same is disclosed as capital reserve on business combination.

The information in the financial statements of the prior period is restated from the date of business combination in case the business combination is approved by statutory authority in the subsequent period.

Notes forming part of the Financial Statements (contd.)

NOTE [2]

Property, plant and equipment & capital work-in-progress

₹ crore

Class of assets	Cost							Depreciation							Impairment		Book value	
	As at 1-4-2017	Additions	Business Transfer\$	Trf to investment property	Foreign currency fluctuation	Deductions	As at 31-3-2018	Up to 31-3-2017	For the period*	Business Transfer\$	Trf to investment property	Foreign currency fluctuation	Deductions	Up to 31-3-2018	Up to 31-3-2017	Up to 31-3-2018	As at 31-3-2018	As at 31-3-2017
Land																		
Freehold	362.34	32.80	-	24.26	-	0.03	370.85	-	-	-	-	-	-	-	-	-	370.85	362.34
Leasehold	85.97	-	-	-	-	-	85.97	2.49	1.02	-	-	-	-	3.51	-	-	82.46	83.48
Sub total - Land	448.31	32.80	-	24.26	-	0.03	456.82	2.49	1.02	-	-	-	-	3.51	-	-	453.31	445.82
Buildings																		
Owned	2181.33	42.09	-	32.10	0.32	5.73	2185.91	187.24	112.19	-	0.45	0.10	0.84	298.24	87.25	87.25	1800.42	1906.84
Leased out	13.02	-	-	-	-	-	13.02	1.20	0.60	-	-	-	-	1.80	-	-	11.22	11.82
Sub total - Buildings	2194.35	42.09	-	32.10	0.32	5.73	2198.93	188.44	112.79	-	0.45	0.10	0.84	300.04	87.25	87.25	1811.64	1918.66
Plant & equipment																		
Owned	5209.59	444.27	1.73	-	1.85	99.11	5558.33	1502.92	700.74	0.22	-	0.80	48.30	2156.38	15.50	15.01	3386.94	3691.17
Leased out	2.11	-	-	-	-	-	2.11	0.95	0.28	-	-	-	-	1.23	-	-	0.88	1.16
Taken on lease	0.99	-	-	-	-	-	0.99	0.05	0.07	-	-	-	-	0.12	-	-	0.87	0.94
Sub total- Plant & equipment	5212.69	444.27	1.73	-	1.85	99.11	5561.43	1503.92	701.09	0.22	-	0.80	48.30	2157.73	15.50	15.01	3388.69	3693.27
Computers	294.83	54.82	0.34	-	0.02	12.23	337.78	141.17	70.73	0.15	-	0.01	9.42	202.64	-	-	135.14	153.66
Office equipment	125.74	30.28	0.06	-	0.04	1.77	154.35	62.96	31.70	0.04	-	0.02	1.66	93.06	0.01	0.01	61.28	62.77
Furniture and fixtures	142.23	14.04	0.04	-	0.02	2.16	154.17	46.76	23.80	0.01	-	0.01	1.63	68.95	0.24	0.24	84.98	95.23
Vehicles	182.40	38.97	-	-	0.14	14.20	207.31	56.17	32.75	-	-	0.04	7.16	81.80	-	-	125.51	126.23
Other assets																		
Ships	37.25	-	-	-	-	-	37.25	9.67	4.74	-	-	-	-	14.41	-	-	22.84	27.58
Aircraft	-	195.22	-	-	-	-	195.22	-	6.15	-	-	-	-	6.15	-	-	189.07	-
Sub total - Other assets	37.25	195.22	-	-	-	-	232.47	9.67	10.89	-	-	-	-	20.56	-	-	211.91	27.58
Total #	8637.80	852.49	2.17	56.36	2.39	135.23	9303.26	2011.58	984.77	0.43	0.45	0.98	69.01	2928.29	103.00	102.51	6272.46	6523.22
Previous year	8147.89	614.57	-	4.40	(9.71)	110.56	8637.80	1017.63	1024.39	-	0.42	(1.61)	28.41	2011.58	-	103.00		
Add: Capital work-in-progress																	452.10	302.53
																	6724.56	6825.75

* ₹ 1.13 crore pertains to foreign currency fluctuation, \$ ₹ 1.74 crore - Refer to note 60 # Refer to note [46(B)]

- a. Cost of freehold land includes ₹ 1.27 crore (previous year: ₹ 1.27 crore) for which conveyance is yet to be completed.
- b. Cost of buildings includes ownership accommodations:
 - i. A. in various co-operative societies, shop-owners' associations and non-trading corporations: ₹ 67.29 crore, including 2660 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250. (previous year: in various co-operative societies, shop-owners' associations and non-trading corporations: ₹ 65.51 crore, including 2550 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250).
 - B. in various apartments: ₹ 9.42 crore. (previous year: ₹ 8.96 crore).

Notes forming part of the Financial Statements (contd.)

NOTE [2] (contd.)

- C. in various co-operative societies: ₹ 0.36 crore (*previous year: ₹ 6.89 crore*) for which share certificates are yet to be issued.
- D. in proposed co-operative societies: ₹ 29.90 crore. (*previous year: ₹ 27.61 crore*).
- ii. ownership accommodations of ₹ 3.52 crore in respect of which the deed of conveyance is yet to be executed. (*previous year: of ₹ 3.53 crore*).
- iii. ownership accommodations of ₹ 7.68 crore representing undivided share in properties at various locations. (*previous year: ₹ 7.68 crore*).
- c. Additions during the year and capital work-in-progress include ₹ 11.42 crore (*previous year: ₹ 15.55 crore*) being borrowing cost capitalised in accordance with Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs". Asset class wise break-up of borrowing costs capitalised is as follows:

Class of assets	₹ crore	
	2017-2018	2016-2017
Buildings (owned)	11.35	15.29
Plant and Equipment	0.07	0.26
Total	11.42	15.55

- d. The average capitalisation rate for borrowing cost is 7.24 % (*previous year: 7.91%*).
- e. In addition to depreciation, obsolescence amounting to ₹ 4.54 crore (*previous year: ₹ 22.90 crore*) have been recognised in Profit and Loss during the year.
- f. Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to Ind AS 17 "Leases".
- g. Cost as at April 1, 2017 of individual assets has been reclassified wherever necessary.
- h. Out of its leasehold land at Hazira, the Company has given certain portion of land for the use to its subsidiary company and the lease deed is under execution.
- i. Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.
- a. Estimated useful life of the following assets is in line with useful life prescribed in schedule II of the Companies Act, 2013:

Sr. No.	Asset Class	Minimum useful life (in years)	Maximum useful life (in years)
1.	Owned Buildings	3	60
2.	Owned Plant and Equipment	8	15
3.	Computer	3	6
4.	Office Equipment	4	5
5.	Furniture and Fixture	10	10
6.	Owned Vehicles	8	10
7.	Ships	14	14

- b. Estimated useful life of following assets is different than useful life as prescribed in schedule II of the Companies Act, 2013.

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Aircrafts	–	20	18
2.	Owned Vehicles	Motor Cars	8	7

Notes forming part of the Financial Statements (contd.)

NOTE [2] (contd.)

A Assets used in Heavy Engineering and Shipbuilding Business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & Equipment General	Boring/Rolling/Drilling/Milling machines	15	10-30
		Modular Furnace		5-15
		Other Furnaces		5-30
		Horizontal Autoclaves		10-30
		Load bearing structures		50
		Cranes		10-30
2.	Roads	Carpeted Roads-other than RCC	5	5-15

B. Assets used in Electrical & Automation business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & Equipment General	Specialised machine tools, dies, jigs, fixtures, gauges for electrical business	15	5

C. Assets used in Construction business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Photographic equipment		15	5

D. Assets used in Metallurgical & Material Handling business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Office Equipment	Assets deployed at project site	5	3
2.	Air conditioning and refrigeration equipment	Assets deployed at project site	15	3
3.	Photographic equipment	Assets deployed at project site	15	3

E. Assets used in Power business:

Sr. No.	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & Equipment	Site facilities	15	4

- j. Carrying value of Property plant and equipment pledged as collateral for liabilities and/or commitments as at March 31, 2018 - ₹ 0.09 crore (as at March 31, 2017: ₹ 0.09 crore)

Notes forming part of the Financial Statements (contd.)

NOTE [3]

Investment property

₹ crore

Class of assets	Cost					Depreciation					Book Value	
	As at 1-4-2017	Additions	Transferred from PPE	Deductions	As at 31-3-2018	Upto 31-3-2017	For the year	Transferred from PPE	Deductions	Upto 31-3-2018	As at 31-3-2018	As at 31-3-2017
Land	40.05	–	10.36	–	50.41	–	–	–	–	–	50.41	40.05
Buildings	391.71	57.58	26.64	3.18	472.75	35.06	13.96	0.39	1.23	48.18	424.57	356.65
Total	431.76	57.58	37.00	3.18	523.16	35.06	13.96	0.39	1.23	48.18	474.98	396.70
<i>Previous year</i>	<i>464.04</i>	<i>–</i>	<i>4.40</i>	<i>36.68</i>	<i>431.76</i>	<i>17.14</i>	<i>19.03</i>	<i>0.42</i>	<i>1.53</i>	<i>35.06</i>	<i>396.70</i>	<i>446.90</i>

- a. Additions during the year include ₹ 5.80 crore (*previous year: ₹ Nil*) being borrowing cost capitalised in accordance with Indian Accounting Standard (Ind AS) 23 on “Borrowing Costs”. Asset class wise break-up of borrowing costs capitalised is as follows:

₹ crore

Class of assets	2017-18	2016-17
Buildings (owned)	5.80	–
Total	5.80	–

- b. Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Sr. No.	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1.	Buildings	3	60

- c. Disclosure pursuant to Ind AS 40 “Investment Property”

- i. Amount recognised in the Statement of Profit and Loss for investment property:

₹ crore

Sr. No.	Particulars	2017-18	2016-17
1.	Rental income derived from investment property	171.63	149.01
2.	Direct operating expenses arising from investment property that generated rental income	64.32	21.12

- ii. Fair value of investment property: ₹ 2487.24 crore as at March 31, 2018 (*₹ 3412.55 crore as at March 31, 2017*)
- iii. The fair values of investment properties have been determined with the help of independent valuer on a case to case basis. Fair value of properties that are evaluated by independent valuer is ₹ 2487.24 crore (*₹ 3012.75 crore as at March 31, 2017*). Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

Notes forming part of the Financial Statements (contd.)

NOTE [4]

Other Intangible assets & intangible assets under development

₹ crore

Class of assets	Cost						Amortisation					Book value	
	As at 1-4-2017	Additions	Business Transfer \$	Foreing currency fluctuation	Deductions	As at 31-3-2018	Up to 31-3-2017	For the period	Business Transfer \$	Deductions	Up to 31-3-2018	As at 31-3-2018	As at 31-3-2017
Specialised softwares	182.84	11.42	1.38	-	-	195.64	146.47	13.08	0.68	-	160.23	35.41	36.37
Technical know-how	43.96	55.10	-	-	-	99.06	20.36	9.29	-	-	29.65	69.41	23.60
New product design and development	112.87	48.53	-	-	-	161.40	48.17	24.96	-	-	73.13	88.27	64.70
Total #	339.67	115.05	1.38	-	-	456.10	215.00	47.33	0.68	-	263.01	193.09	124.67
Previous year	313.87	31.30	-	0.01	5.51	339.67	175.67	41.88	-	2.55	215.00		
Add: Intangible assets under development												200.77	201.25
												393.86	325.92
\$ ₹ 0.70 crore - Refer to note 61 # Refer to note [46(B)]													

a. Additions during the year

₹ crore

Class of assets	FY 2017-18			FY 2016-17		
	Internal development	Acquired - external	Total	Internal development	Acquired - external	Total
Specialised softwares	0.11	11.31	11.42	-	6.58	6.58
Technical know-how	-	55.10	55.10	-	20.93	20.93
New product design and development	48.53	-	48.53	3.80	-	3.80
Total	48.64	66.41	115.05	3.80	27.51	31.31

b. Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Sr. No.	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1.	Specialised softwares	3	6
2.	Technical know-how	3	13
3.	New product design and development	3	5

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Financial Assets: Investments - non-current

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
(A) Investment in equity instruments				
(a) Subsidiary companies	18776.86		16381.00	
(b) Associate companies	4.42		4.42	
(c) Joint venture companies	2991.26		2730.25	
(d) Other companies	136.64		56.04	
		21909.18		19171.71
(B) Investment in preference shares (Debt portion) of:				
Subsidiary companies	867.35		605.10	
Joint venture companies	217.73		–	
		1085.08		605.10
		22994.26		19776.81

Details of Investments - non-current

Particulars	Face value per unit	Number of units		As at 31-3-2018	As at 31-3-2017
		As at 31-3-2018	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	
EWAC Alloys Limited	100	–	–	150.24	
Hi-Tech Rock Products & Aggregates Limited	10	50,000	0.05	0.05	
Kesun Iron and Steel Company Private Limited	10	9,500	0.01	0.01	
L&T Aviation Services Private Limited	10	4,56,00,000	45.60	45.60	
L&T Capital Company Limited	10	50,000	0.05	0.05	
L&T Cassidian Limited [Net of provision ₹ 0.05 crore (previous year: ₹ Nil)]	10	50,000	–	0.04	
L&T Finance Holdings Limited (quoted)	10	1,27,75,20,203	3468.17	1468.18	
L&T Construction Equipment Limited	10	12,00,00,000	82.82	84.32	
L&T Metro Rail (Hyderabad) Limited	10	2,20,69,77,333	2206.98	2062.19	
L&T Power Development Limited	10	3,11,27,00,000	3112.70	3112.70	
L&T Power Limited	10	51,157	0.05	0.05	
L&T Realty Limited	10	4,71,60,700	47.16	47.16	
L&T Seawoods Limited	10	1,99,95,50,000	1999.55	1999.55	
L&T Shipbuilding Limited	10	43,06,80,000	430.68	430.68	
L&T Electricals and Automation Limited	10	74,38,796	40.36	40.36	
L&T Hydrocarbon Engineering Limited	10	1,00,00,50,000	1000.05	1000.05	
L&T Technology Services Limited (quoted)	2	9,08,22,100	937.78	942.62	
Larsen & Toubro Infotech Limited (quoted)	1	14,26,93,637	118.80	119.68	
Larsen & Toubro Hydrocarbon International Limited LLC [Net of provision ₹ 0.68 crore (previous year: ₹ Nil)]	SAR 1000	450	–	0.68	
Carried forward			13652.09	11665.49	

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Investments - non-current (contd.)

Particulars	Face value per unit	Number of units		As at 31-3-2018	As at 31-3-2017
		As at 31-3-2018	As at 31-3-2018		
	₹			₹ crore	₹ crore
(i) Investments in fully paid equity instruments: (contd.)					
Brought forward				13652.09	11665.49
Larsen & Toubro LLC	USD 1	50,000		0.23	0.23
Larsen & Toubro (Saudi Arabia) LLC	SAR 1000	625		1.06	1.06
Spectrum Infotech Private Limited (refer to note 60)	10	–		–	6.80
L&T Infrastructure Engineering Limited	10	36,00,000		21.85	21.85
L&T Cutting Tools Limited	1000	–		–	0.30
L&T Global Holdings Limited	USD 100	80,000		53.16	53.16
Seawoods Realty Private Limited [Net of provision ₹ 0.01 crore (previous year: ₹ Nil)]	10	10,000		–	0.01
Seawoods Retail Private Limited [Net of provision ₹ 0.01 crore (previous year: ₹ Nil)]	10	10,000		–	0.01
				13728.39	11748.91
(ii) Preference shares-(equity portion):					
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, October 22, 2028.	10	9,00,00,000		67.78	67.77
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, June 24, 2029	10	5,00,00,000		37.06	37.06
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, April 16, 2030	10	11,00,00,000		77.26	77.26
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, May 28, 2030.	10	42,18,60,000		300.25	300.25
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, August 10, 2030.	10	25,00,00,000		177.98	177.98
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, September 29, 2030.	10	7,50,00,000		53.24	53.24
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, December 8, 2030.	10	25,90,00,000		181.97	181.97
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, February 4, 2031.	10	21,60,00,000		153.15	153.15
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, March 28, 2032	10	38,80,00,000		276.24	276.23
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, November 19, 2032	10	41,61,29,994		295.40	–
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, November 23, 2032	10	1,28,70,000		9.16	–
L&T Shipbuilding Limited - 9% Non-cumulative, non-convertible redeemable at par preference shares, December 19, 2032	10	18,93,29,994		132.00	–
				1761.49	1324.91
(iii) Preference share considered equity as per terms:					
L&T Seawoods Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, March 30, 2022.	2	82,60,00,000		826.00	1036.00
L&T Seawoods Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, May 12, 2022	2	4,80,00,000		48.00	48.00
Carried forward				874.00	1084.00

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Investments - non-current (contd.)

Particulars	Face value per unit	Number of units		As at	As at
		As at 31-3-2018	As at 31-3-2018	31-3-2018	31-3-2017
	₹			₹ crore	₹ crore
(iii) Preference share considered equity as per terms: (contd.)					
Brought forward				874.00	1084.00
L&T Seawoods Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, July 14, 2022	2	4,22,50,000		42.25	42.25
L&T Seawoods Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, September 3, 2022	2	4,20,00,000		42.00	42.00
L&T Hydrocarbon Engineering Ltd - 10% Non-cumulative, optionally convertible redeemable at par preference shares, February 6, 2029	10	50,00,00,000		500.00	500.00
L&T Hydrocarbon Engineering Ltd - 12% Non-cumulative, optionally convertible redeemable at par preference shares, October 19, 2030	10	13,00,00,000		130.00	130.00
L&T Hydrocarbon Engineering Ltd - 12% Non-cumulative, optionally convertible redeemable at par preference shares, March 30, 2031	10	13,00,00,000		130.00	130.00
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, July 17, 2029.	2	89,10,50,000		891.05	701.25
L&T Realty Limited - 12% Non-cumulative and optionally convertible redeemable at par preference shares, May 26, 2025.	10	64,83,00,000		648.30	648.30
				3257.60	3277.80
(iv) Other equity investments:					
L&T Aviation Services Private Limited				0.64	0.64
L&T Shipbuilding Limited				28.74	28.74
				29.38	29.38
Total - (a) = (i)+(ii)+(iii)+(iv)				18776.86	16381.00
(b) Associate companies:					
Gujarat Leather Industries Limited [Net of provision ₹ 0.56 crore (previous year: ₹ 0.56 crore)]	10	7,35,000		–	–
Magtorq Private Limited	100	9,000		4.42	4.42
				4.42	4.42
(c) Joint venture companies:					
(i) Investments in fully paid equity instruments:					
Ahmedabad-Maliya Tollway Limited (formerly known as L&T Ahmedabad-Maliya Tollway Limited) [₹ 1000 (previous year: ₹ 1000)]	10	100		–	–
L&T Chennai-TADA Tollway Limited [₹ 1000 (previous year: ₹ 1000)]	10	100		–	–
Devihalli Hassan Tollway Limited (formerly known as L&T Devihalli Hassan Tollway Limited) [₹ Nil (previous year: ₹ 1000)]	10	–		–	–
L&T Halol-Shamlaji Tollway Limited [₹ 1000 (previous year: ₹ 1000)]	10	100		–	–
L&T Howden Private Limited	10	1,50,30,000		15.03	15.03
L&T Infrastructure Development Projects Limited [Net of provision ₹ 950 crore (previous year: ₹ 950 crore)]	10	31,28,69,096		1746.48	1746.48
L&T Kobelco Machinery Private Limited	10	2,55,00,000		25.50	25.50
Krishnagiri Walajahpet Tollway Limited [₹ Nil (previous year: ₹ 26000)]	10	–		–	–
L&T-MHPS Boilers Private Limited	10	11,93,91,000		119.39	119.39
L&T-MHPS Turbine Generators Private Limited	10	36,24,06,000		362.41	362.41
L&T Rajkot-Vadinar Tollway Limited [₹ 1000 (previous year: ₹ 1000)]	10	100		–	–
Carried forward				2268.81	2268.81

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Investments - non-current (contd.)

Particulars	Face value per unit	Number of units		As at	As at
		As at 31-3-2018	As at 31-3-2018	31-3-2018	31-3-2017
	₹			₹ crore	₹ crore
(i) Investments in fully paid equity instruments: (contd.)					
Brought forward				2268.81	2268.81
L&T Samakhiali Gandhidham Tollway Limited	10	13,000		0.01	0.01
L&T Special Steels and Heavy Forgings Private Limited	10	41,92,84,000		419.28	419.28
L&T Transportation Infrastructure Limited	10	1,08,64,000		10.86	10.86
L&T-Sargent & Lundy Limited	10	27,82,736		0.82	0.82
PNG Tollway Limited	10	2,24,22,660		22.42	22.42
Raykal Aluminum Company Private Limited	10	37,750		0.04	0.04
L&T MBDA Missile Systems Limited	10	25,500		0.03	–
				2722.27	2722.24
(ii) Other equity investments:					
L&T-MHPS Boilers Private Limited				2.24	2.24
L&T-MHPS Turbine Generators Private Limited				6.10	5.77
				8.34	8.01
(iii) Preference shares-(equity portion):					
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024	10	15,54,00,000		78.33	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025	10	17,76,00,000		97.91	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026	10	14,20,80,000		84.41	–
				260.65	–
Total - (c) = (i)+(ii)+(iii)				2991.26	2730.25
(d) Other companies:					
International Seaport Dredging Limited [Net of provision ₹ 15.90 crore (previous year: ₹ 15.90 crore)]	10000	15,899		–	–
BBT Elevated Road Private Limited	10	1,00,000		0.10	0.10
Utmal Multi purpose Service Co-operative Society Limited (B Class) (non-trade investments) [₹ 30,000 (previous year: ₹ 30,000)]	100	300		–	–
Tidel Park Limited [Note 45(f)]	10	40,00,000		64.27	55.94
VP Global Fibre and Yarns Private Limited [₹ 20,600 (previous year: ₹ Nil)]	100	206		–	–
The New India Assurance Company Limited	10	3,12,498		22.28	–
ICICI Securities Limited	5	9,61,520		50.00	–
				136.65	56.04
Total - (A) =(a)+(b)+(c)+(d)				21909.18	19171.71
(B) Investments in preference shares of subsidiary companies:					
(Fair value debt portion):					
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, October 22, 2028	10	9,00,00,000		38.70	35.23
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, June 24 2029	10	5,00,00,000		20.36	18.53
L&T Shipbuilding Limited - 12% Cumulative, non-convertible redeemable at par preference shares, April 16, 2030	10	11,00,00,000		41.93	37.41
Carried forward				100.99	91.17

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Investments - non-current (contd.)

Particulars	Face value per unit	Number of units	As at	As at
		As at 31-3-2018	31-3-2018	31-3-2017
	₹		₹ crore	₹ crore
(B) Investments in preference shares of subsidiary companies: (contd.)				
Brought forward			100.99	91.17
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, May 28, 2030	10	42,18,60,000	159.32	142.09
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, August 10, 2030	10	25,00,00,000	92.87	82.81
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, September 29, 2030	10	7,50,00,000	27.55	24.56
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, December 8, 2030	10	25,90,00,000	93.67	83.48
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, February 4, 2031	10	21,60,00,000	77.11	68.71
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, March 28, 2032	10	38,80,00,000	126.12	112.28
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, November 19, 2032	10	41,61,29,994	127.95	–
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, November 23, 2032	10	1,28,70,000	3.95	–
L&T Shipbuilding Limited - 9% Non-cumulative non-convertible redeemable at par preference shares, December 19, 2032	10	18,93,29,994	57.82	–
Total - (B)			867.35	605.10
(C) Investments in preference shares of Joint Venture companies:				
(Fair value debt portion):				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024	10	15,54,00,000	78.75	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025	10	17,76,00,000	80.89	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026	10	14,20,80,000	58.09	–
			217.73	–
Total investments non-current (A)+(B)+(C)			22994.26	19776.81

Details of quoted/unquoted investments:

Particulars	As at 31-3-2018	As at 31-3-2017
	₹ crore	₹ crore
(a) Aggregate amount of quoted investments and market value thereof;		
Book value	4597.03	2530.48
Market value	50537.78	31883.81
(b) Aggregate amount of unquoted investments;		
Book value	18397.23	17246.33
(c) Aggregate amount of impairment in value of investments	967.21	966.46

Notes forming part of the Financial Statements (contd.)

NOTE [6]

Financials Assets: Loans - non-current

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Unsecured security deposits, considered goods:		78.29		97.55
Unsecured security deposits, doubtful:	26.59		0.45	
Less: Provision for doubtful security deposits	26.59		0.45	
		-		-
Unsecured long term loan and advances to related parties:				
Subsidiary companies:				
Inter-corporate deposits [Note 37 &38(A)]		225.50		512.00
Joint venture:				
Inter-corporate deposits [Note 37 &38(A)]		1379.11		1167.22
Other secured loans, considered good:				
Loans against mortgage of house property		0.23		0.74
Other unsecured loans, considered good:				
Advance recoverable in cash		1.00		0.03
Other loans, unsecured, doubtful:				
Doubtful other loans and advances	15.46		2.28	
Less: Allowance for doubtful advances	15.46		2.28	
		-		-
		1684.13		1777.54

NOTE [7]

Other financial assets - non-current

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Cash and bank balances not available for immediate use [Note 7(a)]		319.52		223.56
Forward contract receivables		91.54		273.76
Embedded derivative receivables		0.02		-
Premium receivable on financial guarantee contracts		1.99		3.01
Advance towards equity commitment - Subsidiary company [Note 38(B)]		19.45		6.35
Other receivables		6.02		-
		438.54		506.68

Notes forming part of the Financial Statements (contd.)

7(a) Particulars of cash and bank balances not available for immediate use

₹ crore

Sr. No.	Particulars	As at 31-3-2018	As at 31-3-2017
1	Amount received (including interest accrued thereon) from customers of property development business - to be handed over to housing society on its formation	24.51	23.51
2	Contingency deposits (including interest accrued thereon) received from customers of property development business towards their sales tax liability - to be refunded /adjusted depending on the outcome of the legal case	24.18	23.09
3	Other bank balances (including interest accrued thereon) not available for immediate use being in the nature of security offered for bids submitted, loans availed etc.	464.61	346.73
	Total	513.30	393.33
	Less: Amount reflected under current assets [Note 13]	193.78	169.77
	Amount reflected under other financial assets - non-current [Note 7]	319.52	223.56

NOTE [8]

Other non-current assets

Particulars	As at 31-3-2018	As at 31-3-2017
	₹ crore	₹ crore
Capital advances:		
Secured	7.84	—
Unsecured	28.28	66.06
Advance recoverable other than in cash	1240.66	640.38
Current tax receivable (net)	1652.22	1537.91
	<u>2929.00</u>	<u>2244.35</u>

NOTE [9]

Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2018	As at 31-3-2017
	₹ crore	₹ crore
Raw materials [includes goods-in-transit ₹ 2.46 crore (previous year: ₹ 1.86 crore)]	403.53	328.80
Components [includes goods-in-transit ₹ 17.19 crore (previous year: ₹ 16.30 crore)]	286.15	264.40
Construction materials [includes goods-in-transit ₹ 56.16 crore (previous year: ₹ 55.70 crore)]	63.10	61.59
Manufacturing work-in-progress	333.96	360.01
Finished goods	154.24	221.52
Stock-in- trade [includes goods-in-transit ₹ 26.31 crore (previous year: ₹ 18.77 crore)]	200.15	169.68
Stores and spares [includes goods-in-transit ₹ 3.61 crore (previous year: ₹ 3.59 crore)]	68.70	71.72
Loose tools	3.81	3.31
Property development related work-in-progress [Note 48(b)(iv)]	986.40	281.83
	<u>2500.04</u>	<u>1762.86</u>

Note: During the year ₹ 12.87 crore (previous year: ₹ 17.92 crore) was recognised as expense towards write-down of inventory

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Financial Assets: Investments-current

Particulars	As at 31-3-2018	As at 31-3-2017
	₹ crore	₹ crore
(A) Government and trust securities	1205.99	779.59
(B) Debentures and bonds		
(i) Subsidiary companies	–	22.75
(ii) Joint venture companies	769.84	264.42
(iii) Other debentures & bonds	1298.35	884.29
	2068.19	1171.46
(C) Mutual funds	1070.80	5031.03
	4344.98	6982.08

Details of current investments

Particulars	Face value per unit	Number of units	As at	As at
		As at 31-3-2018	31-3-2018	31-3-2017
	₹		₹ crore	₹ crore
(A) Government and trust securities (quoted):				
8.28% Government of India Bonds 2032	100	5,00,000	5.29	5.36
8.15% Government of India Bonds 2022	100	20,00,000	21.09	21.65
8.33% Government of India Bonds 2026	100	75,00,000	79.57	81.86
8.28% Government of India Bonds 2027	100	24,00,000	24.97	25.84
9.20% Government of India Bonds 2030	100	1,77,84,000	198.93	204.55
8.32% Government of India Bonds 2032	100	15,00,000	15.98	16.47
6.90% Oil Mktg Cos GOI Special Bonds 2026	100	13,00,000	12.41	12.71
9.23% Government of India Bonds 2043	100	2,45,00,000	293.97	298.13
7.59% Government of India Bonds 2026	100	10,00,000	10.14	10.65
6.79% Government of India Bonds 2029	100	10,00,000	9.69	–
7.80% Government of India Bonds 2020	100	33,00,000	34.65	–
6.35% Government of India Bonds 2020	100	1,00,00,000	100.89	–
6.79% Government of India Bonds 2029	100	2,00,00,000	193.82	–
7.80% Government of India Bonds 2020	100	1,00,00,000	104.99	–
7.59% Government of India Bonds 2029	100	1,00,00,000	99.60	102.36
Total - (A)			1205.99	779.59
(B) Debentures and bonds (quoted):				
(i) Subsidiary companies:				
10.24% L&T Finance Limited -Secured redeemable non-convertible debenture, September 17, 2019 (quoted)	1000	–	–	22.75
Total- (i)			–	22.75
(ii) Joint venture companies:				
8.80% Kudgi Transmission Limited SR-F NCD April 25, 2023	1000000	150	16.93	–
8.80% Kudgi Transmission Limited SR-G NCD April 25, 2024	1000000	170	19.25	–
8.80% Kudgi Transmission Limited SR-H NCD April 25, 2025	1000000	180	20.45	–
8.80% Kudgi Transmission Limited SR-I NCD April 25, 2026	1000000	200	22.75	–
8.80% Kudgi Transmission Limited SR-J NCD April 25, 2027	1000000	210	23.94	–
9.14% Kudgi Transmission Limited SR-K NCD April 25, 2028	1000000	230	26.81	–
9.14% Kudgi Transmission Limited SR-L NCD April 25, 2029	1000000	240	27.63	–
9.14% Kudgi Transmission Limited SR-M NCD April 25, 2030	1000000	270	31.08	–
9.14% Kudgi Transmission Limited SR-N NCD April 25, 2031	1000000	280	32.55	–
9.14% Kudgi Transmission Limited SR-O NCD April 25, 2032	1000000	290	33.95	–
9.50% Kudgi Transmission Limited SR-P NCD April 25, 2033	1000000	310	37.24	–
9.50% Kudgi Transmission Limited SR-Q NCD April 25, 2034	1000000	330	39.60	–
9.50% Kudgi Transmission Limited SR-R NCD April 25, 2035	1000000	360	43.25	–
Carried forward			375.43	–

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Details of current investments (contd.)

Particulars	Face value per unit	Number of units			
		As at 31-3-2018	As at 31-3-2018	As at 31-3-2017	As at 31-3-2017
	₹		₹ crore	₹ crore	
(ii) Joint Venture companies: (contd.)					
Brought forward			375.43	—	
9.50% Kudgi Transmission Limited SR-S NCD April 25, 2036	1000000	390	46.92	—	
9.50% Kudgi Transmission Limited SR-V NCD April 25, 2039	1000000	960	41.78	—	
9.50% Kudgi Transmission Limited SR-W NCD April 25, 2040	1000000	1,040	45.35	—	
8.60% LTIDPL NCD December 26, 2026	1000000	2,500	260.36	264.42	
Total- (ii)			769.84	264.42	
(iii) Other debentures and bonds:					
10.75% The Tata Power Co. Ltd. NCD August 21, 2072	1000000	1,037	136.81	132.36	
8.20% PFC Ltd. Tax Free Bonds February 01, 2022	1000	6,04,355	72.17	74.83	
8.46% PFC Ltd. Tax Free Bonds August 30, 2028	1000000	27	3.74	3.83	
1.44% Inflation Indexed Bonds January 05, 2023	100	50,00,000	50.71	51.62	
8.41% NTPC Ltd. Tax Free Bonds SR-1A December 16, 2023	1000	79,162	9.87	10.23	
8.46% REC Ltd. Tax Free Bonds SR-3B August 29, 2028	1000000	70	9.70	9.92	
9.48% BOB Basel III Perpetual Bonds Series V January 09, 2020	1000000	200	20.71	—	
8.65% BOB Basel III Perpetual Bonds Series IX August 11, 2022	1000000	100	10.40	—	
9.08% Union Bank Sr-XXIV Perpetual Bond May 03, 2022	1000000	500	54.23	—	
9.00% YES Bank Ltd. Pertetual October 18, 2022	1000000	1,000	103.68	—	
ECL Finance Ltd. NCD SR-A8L601A January 25, 2018	10000000	—	—	27.61	
ECL Finance Ltd. NCD SR-A8L601B January 25, 2018	10000000	—	—	27.61	
ECL Finance Ltd. NCD SR-A8L601C January 25, 2018	10000000	—	—	24.29	
Edelweiss Finvest Private Limited SR-B8B702A BR NCD March 26, 2018	10000000	—	—	24.40	
Edelweiss Finvest Private Limited SR-B8B702B BR NCD March 26, 2018	10000000	—	—	24.40	
Edelweiss Finvest Private Limited SR-B8B702C BR NCD March 26, 2018	10000000	—	—	24.40	
Edelweiss Finvest Private Limited SR-B8B702D BR NCD March 26, 2018	10000000	—	—	24.40	
Edelweiss Finvest Private Limited SR-B8B702E BR NCD March 26, 2018	10000000	—	—	25.24	
9.50% YES Bank Ltd. AT1 Pertetual December 23, 2021	1000000	250	26.03	—	
Ecap Equities Limited SR- B9A801A March 04, 2019	10000000	25	26.68	—	
Ecap Equities Limited SR- B9A801B March 05, 2019	10000000	25	26.68	—	
Ecap Equities Limited SR- B9A801C March 06, 2019	10000000	25	26.68	—	
Ecap Equities Limited SR- B9A801D March 07, 2019	10000000	25	26.68	—	
Ecap Equities Limited SR-B9B801A March 06, 2019	10000000	25	26.59	—	
Ecap Equities Limited SR-B9B801B March 07, 2019	10000000	25	26.59	—	
Ecap Equities Limited SR-B9B801C March 08, 2019	10000000	25	26.59	—	
Ecap Equities Limited SR-B9B801D March 11, 2019	10000000	25	26.59	—	
Ecap Equities Limited SR-B9B802A March 11, 2019	10000000	25	26.80	—	
Ecap Equities Limited SR-B9B802B March 12, 2019	10000000	25	26.80	—	
Ecap Equities Limited SR-B9B802C March 13, 2019	10000000	25	26.80	—	
Ecap Equities Limited SR-B9B802D March 14, 2019	10000000	25	26.80	—	
Ecap Equities Limited SR-B9B803A March 11, 2019	10000000	25	26.40	—	
Ecap Equities Limited SR-B9B803B March 12, 2019	10000000	25	26.40	—	
Ecap Equities Limited SR-B9B804A March 12, 2019	10000000	25	25.70	—	
Ecap Equities Limited SR-B9B804B March 13, 2019	10000000	25	25.70	—	
9.00% Indiabulls Housing Finance Limited LOA July 28, 2018	1000000	—	—	10.86	
6.86% IIFCL Tax Free Bonds March 26, 2023	1000	2,50,000	27.76	28.64	
7.18% IRFC Ltd. Tax Free Bonds February 19, 2023	1000	30,00,000	348.06	359.65	
Total- (iii)			1298.35	884.29	
Total - (B) = (i) + (ii) + (iii)			2068.19	1171.46	

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Details of current investments (contd.)

Particulars	Face value per unit	Number of units	As at	As at
		As at 31-3-2018	31-3-2018	31-3-2017
	₹		₹ crore	₹ crore
(C) Mutual funds (unquoted):				
SBI Premier Liquid Fund - Regular Plan	1000	–	–	300.08
HDFC F R I F - STF - WP - Growth	10	–	–	56.39
Reliance Medium Term Fund - Direct Plan - Growth	1000	–	–	358.46
JM Arbitrage Advantage Fund-Direct-Monthly Dividend Payout	10	20,01,63,935	203.48	–
JM Balanced Fund Direct Plan - Annual Dividend Payout Option	10	28,78,90,129	571.42	–
JM Equity Fund Monthly Dividend Payout	10	24,74,30,947	295.90	–
SBI Premier Liquid Fund - Regular Plan - Growth	1000	–	–	1951.09
Birla Sun Life Cash Plus - Regular Plan - Growth	100	–	–	100.03
ICICI Prudential Flexible Income - Regular Plan - Growth	10	–	–	307.59
DSP BlackRock Small and Midcap Fund - Reg - Growth	1000	–	–	26.55
BNP Paribas Overnight Fund - Growth	10	–	–	100.03
Indiabulls Liquid Fund - Growth	10	–	–	50.01
Kotak Floater - ST - Growth	1000	–	–	100.03
L&T Resurgent India Corporate Bond Fund - Dividend	10	–	–	12.00
DSP BlackRock India Tiger Fund - Direct - Growth	10	–	–	53.31
Birla Sun Life Floating Rate Fund - LTP-Direct Plan - Growth	10	–	–	129.25
Tata Infrastructure Fund - Direct - Growth	10	–	–	53.12
Reliance Mid & Small Cap Fund - Direct - Growth	10	–	–	52.72
ICICI Pru Multicap Plan - Direct - Growth	10	–	–	52.98
Kotak Emerging Equity-Direct-Dividend Reinvestment	10	–	–	26.52
Axis Enhanced Arbitrage Fund - Direct Growth	10	–	–	25.15
BSL Pure Value Fund - Growth - Direct	10	–	–	52.54
JM Equity Fund Quarterly Dividend Payout - Regular	1000	–	–	688.04
JM Balanced Fund - Direct - Quarterly Dividend	1000	–	–	134.60
JM Arbitrage Advantage Fund - Regular Plan - Quarterly Dividend	1000	–	–	400.54
Total - (C)			1070.80	5031.03
Total current investments (A)+(B)+(C)			4344.98	6982.08

Details of quoted/unquoted investments:

Particulars	As at 31-3-2018	As at 31-3-2017
	₹ crore	₹ crore
(a) Aggregate amount of quoted current investments and market value thereof;		
Book value	3274.18	1951.05
Market value	3274.18	1951.05
(b) Aggregate amount of unquoted current investments;		
Book value (accounted based on NAV)	1070.80	5031.03

Notes forming part of the Financial Statements (contd.)

NOTE [11]

Financial Assets - current: Trade receivables

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Unsecured:				
Considered good	24454.24		19921.95	
Considered doubtful	2224.97		1916.66	
	26679.21		21838.61	
Less: Allowance for doubtful debts	2224.97		1916.66	
		24454.24		19921.95
		24454.24		19921.95

NOTE [12]

Financial Assets - current: Cash and cash equivalents

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Balance with banks	1798.20		1556.79	
Cheques and draft on hand	435.01		365.13	
Cash on hand	2.37		1.78	
Fixed deposits with banks (maturity less than 3 months)	948.17		12.11	
	3183.75		1935.81	

NOTE [13]

Financial Assets - current: Other bank balances

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Fixed deposits with banks	869.24		1383.51	
Earmarked balances with banks-unclaimed dividend	63.69		46.61	
Earmarked balances with banks-Section 4(2)(1)(D) of RERA	7.38		–	
Margin money deposits with banks	0.03		0.02	
Cash and bank balances not available for immediate use [Note 7(a)]	193.78		169.77	
	1134.12		1599.91	

Notes forming part of the Financial Statements (contd.)

NOTE [14]

Financials Assets: Loans - current

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Unsecured security deposits, considered good:		295.82		291.68
Unsecured security deposits, doubtful	5.89		3.69	
Less: Provision for doubtful security deposits	5.89		3.69	
		-		-
Unsecured long term loans and advances to related parties:				
(i) Subsidiary companies				
Inter-corporate deposits [Note 37 & 38(A)]		678.04		1595.67
(ii) Joint venture companies				
Inter-corporate deposits [Note 37 & 38(A)]		18.20		18.20
Other secured loans, considered good:				
Loans against mortgage of house property		0.27		0.24
Other unsecured loans, considered good:				
Others		0.01		0.01
		992.34		1905.80
		-		-

NOTE [15]

Other current financial assets

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Advances to related parties:				
Subsidiary companies	700.51		706.04	
Associate companies	0.80		3.96	
Joint venture companies	54.21		65.51	
		755.52		775.51
Advances recoverable in cash		2658.65		1454.00
Premium receivable on financial guarantee contracts		4.34		6.82
Embedded derivative receivable		23.27		81.59
Doubtful advances:				
Deferred credit sale of ships	27.11		26.97	
Other loans and advances	130.15		127.39	
		157.26		154.36
Less: Allowance for doubtful loans and advances	157.26		154.36	
		-		-
		3441.78		2317.92
		-		-

Notes forming part of the Financial Statements (contd.)

NOTE [16]

Other current assets

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Due from customers (construction and project related activity)		25587.80		21340.55
Due from customers (property development activity) [Note 48(b)(v)]		–		71.28
Retention money including unbilled revenue		9400.58		8027.61
Balances with excise customs port trust		53.61		86.52
Advance recoverable other than in cash		3992.68		3712.12
Government grants receivable		93.56		45.57
Others		2.59		1.49
Doubtful other loans and advances	4.16		4.16	
Less: Provision for doubtful advances	4.16		4.16	
		–		–
		39130.82		33285.14

NOTE [17]

Equity share capital

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

Particulars	As at 31-3-2018		As at 31-3-2017	
	Number of shares	₹ crore	Number of shares	₹ crore
Authorised:				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	1,62,50,00,000	325.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,40,13,69,456	280.27	93,29,65,803	186.59

(b) Reconciliation of the number of equity shares and share capital:

Particulars	2017-18		2016-17	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	93,29,65,803	186.59	93,14,78,845	186.30
Add: Shares issued on exercise of employee stock options during the year	16,38,898	0.33	14,86,958	0.29
Add: Shares issued as bonus on July 15, 2017	46,67,64,755	93.35	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,13,69,456	280.27	93,29,65,803	186.59

(c) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital (contd.)

(d) Shareholder holding more than 5% of equity shares as at the end of the year:

Name of the shareholders	As at 31-3-2018		As at 31-3-2017	
	Number of shares	Shareholding %	Number of shares	Shareholding %
Life Insurance Corporation of India	24,63,52,777	17.58	14,64,24,938	15.69
L&T Employees Welfare Foundation	17,21,28,421	12.28	11,47,52,281	12.30
Administrator of the Specified Undertaking of the Unit Trust of India	–	–	6,11,02,860	6.55

(e) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2018		As at 31-3-2017	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	Number of equity shares to be issued as fully paid	₹ crore (at face value)
Employee stock options granted and outstanding #	42,65,623@	0.85*	42,47,360	0.85*
0.675% 5 years & 1 day US\$ denominated foreign currency convertible bonds (FCCB) ##	95,20,455@	1.90**	63,46,986	1.27**

* The equity shares will be issued at a premium of ₹ 94.42 crore (previous year: ₹ 146.71 crore)

** The equity shares will be issued at a premium of ₹ 1214.50 crore (previous year: ₹ 1215.13 crore) on the exercise of options by the bond holders

Note 17 (h) for terms of employee stock option schemes

Note 19 (b) for terms of foreign currency convertible bonds

@ The number of options have been adjusted consequent to bonus issue wherever applicable

(f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2018 are 77,50,59,331 (previous period of five years ended March 31, 2017: 30,82,94,576 shares)

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on March 31, 2018 – Nil (previous period of five years ended March 31, 2017: Nil)

(h) Stock option schemes

i. Terms:

- A. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of 4 years [5 years in the case of series 2006(A)], subject to the discretion of the management and fulfillment of certain conditions.
- B. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital (contd.)

ii. The details of the grants under the aforesaid schemes under various series are summarized below:

Sr. No.	Series reference	2000		2002 (A)		2002 (B)		2003 (A)		2003(B)		2006		2006(A)	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Grant price - (₹)	2.00*	2.30	2.00*	2.30	2.00*	2.30	7.80*	11.70	7.80*	11.70	267.10*	400.70	267.10*	400.70
2	Grant dates	1-6-2000		19-4-2002		19-4-2002		23-5-2003 onwards		23-5-2003 onwards		1-9-2006 onwards		1-7-2007 onwards	
3	Vesting commences on	1-6-2001		19-4-2003		19-4-2003		23-5-2004 onwards		23-5-2004 onwards		1-9-2007 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	13,200	25,200	32,250	32,250	59,550	59,550	47,178	47,178	4,27,131	5,26,919	1,76,584	2,57,366	34,91,467	48,44,579
5	Options lapsed prior to bonus	-	-	-	-	-	-	-	-	-	41,662	-	35,747	1,08,685	4,54,865
6	Options granted prior to bonus	-	-	-	-	-	-	-	-	17,700	89,100	-	-	6,200	3,84,450
7	Options exercised prior to bonus	-	12,000	-	-	-	-	-	-	29,789	1,47,226	39,708	45,035	4,94,210	12,82,697
8	Options outstanding as on July 14, 2017 **	13,200	-	32,250	-	59,550	-	47,178	-	4,15,042	-	1,36,876	-	28,94,772	-
9	Adjusted options as on July 14, 2017** consequent to bonus issue	19,800	-	48,375	-	89,325	-	70,767	-	6,22,567	-	2,05,321	-	43,42,684	-
10	Options lapsed post bonus issue	-	-	-	-	-	-	-	-	49,313	-	2,02,516	-	4,51,376	-
11	Options granted post bonus issue	-	-	-	-	-	-	-	-	71,600	-	-	-	5,73,580	-
12	Options exercised post bonus issue	-	-	-	-	-	-	-	-	1,56,962	-	2,805	-	9,15,424	-
13	Options granted and outstanding at the end of the year	19,800	13,200	48,375	32,250	89,325	59,550	70,767	47,178	4,87,892	4,27,131	-	1,76,584	35,49,464	34,91,467
	Of which														
	Options vested	19,800	13,200	48,375	32,250	89,325	59,550	70,767	47,178	1,30,806	75,692	-	1,76,584	15,63,209	17,46,787
	Options yet to vest	-	-	-	-	-	-	-	-	3,57,086	3,51,439	-	-	19,86,255	17,44,680
14	Weighted average remaining contractual life of options (in years)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	4.72	4.98	Nil	Nil	3.74	3.48

*Current year grant restated pursuant to the issue of bonus shares

** Record date: July 14, 2017

iii. The number and weighted average exercise price of stock options are as follows:

Particulars	2017-18		2016-17	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
(A) Options granted and outstanding at the beginning of the year	42,47,360	347.41	57,93,042	354.10
(B) Options granted pre bonus issue	23,900	112.61	4,73,550	327.51
(C) Options allotted pre bonus issue	5,63,707	380.14	14,86,958	358.97
(D) Options lapsed pre bonus issue	1,08,685	400.70	5,32,274	370.25
(E) Options granted and outstanding prior to bonus issue	35,98,868	339.12	-	-
(F) Adjusted options consequent to bonus issue	53,98,839	226.07	-	-
(G) Options granted post bonus issue	6,45,180	238.32	-	-
(H) Options allotted post bonus issue	10,75,191	229.25	-	-
(I) Options lapsed post bonus issue	7,03,205	248.92	-	-
(J) Options granted and outstanding at the end of the year	42,65,623	223.35	42,47,360	347.41
(K) Options exercisable at the end of the year out of (J) supra	19,22,282	218.19	21,51,241	359.04

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital (contd.)

- iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1106.67 (*previous year: ₹ 1386.19*) per share.
- v. A. In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.
B. Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2017-18 is ₹ 68.98 crore (*previous year: ₹ 60.35 crore*) net of recoveries of ₹ 0.79 crore (*previous year: ₹ 1.42 crore*) from its group companies towards the stock options granted to deputed employees, pursuant to the employee stock option schemes (Note 34). The entire amount pertains to equity-settled employee share-based payment plans.
- vi. During the year, the Company has recovered ₹ 7.16 crore (*previous year: ₹ 13.81 crore*) from its subsidiary companies towards the stock options granted to their employees, pursuant to the Employee Stock Option Schemes.
- vii. Weighted average fair values of options granted during the year is ₹ 965.25 (*previous year: ₹ 1056.73*) per option
- viii. The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2017-18	2016-17
(A)	Weighted average risk-free interest rate	6.83%	6.72%
(B)	Weighted average expected life of options	4.17 years	4.08 years
(C)	Weighted average expected volatility	27.92%	30.79%
(D)	Weighted average expected dividends over the life of the option	₹ 58.37 per option	₹ 74.52 per option
(E)	Weighted average share price	₹ 1178.47 per option	₹ 1355.66 per option
(F)	Weighted average exercise price	₹ 229.73 per share	₹ 327.51 per share
(G)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

- ix. The balance in share options (net) account as at March 31, 2018 is ₹ 108.59 crore (*previous year: ₹ 177.25 crore*), including ₹ 76.12 crore (*previous year: ₹ 117.36 crore*) for which the options have been vested to employees as at March 31, 2018.
- (i) Capital management:
The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0.21:1 as at March 31, 2018 (*as at March 31, 2017 0.23:1*).
 - (j) During the year ended March 31, 2018, the Company paid the final dividend of ₹ 14 per equity share for the year ended March 31, 2017 amounting to ₹ 1960.76 crore and dividend distribution tax of ₹ 317.93 crore.
 - (k) On May 28, 2018, the Board of Directors has recommended the final dividend of ₹ 16 per equity share for the year ended March 31, 2018 subject to approval from shareholders. On approval, the total dividend payment based on number of shares outstanding as at March 31, 2018 is expected to be ₹ 2242.19 crore and the payment of dividend distribution tax is expected to be ₹ 357.60 crore.

Notes forming part of the Financial Statements (contd.)

NOTE [18]

Other equity

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Share application money pending allotment		3.56		–
Equity component of foreign currency convertible bonds##		153.20		153.20
Capital reserve *		10.52		10.52
Capital reserve on business combination **		(6.36)		–
Securities premium account [Note 1(p)]		8363.02		8318.85
Employee share options (net) [Note 1(r)]				
Employee share options outstanding	211.51		275.26	
Deferred employee compensation expense	(102.92)		(98.01)	
		108.59		177.25
Debt redemption reserve ^		458.94		356.76
General reserve #		25395.78		25373.60
Retained earnings		14250.01		11225.53
Foreign currency translation reserve [Note 1(s)(iii)]		(0.37)		0.55
Hedging reserve [Note 1(m)]				
Cash flow hedging reserve	114.50		156.91	
Cost of hedging reserve	(12.34)		(12.80)	
		102.16		144.11
Debt instruments through Other Comprehensive Income [Note 1(m)]		54.93		65.78
		48893.98		45826.15

* **Capital reserve:** It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years.

** **Capital reserve on business combination:** It arises on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor [refer to note 1(ab)].

^ **Debt redemption reserve (DRR):** The Company has issued redeemable non-convertible debentures and created DRR out of the profits of the Company in terms of the Companies (Share capital and Debenture) Rules, 2014 (as amended). The Company is required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the DRR shall not be utilised by the Company except to redeem the debentures.

General reserve: The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General reserve is a free reserve available to the Company.

Equity component of foreign currency convertible bonds: Pursuant to Ind AS 32, Foreign Currency Convertible Bonds (FCCB) issued by the Company are split into equity and liability component and presented under other equity and financial liabilities respectively.

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Financial Liabilities: Borrowings - non-current

Particulars	As at 31-3-2018			As at 31-3-2017		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Redeemable non-convertible fixed rate debentures [Note 19(a)(i) & (ii)]	–	2179.85	2179.85	408.55	2179.48	2588.03
Redeemable non-convertible inflation linked debentures [Note 19(a)(iii)]		116.96	116.96		113.61	113.61
0.675% Foreign currency convertible bonds [Note 19(b)]		1245.64	1245.64		1201.78	1201.78
Term loan from banks [Note 19(c)]		1952.51	1952.51		3230.58	3230.58
Sales tax deferment loan [Note 19(d)]		–	–		0.08	0.08
Finance lease		0.20	0.20		0.20	0.20
	–	5495.16	5495.16	408.55	6725.73	7134.28

19(a) (i) Secured redeemable non-convertible fixed rate debentures (privately placed):

Face value per debenture (₹)	Date of allotment	As at 31.3.2018 ₹ crore	As at 31.3.2017 ₹ crore	Interest for the year 2017-2018	Terms of repayment for debentures outstanding as at 31.3.2018
1000000	January 5, 2009	408.58	408.55	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
Total		408.58	408.55		
Less:		408.58	–	Current maturity of long term borrowings [Note 24]	
		–	408.55	Borrowings non-current [Note 19]	

Security: The debentures are secured by way of a first charge having *pari passu* rights on the immovable property at certain locations and part of a movable property of a business division, both present and future.

19(a) (ii) Unsecured redeemable non-convertible fixed rate debentures (privately placed):

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31.3.2018 ₹ crore	As at 31.3.2017 ₹ crore	Interest for the year 2017-18	Terms of repayment for debentures outstanding as at 31.3.2018
1.	1000000	April 10, 2012	273.51	273.39	9.75% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
2.	1000000	May 26, 2011	322.61	322.52	8.95% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
3.	1000000	May 11, 2010	324.22	324.14	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.

Notes forming part of the Financial Statements (contd.)

NOTE [19]

19(a) (ii) Unsecured redeemable non-convertible fixed rate debentures (privately placed): (contd.)

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31.3.2018 ₹ crore	As at 31.3.2017 ₹ crore	Interest for the year 2017-18	Terms of repayment for debentures outstanding as at 31.3.2018
4.	1000000	April 13, 2010	216.89	216.83	8.80% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
5.	1000000	September 24, 2015	1042.62	1042.60	8.40% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
Total			2179.85	2179.48		Borrowings – non current [Note 19]

19(a) (iii) Unsecured redeemable non-convertible inflation linked debentures:

Face value per debenture (₹)	Date of allotment	As at 31-3-2018 ₹ crore	As at 31.3.2017 ₹ crore	Interest for the year 2017-18	Terms of repayment for debentures outstanding as on 31.3.2018
1000000	May 23, 2013	116.96	113.61@	1.65% p.a. payable on Inflation Adjusted Principal as on the date of coupon payment	Redeemable at the end of 10th year from the date of allotment. Redemption value calculated as [(Average Ref WPI (on Maturity Date) / Average Ref WPI (on Issue Date)) * Face Value] with Floor Rate as 3 % and Cap Rate as 12%. WPI here refers to Wholesale Price Index

@ The principal amount has been calculated as [(Average Ref WPI as at reporting period/Average Ref WPI (as at 23/5/2013)) x Face Value]

19(b) Foreign Currency Convertible Bonds:

0.675% US\$ denominated 5 years & 1 day Foreign Currency Convertible Bonds (FCCB) carried at ₹ 1245.64 crore as at March 31, 2018 (as at March 2017: ₹ 1201.78 crore) represent 1,000 bonds of US\$200000 each. The bonds are convertible into the Company's fully paid equity shares of ₹ 2 each at a conversion price of ₹ 1277.67 per share (Pre bonus conversion price was ₹ 1916.50 per share) at the option of the bond holders at any time on and after December 1, 2014 up to October 15, 2019. The bonds are redeemable, subject to fulfillment of certain conditions, in whole but not in part, at the option of the Company, on or at any time after October 22, 2017 but not less than seven business days prior to the maturity date, at the principal amount together with accrued interest (calculated up to but excluding the date of redemption) on the date fixed for redemption, unless the bonds have been previously redeemed, converted or purchased and cancelled.

Notes forming part of the Financial Statements (contd.)

NOTE [19] (contd.)

19(c) Details of term loans (unsecured): Foreign currency loans:

Sr. No.	As at 31-3-2018 ₹ crore	As at 31-3-2017 ₹ crore	Rate of Interest	Terms of repayment of term loan outstanding as at 31-03-2018
1.	–	1288.32	USD LIBOR + Spread	Repaid on August 23, 2017
2.	–	642.97	USD LIBOR + Spread	Repaid on August 23, 2017
3.	326.21	323.96	USD LIBOR + Spread	Repayment due on July 2, 2018
4.	–	129.51	USD LIBOR + Spread	Repaid on September 27, 2017
5.	–	162.14	USD LIBOR + Spread	Repaid on July 14, 2017
6.	–	157.56	USD LIBOR + Spread	Repaid on September 14, 2017
7.	–	203.87	USD LIBOR + Spread	Repaid on September 14, 2017
8.	–	452.61	USD LIBOR + Spread	Repaid on September 14, 2017
9.	–	549.57	USD LIBOR + Spread	Repaid on September 14, 2017
10.	–	193.22	USD LIBOR + Spread	Repaid on August 30, 2017
11.	38.04	75.61	USD LIBOR + Spread	Repayable in 6 equal installments payable annually from September 18, 2013 to September 18, 2017 with the final installment due on June 18, 2018
12.	163.36	162.13	USD LIBOR + Spread	Repayable on October 19, 2018
13.	1301.68	–	USD LIBOR + Spread	Repayable on October 21, 2019
14.	650.83	–	USD LIBOR + Spread	Repayable on November 4, 2019
Total	2480.12	4341.47		
Less:	527.61	1110.89	Current maturity of long term borrowings [Note 24]	
	1952.51	3230.58	Borrowings non-current [Note 19]	

Loans guaranteed by directors - ₹ Nil (previous year: ₹ Nil)

19(d) Sales tax deferment loan (unsecured):

Sr. No.	As at 31-3-2018 ₹ crore	As at 31-3-2017 ₹ crore	Rate of Interest	Terms of repayment as at March 31, 2018
1	0.08	0.16	Interest Free	Repayable in 1 annual installments of ₹ 0.08 crore ending April 26, 2018
2	–	0.12		
Total	0.08	0.28		
Less:	0.08	0.20	Current maturity of long term borrowings [Note 24]	
	–	0.08	Borrowings non-current [Note 19]	

Notes forming part of the Financial Statements (contd.)

NOTE [20]

Other financial liabilities - non-current

Particulars	As at 31-3-2018	As at 31-3-2017
	₹ crore	₹ crore
Forward contract payables	17.82	26.94
Embedded derivative payables	75.79	22.46
Financial guarantee contracts	9.27	11.83
Due to others	5.76	27.34
	<u>108.64</u>	<u>88.57</u>

NOTE [21]

Provisions - non-current

Particulars	As at 31-3-2018	As at 31-3-2017
	₹ crore	₹ crore
Employee pension scheme [Note 50(a)]	301.13	290.29
Post-retirement medical benefits plan [Note 50(a)]	171.74	180.39
	<u>472.87</u>	<u>470.68</u>

NOTE [22]

Other non-current liabilities

Particulars	As at 31-3-2018	As at 31-3-2017
	₹ crore	₹ crore
Other payables (Deferred income on day one fair valuation of financial instrument)	1.27	3.86

NOTE [23]

Financial Liabilities: Borrowings - current

Particulars	As at 31-3-2018			As at 31-3-2017		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Loans repayable on demand from banks [Note 23(b)]	20.06	–	20.06	223.52	–	223.52
Short term loan and advances from banks [Note 23(b)]	96.53	3586.68	3683.21	216.06	1424.69	1640.75
Commercial paper	–	–	–	–	442.71	442.71
Loans from related parties:						
Subsidiary companies	–	426.30	426.30	–	5.52	5.52
	<u>116.59</u>	<u>4012.98</u>	<u>4129.57</u>	<u>439.58</u>	<u>1872.92</u>	<u>2312.50</u>

23(a) Loans guaranteed by directors ₹ Nil (previous year: ₹ Nil)

23(b) Loans repayable on demand from banks include fund based working capital facilities viz. cash credits and demand loans. The secured portion of loans repayable on demand from banks, short term loans and advances from the banks, working capital facilities and other non-fund based facilities viz. bank guarantees and letter of credit, are secured by hypothecation of inventories and trade receivables. Amount of inventories and trade receivables that are pledged as collateral: ₹ 6026.53 crore as at March 31, 2018 (March 31, 2017: ₹ 6149.71 crore)

Notes forming part of the Financial Statements (contd.)

NOTE [24]

Financial liabilities: Current maturities of long term borrowings

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore		₹ crore	
Secured:				
Redeemable non-convertible fixed rate debentures [Note 19(a)(i)]		408.58		–
Unsecured:				
Term loans from banks [Note 19(c)]		527.61		1110.89
Sales tax deferment loan [Note 19(d)]		0.08		0.20
Finance lease obligation		–		0.50
		<u>936.27</u>		<u>1111.59</u>

24(a) Loans guaranteed by directors ₹ Nil (previous year ₹ Nil)

NOTE [25]

Financial liabilities-current: Trade payables

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Acceptances		478.07		399.78
Due to related parties:				
Subsidiary companies	767.28		638.02	
Associate companies	2.92		4.16	
Joint venture companies	1017.61		1836.27	
		1787.81		2478.45
Micro and small enterprises [Note 57]		137.97		112.34
Due to others		28693.26		21347.75
		<u>31097.11</u>		<u>24338.32</u>

NOTE [26]

Other financial liabilities - current

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore		₹ crore	
Unclaimed dividend		63.69		46.61
Embedded derivative payables		61.34		111.23
Financial guarantee contracts		6.22		8.88
Due to others [Note 26(a)]		1739.62		1273.53
		<u>1870.87</u>		<u>1440.25</u>

26(a) Due to others include due to directors ₹ 49.11 crore (previous year: ₹ 55.58 crore).

NOTE [27]

Other current Liabilities

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore		₹ crore	
Due to customers (construction related activity)		5236.21		4231.98
Due to customers (property development projects)		110.24		57.88
Advances from customers		14070.34		12640.03
Other payables		1437.03		1256.86
		<u>20853.82</u>		<u>18186.75</u>

Notes forming part of the Financial Statements (contd.)

NOTE [28]

Current liabilities: Provisions

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
Provision for employee benefits:				
Gratuity [Note 50(a)]	91.10		71.94	
Compensated absences	515.34		518.64	
Employee pension scheme [Note 50(a)]	22.58		22.46	
Post-retirement medical benefits plan [Note 50(a)]	7.09		5.25	
		636.11		618.29
Others:				
Other provisions (Ind AS 37 Related) [Note 54]		466.11		474.70
		1102.22		1092.99

NOTE [29]

Contingent liabilities

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
(a) Claims against the Company not acknowledged as debts	2113.67		1815.23	
(b) Sales tax liability that may arise in respect of matters in appeal	170.25		162.42	
(c) Excise duty/service tax/customs duty liability that may arise including those in respect of matters in appeal/challenged by the Company in Writ	193.33		86.61	
(d) Income tax liability that may arise in respect of which the Company is in appeal	423.22		460.55	
(e) Corporate guarantees for debt given on behalf of subsidiary companies/ joint venture companies	7424.61		8450.61	
(f) Corporate and bank guarantees for performance given on behalf of subsidiary companies	20305.06		16384.12	
(g) Contingent liabilities, if any, incurred in relation to interests in joint operations	7267.96		7018.24	
(h) Share in contingent liabilities of joint operations for which the Company is contingently liable	139.20		53.24	
(i) Contingent liabilities in respect of liabilities of other joint operators of joint operations	6576.16		6230.96	

Notes:

- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- 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.
- In respect of matters at (e), the cash outflows, if any, could generally occur up to ten years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur any time during the subsistence of the borrowing to which the guarantees relate.
- In respect of matters at (f), the cash outflows, if any, could generally occur up to three years, being the period over which the validity of the guarantees extends.
- In respect of matters at (g) to (i), the cash outflows, if any, could generally occur up to completion of projects undertaken by the respective joint operations.

Notes forming part of the Financial Statements (contd.)

NOTE [30]

Commitments

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ crore	₹ crore	₹ crore	₹ crore
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)				
(i) Estimated amount of contracts remaining to be executed on Property, plant & equipment	675.07		533.49	
(ii) Estimated amount of contracts remaining to be executed on Investment Property	0.01		–	
(iii) Estimated amount of contracts remaining to be executed on Intangible assets under development	0.05		–	
		675.13		533.49
(b) Funding committed by way of equity/loans to subsidiary/joint venture companies		715.45		1063.20

NOTE [31]

Revenue from operations

Particulars	2017-18		2016-17	
	₹ crore	₹ crore	₹ crore	₹ crore
Sales and service:				
Construction and project related activity [Note 48(a)(i)]	66978.07		58498.42	
Manufacturing and trading activity	5575.56		5730.98	
Property development activity [Note 48(b)(i)]	96.68		403.18	
Engineering and service fees	18.74		24.73	
Servicing	666.64		597.88	
Commission	159.80		140.81	
		73495.49		65396.00
Other operational income:				
Income from hire of plant and equipment	122.03		80.28	
Lease rentals	74.08		67.79	
Income from services to Group companies	326.71		207.61	
Premium earned (net) on related forward exchange contracts	36.02		48.45	
Miscellaneous Income	557.32		501.22	
		1116.16		905.35
		74611.65		66301.35

Notes forming part of the Financial Statements (contd.)

NOTE [32]

Other income

Particulars	2017-18		2016-17	
	₹ crore	₹ crore	₹ crore	₹ crore
Interest income:				
Subsidiary and associate companies	209.59		325.62	
Others	287.30		213.69	
		496.89		539.31
Dividend income:				
Subsidiary companies	535.59		405.47	
Others	2693.08		659.63	
		3228.67		1065.10
Net gain/(loss) on sale or fair valuation of investments		(2233.22)		(72.44)
Net gain/loss on derivatives at fair value through profit or loss		(125.74)		(56.89)
Net gain/(loss) on sale of property, plant and equipment		60.18		23.70
Lease rentals		62.75		70.78
Miscellaneous income (net of expenses)		395.29		345.40
		1884.82		1914.96

Notes forming part of the Financial Statements (contd.)

NOTE [33]

Manufacturing ,construction and operating expenses

Particulars	2017-18		2016-17	
	₹ crore	₹ crore	₹ crore	₹ crore
Materials consumed:				
Raw materials and components	8167.57		7444.84	
Less: Scrap sales	75.03		74.27	
		8092.54		7370.57
Excise duty		149.10		577.49
Construction materials consumed		22237.57		18493.31
Purchase of stock-in-trade		1296.62		1390.84
Stores, spares and tools consumed		1815.21		1446.67
Sub-contracting charges		19620.99		16775.01
Changes in inventories of finished goods,work-in-progress, stock-in-trade and property development:				
Closing stock:				
Finished goods	154.24		221.52	
Stock -in-trade	200.15		169.68	
Work-in-progress	4052.01		3044.67	
	4406.40		3435.87	
Less: Opening stock:				
Finished goods	221.52		161.68	
Stock-in-trade	169.68		159.77	
Work-in-progress	3052.84		3246.01	
	3444.04		3567.46	
		(962.36)		131.59
Other manufacturing, construction and operating expenses:				
Excise duty on stock	(48.37)		16.30	
Power and fuel	951.61		1041.49	
Royalty and technical know-how fees	15.49		15.75	
Packing and forwarding	363.01		340.15	
Hire charges - plant and equipment and others	1198.37		1015.13	
Engineering, technical and consultancy fees	763.52		761.70	
Insurance	188.96		187.07	
Rent	422.83		415.25	
Rates and taxes	374.89		366.42	
Travelling and conveyance	608.14		759.81	
Repairs to plant and equipment	52.42		56.31	
Repairs to buildings	5.05		6.10	
General repairs and maintenance	336.96		303.18	
Bank guarantee charges	181.91		151.15	
Miscellaneous expenses	973.80		382.18	
		6388.59		5817.99
		58638.26		52003.47

Notes forming part of the Financial Statements (contd.)

NOTE [34]

Employee benefits expense

Particulars	2017-18		2016-17	
	₹ crore	₹ crore	₹ crore	₹ crore
Salaries, wages and bonus		5070.64		4554.79
Contribution to and provision for:				
Provident funds and pension fund	119.90		114.67	
Superannuation/employee pension schemes	13.16		13.34	
Gratuity funds [Note 50(b)]	72.50		67.30	
		205.56		195.31
Expenses on employees stock option schemes [Note 17(v)(B)]		69.77		61.77
Insurance expenses - medical and others		83.35		78.08
Staff welfare expenses		603.36		600.98
Recoveries on account of deputation		(319.09)		(343.55)
		5713.59		5147.38

NOTE [35]

Sales, administration and other expenses

Particulars	2017-18		2016-17	
	₹ crore	₹ crore	₹ crore	₹ crore
Power and fuel		58.22		59.26
Packing and forwarding		96.75		91.05
Professional fees		265.31		241.35
Audit fees [Note 55]		4.88		5.33
Insurance		34.48		31.96
Rent		244.28		229.51
Rates and taxes		54.56		51.55
Travelling and conveyance		304.71		280.10
Repairs to buildings		18.51		9.53
General repairs and maintenance		228.33		229.90
Directors' fees		0.77		0.82
Telephone, postage and telegrams		101.63		104.84
Advertising and publicity		67.92		61.02
Stationery and printing		38.18		38.40
Commission:				
Distributors and agents		22.47		27.27
Others		5.68		4.88
Bank charges		83.56		57.35
Miscellaneous expenses		536.80		521.62
Bad debts and advances written off	375.33		87.48	
Less: Allowance for doubtful debts and advances written back	354.97		45.05	
		20.36		42.43
Allowance for doubtful debts and advances (net)		745.17		395.29
Provision/(reversal) for foreseeable losses on construction contracts		20.18		(5.93)
Exchange (gain)/loss (net)		(148.60)		(10.72)
Other provisions [Note 54(a)]		32.12		204.19
		2836.27		2671.00

Notes forming part of the Financial Statements (contd.)

NOTE [35] (contd.)

35(a) Aggregation of expenses disclosed vide Note 33 - Manufacturing, construction and operating expenses, Note 34 - Employee benefits expense and Note 35 - Sales, administration and other expenses.

₹ crore

Sr. No.	Nature of expenses	2017-18				2016-17			
		Note 33 - Manufacturing, construction and operating expenses	Note 34 - Employee benefits expense	Note 35 -Sales, administration and other expenses	Total	Note 33 - Manufacturing, construction and operating expenses	Note 34 - Employee benefits expense	Note 35 -Sales, administration and other expenses	Total
1.	Power and fuel	951.61	–	58.22	1009.83	1041.49	–	59.26	1100.75
2.	Packing and forwarding	363.01	–	96.75	459.76	340.15	–	91.05	431.20
3.	Insurance	188.96	83.35	34.48	306.79	187.07	78.08	31.96	297.11
4.	Rent	422.83	–	244.28	667.11	415.25	–	229.51	644.76
5.	Rates and taxes	374.89	–	54.56	429.45	366.42	–	51.55	417.97
6.	Travelling and conveyance	608.14	–	304.71	912.85	759.81	–	280.10	1039.91
7.	Repairs to buildings	5.05	–	18.51	23.56	6.10	–	9.53	15.63
8.	General repairs and maintenance	336.96	–	228.33	565.29	303.18	–	229.90	533.08
9.	Miscellaneous expenses	973.80	–	536.80	1510.60	382.18	–	521.62	903.80

NOTE [36]

Finance costs

Particulars	2017-18	2016-17
	₹ crore	₹ crore
Interest expenses	1415.71	1251.66
Other borrowing costs	3.59	0.56
Exchange loss (attributable to finance costs)	12.93	64.69
	<u>1432.23</u>	<u>1316.91</u>

NOTE [37]

Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

₹ crore

Sr. No.	Name of the company	Balance as at		Maximum outstanding during	
		31-3-2018	31-3-2017	2017-18	2016-17
	Loans and advances in the nature of loans given to subsidiaries:				
A	L&T Seawoods Private Limited	–	–	–	341.20
B	L&T Realty Limited	76.75	16.56	133.10	397.41
C	L&T Shipbuilding Limited	225.50	512.00	998.12	2651.87
D	L&T Special Steels & Heavy Forgings Private Limited	1379.11	1167.21	1401.86	1167.22
E	PNG Tollway Limited	18.20	18.20	18.20	18.20
F	EWAC Alloys Limited [Note 46(A)]	–	–	–	16.00
G	L&T Hydrocarbon Engineering Limited	–	2.23	0.31	511.74
H	L&T Construction Equipment Limited	7.00	–	42.91	–
I	Nabha Power Limited	594.29	1576.88	1789.97	1827.99
J	L&T–MHPS Turbine Generators Private Limited	–	–	–	300.08
	Total	2300.85	3293.09		

Notes forming part of the Financial Statements (contd.)

NOTE [37]

Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: (contd.)

Notes:

- Above figures include interest accrued.
- Loans to employees (including directors) under various schemes of the Company (such as housing loan, furniture loan, education loan, etc.) have been considered to be outside the purview of disclosure requirements.
- Subsidiary classification is in accordance with the Companies Act, 2013.

NOTE [38]

Disclosure pursuant to section 186 of the Companies Act 2013:

			₹ crore	
Sr. No.	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	2017-18	2016-17
(A)	Loan and advances:			
	Subsidiary companies:			
	(a) L&T Realty Limited	Project funding	76.75	16.56
	(b) L&T Shipbuilding Limited	Working capital	225.50	512.00
	(c) L&T Special Steels & Heavy Forgings Private Limited	Working capital and project funding	1379.11	1167.22
	(d) PNG Tollway Limited	Project funding	18.20	18.20
	(e) L&T Construction Equipment Limited	Working capital	7.00	–
	(f) L&T Hydrocarbon Engineering Limited	Working capital	–	2.23
	(g) Nabha Power Limited	Project funding	594.29	1576.88
	Total		2300.85	3293.09
(B)	Other Advances:			
	Subsidiary Companies:			
	(a) L&T Uttaranchal Hydropower Limited	Towards capital contribution	19.45	–
	(b) L&T Metro Rail (Hyderabad) Private Limited	Towards capital contribution	–	6.35
	Total		19.45	6.35
(C)	Guarantees:			
	Subsidiary Companies:			
	(a) L&T Aviation Services Private Limited	Corporate guarantee given for subsidiary's debt	16.88	44.64
	(b) L&T-MHPS Boilers Private Limited		60.60	120.61
	(c) L&T-MHPS Turbine Generators Private Limited		418.95	472.36
	(d) L&T Shipbuilding Limited		3156.00	2781.00
	(e) Nabha Power Limited		3707.00	5032.00
	(f) L&T Global Holdings Limited		65.18	–
	(g) Larsen & Toubro ATCO Saudia LLC	Corporate guarantee for subsidiary's project performance	2130.11	–
	(h) Larsen & Toubro Arabia LLC		5971.38	5369.27
	(i) Larsen & Toubro Infotech Limited		–	202.26

Notes forming part of the Financial Statements (contd.)

NOTE [38]

Disclosure pursuant to section 186 of The Companies Act 2013: (contd.)

Sr. No.	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	₹ crore	
			2017-18	2016-17
	(j) L&T Technology Services Limited	Corporate guarantee for subsidiary's project performance (It includes corporate guarantee given for L&T Technology Services LLC)	918.08	917.62
	(k) Larsen & Toubro Heavy Engineering LLC	Corporate guarantee for subsidiary's project performance	1047.98	1172.46
	(l) Larsen & Toubro (Saudi Arabia) LLC		1517.67	3272.69
	(m) Spectrum Infotech Private Limited [Note 60]		–	2.90
	(n) L&T Hydrocarbon Engineering Limited		8691.05	5418.33
	(o) L&T-MHPS Boilers Private Limited		28.79	28.60
		Guarantees issued by bank out of the Company's sanctioned limits to customer of L&T-MHPS Boilers Private Limited for project performance	27729.67	24834.73
(D)	Investments in fully paid equity instruments and current investments		[Note 5 and Note 10]	

– Subsidiary classification is in accordance with the Companies Act, 2013.

NOTE [39]

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 97.29 crore (previous year: ₹ 98.97 crore).

- (a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 100.92 crore (previous year: ₹ 100.77 crore), which comprises of:

Sr. No.	Particulars	Disclosed under	2017-18			2016-17		
			Paid	Provided	Total	Paid	Provided	Total
i)	Construction/acquisition of assets recognised as expense and shown under sales, administration and other expenses	Note 35	4.42	1.52	5.94	6.19	3.30	9.49
ii)	Other revenue expenses: recognised as expense and shown under sales, administration and other expenses	Note 35	70.21	9.19	79.40	61.48	10.34	71.82
	recognised as expense and shown under employee benefits expense	Note 34	15.54	0.04	15.58	19.03	0.43	19.46
	Total		90.17	10.75	100.92	86.70	14.07	100.77

NOTE [40]

The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 138.93 crore (previous year: ₹ 145.98 crore). Further, the Company has incurred capital expenditure on research and development activities as follows:

- (a) on tangible assets of ₹ 6.22 crore (previous year: ₹ 9.43 crore);
 (b) on intangible assets being expenditure on new product development of ₹ 48.08 crore (previous year: ₹ 43.01 crore) [Note 1(i)(ii)]; and
 (c) on other intangible assets of ₹ 1.84 crore (previous year: ₹ 1.09 crore).

In addition, the Company has incurred expenditure of ₹ 2.70 cr (previous year: Nil) which are customer funded.

Notes forming part of the Financial Statements (contd.)

NOTE [41]

Disclosure pursuant to Ind AS 17 "Leases"

(a) Where the Company is a lessor

(i) Operating leases:

The company has given a building under non-cancellable operating lease, the future minimum lease payment receivable in respect of which are as follows:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	As at 31-3-2017
1	Receivable not later than 1 year	49.01	48.69
2	Receivable later than 1 year and not later than 5 years	23.51	34.41
3	Receivable later than 5 years	–	–
	Total	72.52	83.10

(b) Where the Company is a lessee:

(i) Finance leases:

(A) Assets acquired on finance lease comprises plant and equipment and land. The leases have a primary period, which is fixed and non- cancellable. The company has an option to renew the lease for a secondary period.

(B) The Minimum lease rental and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

₹ crore

Sr. No.	Particulars	Minimum lease payment		Present value of minimum lease payments	
		As at 31-3-2018	As at 31-3-2017	As at 31-3-2018	As at 31-3-2017
1	Payable not later than 1 year	0.14	0.56	0.14	0.50
2	Payable later than 1 year and not later than 5 years	0.02	0.16	–	0.14
3	Payable later than 5 years	0.14	0.15	0.06	0.06
	Total (1+2+3)	0.30	0.87	0.20	0.70
	Less: Future finance charges	0.10	0.17	–	–
	Present value of minimum lease payments	0.20	0.70	0.20	0.70

(ii) Operating leases:

(A) The Company has taken various commercial premises and plant and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no exceptional/restrictive covenants in the lease agreements.

(B) Assets acquired on non- cancellable operating lease comprises commercial premises, cars and technology assets, the future minimum lease payments in respect of which are as follows:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	As at 31-3-2017
1	Payable not later than 1 year	21.96	18.33
2	Payable later than 1 year and not later than 5years	27.09	27.13
3	Payable later than 5 years	6.80	–
	Total	55.85	45.46

(C) Lease rental expenses in respect of operating leases: ₹ 103.39 crore (previous year: ₹ 109.10 crore)

Notes forming part of the Financial Statements (contd.)

NOTE [42]

Disclosure pursuant to Ind AS 105 "Non-current assets held for sale and discontinued operations":

₹ crore

Particulars	As at	As at
	31-3-2018	31-3-2017
Investments held for sale	388.00	388.00

- (i) Through a scheme of arrangement of demerger, the Port business in L&T Shipbuilding Limited (effective date March 22, 2017) was transferred to Marine Infrastructure Developer Private Limited (MIDPL) in financial year 2016-17. As a shareholder, the Company had received 38,80,00,000 equity shares of ₹ 10 each. The Company plans to divest its stake in MIDPL to an identified strategic partner. In order to complete the divestment, certain approvals, such as transfer of Marine License & transfer of shares are pending to be received from statutory bodies. Accordingly, the proposed sale is expected to be completed within 12 months from the reporting date.
- (ii) The above investment forms part of the unallocable corporate assets. [Note 47(a) Disclosure pursuant to Ind AS 108 "Operating Segment"].

NOTE [43]

Disclosure pursuant to Ind AS 1 "Presentation of financial statements":

- (a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

₹ crore

Particulars	Note	As at 31-3-2018			As at 31-3-2017		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Inventories	9	1680.38	819.66	2500.04	1625.58	137.28	1762.86
Trade receivables	11	23928.46	525.78	24454.24	19529.19	392.76	19921.95
Loans	14	991.92	0.42	992.34	1900.76	5.04	1905.80
Other financial assets	15	3441.78	—	3441.78	2213.12	104.80	2317.92
Other current assets	16	31597.81	7533.01	39130.82	23983.02	9302.12	33285.14

- (b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

₹ crore

Particulars	Note	As at 31-3-2018			As at 31-3-2017		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade payables	25	30447.66	649.45	31097.11	23086.63	1251.69	24338.32
Other financial liabilities	26	1851.22	19.65	1870.87	1412.15	28.10	1440.25
Other current liabilities	27	16191.45	4662.37	20853.82	12052.20	6134.55	18186.75
Provisions	28	991.53	110.69	1102.22	964.54	128.45	1092.99

NOTE [44]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management

- (a) Foreign exchange rate and interest rate risk:

The Company regularly reviews its foreign exchange forward and option positions and interest rate swaps, both on a standalone basis and in conjunction with its underlying foreign currency and interest rate related exposures. The Company follows cash flow hedge accounting for Highly Probable Forecasted Exposures (HPFE) hence the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-Balance Sheet exposure, the changes in MTM of the hedge contracts will impact the Balance Sheet of the Company. Further, given the effective horizons of the Company's risk management activities which coincide with the durations of the projects under execution and could extend across 3-4 years and the business uncertainties associated with the timing and estimation of the project exposures, the recognition of the gains and losses related to these instruments may not always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may affect the Company's financial condition and operating results. Hence, the Company monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc., on a regular basis. For on-Balance Sheet exposures, the Company monitors the risks on net unhedged exposures.

Notes forming part of the Financial Statements (contd.)

NOTE [44] (contd.)

(i) Foreign exchange rate risk:

In general, the Company is a net receiver of foreign currency. Accordingly, changes in exchange rates and in particular a strengthening of the Indian Rupee may negatively affect the Company's net sales and gross margins as expressed in Indian Rupees. There is a risk that the Company will have to adjust local currency product pricing due to competitive pressures when there have been significant volatility in foreign currency exchange rates.

The Company may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. In addition, the Company has entered and may enter in future, into non-designated foreign currency contracts to partially offset the foreign currency exchange gains and losses on its foreign-denominated debt issuances. The Company's practice is to hedge a portion of its material foreign exchange exposures with tenors in line with the project/business life cycle, however, the Company may choose not to hedge certain foreign exchange exposures for a variety of reasons.

The net exposure to foreign currency risk (based on notional amount) in respect of recognised financial assets, recognised financial liabilities and derivatives is as follows:

Particulars	As at 31-3-2018			As at 31-3-2017		
	US Dollars including pegged currencies	EURO	Japanese Yen	US Dollars including pegged currencies	EURO	Japanese Yen
Net exposure to foreign currency risk in respect of recognised financial assets/ (recognised financial liabilities)	(2187.64)	(372.73)	(95.77)	(1730.19)	(402.15)	(366.13)
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to firm commitments and forecast transactions	1848.44	(1388.82)	659.25	3664.22	(1085.56)	604.27
Receivable/(payable) exposure with respect to forward contracts and embedded derivatives not designated as cash flow hedge	(1219.10)	(6.92)	—	752.13	(5.42)	—

₹ crore

To provide a meaningful assessment of the foreign currency risk associated with the Company's foreign currency derivative positions against off Balance Sheet exposures and unhedged portion of on-Balance Sheet financial assets and liabilities, the Company uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Company uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increases in the fair value of the underlying exposures for on-Balance Sheet exposures. The overnight VAR for the Company at 95% confidence level is ₹ 39.80 crore as at March 31, 2018 and ₹ 59.80 crore as at March 31, 2017.

Actual future gains and losses associated with the Company's investment portfolio and derivative positions may differ materially from the sensitivity analysis performed as at March 31, 2018 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the Company's actual exposures and position.

(ii) Interest rate risk:

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. While most of the Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk. A major portion of foreign currency debt is linked to international interest rate benchmarks like LIBOR. The Company also hedges a portion of these risks by way of derivatives instruments like Interest rate swaps and currency swaps.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	₹ crore	
	As at 31-3-2018	As at 31-3-2017
Floating rate borrowings	5157.15	4472.18

Notes forming part of the Financial Statements (contd.)

NOTE [44] (contd.)

A hypothetical 50 basis point shift in respective currency LIBORs on the unhedged loans would result in a corresponding increase/ decrease in interest cost for the Company on a yearly basis.

Particulars	Impact on Profit and Loss after tax		Impact on equity	
	2017-18	2016-17	As at 31-3-2018	As at 31-3-2017
Indian Rupee				
Interest rates - increase by 0.5% in INR interest rate *	(0.45)	(1.11)	(0.45)	(1.11)
Interest rates - decrease by 0.5% in INR interest rate *	0.45	1.11	0.45	1.11
US Dollar				
Interest rates - increase by 0.5% in USD interest rate *	(16.39)	(13.51)	(16.39)	(13.51)
Interest rates - decrease by 0.5% in USD interest rate *	16.39	13.51	16.39	13.51

* Holding all other variables constant

(b) Liquidity Risk Management:

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The Company uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Company typically invests in money market funds, large debt funds, government of india securities, equity funds and other highly rated securities under a limits framework which governs the credit exposure to any one issuer as defined in its investment policy. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss. To provide a meaningful assessment of the price risk associated with the Company's investment portfolio, the Company performed a sensitivity analysis to determine the impact of change in prices of the securities that would have on the value of the investment portfolio assuming a 0.5% move in debt funds and debt securities and a 5% movement in the NAV of the equity funds. Based on the investment position a hypothetical 0.5% change in the fair market value of debt securities would result in a value change of +/- ₹ 14.04 crore as at March 31, 2018 and +/- ₹ 15.98 crore as at March 31, 2017. 5% change in the equity funds NAV would result in a value change of +/- ₹ 16.24 crore as at March 31, 2018 and +/- ₹ 17.83 crore as at March 31, 2017. The investments in money market funds are for the purpose of liquidity management only and are held only overnight and hence not subject to any material price risk.

(c) Credit Risk Management:

The Company's customer profile include public sector enterprises, state owned companies and large private corporates. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

- (i) The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2017-18	2016-17
Opening balance	1916.66	1568.79
Changes in loss allowance (Provision for doubtful debts):		
Loss allowance based on ECL	171.07	151.94
Additional provision	494.34	235.91
Write off as bad debts	(357.10)	(39.98)
Closing balance [reported under Note 11]	2224.97	1916.66

- (ii) Trade receivable written off during the year but still enforceable for recovery amounts to ₹ 409.43 crore (previous year: ₹ Nil). Out of this ₹ 243.62 crore included above and balance ₹ 165.81 crore included in exceptional items. Further, exceptional items also include write off of retention money not due (non-financial asset) amounts to ₹ 128.94 crore. (Note 46).

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	As at 31-3-2017
I.	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Investment in equity instruments	136.64	56.04
	(ii) Investment in preference shares	1085.08	605.10
	(iii) Investment in mutual funds	1070.80	5031.03
	(iv) Investment in bonds	424.46	202.33
	(v) Derivative instruments not designated as cash flow hedges	3.77	6.08
	(vi) Embedded derivatives not designated as cash flow hedges	21.33	78.97
	Sub-total (I)	2742.08	5979.55
II.	Measured at amortised cost:		
	(i) Loans	2676.47	3683.34
	(ii) Trade receivables	24454.24	19921.95
	(iii) Advances recoverable in cash	2387.92	1061.76
	(iv) Cash and cash equivalents and bank balances	4637.39	3759.28
	(v) Other receivables	767.87	785.34
	Sub-total (II)	34923.89	29211.67
III.	Measured at fair value through Other Comprehensive Income (FVTOCI):		
	(i) Investment in government securities, bonds and debentures	2849.72	1748.72
	(ii) Derivative instruments designated as cash flow hedges	358.49	659.92
	(iii) Embedded derivatives designated as cash flow hedges	1.96	2.62
	Sub-total (III)	3210.17	2411.26
	Total (I+II+III)	40876.14	37602.48

(b) Category-wise classification for applicable financial liabilities:

₹ crore

Sr. No.	Particulars	As at 31-3-2018	As at 31-3-2017
I.	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Derivative instruments not designated as cash flow hedges	13.52	8.53
	(ii) Embedded derivatives not designated as cash flow hedges	15.79	83.26
	Sub-total (I)	29.31	91.79
II.	Measured at amortised cost:		
	(i) Borrowings	10561.00	10558.37
	(ii) Trade payables	31097.11	24338.32
	(iii) Others	1681.18	1086.28
	Sub-total (II)	43339.29	35982.97
III.	Derivative instruments (including embedded derivatives) through Other Comprehensive Income:		
	(i) Derivative instruments designated as cash flow hedges	132.19	279.61
	(ii) Embedded derivatives designated as cash flow hedges	121.34	50.43
	Sub-total (III)	253.53	330.04
IV.	Financial guarantee contracts	15.49	20.71
	Total (I+II+III+IV)	43637.62	36425.51

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": (contd.)

(c) Items of income, expense, gains or losses related to financial instruments:

		₹ crore	
Sr. No.	Particulars	2017-18	2016-17
I	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Profit or Loss and amortised cost:		
A	(i) Financial assets or financial liabilities mandatorily measured at fair value through Profit or Loss:		
	1. Gains/(losses) on fair valuation or sale of Investments	(2181.30)	(178.13)
	2. Gains/(losses) on fair valuation/settlement of derivatives:		
	a. On forward contracts not designated as cash flow hedges	0.15	(33.57)
	b. On embedded derivatives contracts not designated as cash flow hedges	17.05	9.93
	c. On futures not designated as cash flow hedges	(125.74)	(56.89)
	Sub-total (A)	(2289.84)	(258.66)
B	Financial assets measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	123.70	(173.03)
	(ii) Allowance/(reversal) for expected credit loss recognised during the year in the Statement of Profit or Loss	(171.07)	(151.94)
	(iii) Provision for doubtful debts (other than expected credit loss) [net]	(525.60)	(237.28)
	(iv) Gains/(losses) on derecognition:		
	1. Bad debts written off (net)	(186.17)	(42.43)
	2. Gains/(losses) on transfer of financial assets (non-recourse)	(35.73)	(50.81)
	Sub-total (B)	(794.87)	(655.49)
C	Financial liabilities measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade payables, borrowings availed etc.)	(162.60)	277.28
	(ii) Unclaimed credit balances written back	117.68	130.71
	Sub-total (C)	(44.92)	407.99
	Total [I] = (A+B+C)	(3129.63)	(506.16)
II	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Other Comprehensive Income:		
A	Gains/(losses) recognised in Other Comprehensive Income:		
	(i) Financial assets measured at fair value through Other Comprehensive Income:		
	1. Gains/(losses) on fair valuation or sale of government securities, bonds, debentures etc.	(51.22)	101.29
	(ii) Derivative measured at fair value through Other Comprehensive Income:		
	1. Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	92.29	(129.43)
	2. Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	(79.30)	(24.02)
	Sub-total (A)	(38.23)	(52.16)
	Less:		
B	Gains/(losses) reclassified to Profit or Loss from Other Comprehensive Income:		
	(i) Financial assets measured at fair value through Other Comprehensive Income:		
	1. On government securities, bonds, debentures etc. upon sale of government securities, bonds, debentures etc. upon sale	(51.49)	110.46
	(ii) Derivative measured at fair value through Other Comprehensive Income:		
	1. On forward contracts upon hedged future cash flows affecting the Profit or Loss or related assets or liability	188.29	(140.88)
	2. On embedded derivative contracts upon hedged future cash flows affecting the Profit or Loss or related asset and liability	(21.95)	(4.08)
	Sub-total (B)	114.85	(34.50)
	Net gains/(losses) recognised in Other Comprehensive Income [II]= (A)-(B)	(153.08)	(17.66)

Notes forming part of the Financial Statements (contd.)

NOTE [45]

(c) Items of income, expense, gains or losses related to financial instruments: (contd.)

		₹ crore	
Sr. No.	Particulars	2017-18	2016-17
III	Other income/(expenses):		
A	Dividend income:		
	Dividend income from investments measured at FVTPL	2693.08	659.63
	Sub- total (A)	2693.08	659.63
B	Interest income:		
	(a) Financial assets measured at amortised cost	269.00	380.29
	(b) Financial assets measured at fair value through Other Comprehensive Income	226.95	157.84
	(c) Financial assets measured at fair value through Profit or Loss	0.98	1.08
	Sub- total (B)	496.93	539.21
C	Interest expense:		
	(a) Financial liabilities that are measured at amortised cost	(860.74)	(734.01)
	(b) Derivative instruments (including embedded derivatives) that are measured at fair value through Other Comprehensive Income (reclassified to Profit or Loss during the period)	(266.60)	(401.21)
	(c) Financial liabilities that are measured at fair value through Profit or Loss	(15.48)	8.04
	Sub-total (C)	(1142.82)	(1127.18)
	Total [III] = (A+B+C)	2047.19	71.66

(d) Fair value of financial assets and financial liabilities measured at amortised cost:

(i) Financial assets measured at amortised cost:

The carrying amounts of trade receivables, loans, advances and cash and other bank balances are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with floating rate of interest are considered to be close to the fair value.

(ii) Financial liabilities measured at amortised cost:

Particulars	As at 31-3-2018		As at 31-3-2017		Fair value hierarchy
	Carrying amount	Fair Value	Carrying amount	Fair Value	
0.675 % Foreign currency convertible bonds	1245.64	1241.13	1201.78	1222.20	L2*
Redeemable non-convertible fixed rate debentures	2588.43	2647.14	2588.03	2677.39	L2*
Total	3834.07	3888.27	3789.81	3899.59	

Note: The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

* Valuation technique L2: Future cash flows discounted using G-sec/LIBOR rates plus corporate spread.

(e) Fair value hierarchy of financial assets and liabilities measured at fair value:

Particulars	Note	As at 31-3-2018				As at 31-3-2017			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:									
Investments at FVTPL:									
(i) Equity shares (other than those held in subsidiary & associate companies)	5	72.27	–	64.37	136.64	–	–	56.04	56.04
(ii) Preference shares	5	–	1085.08	–	1085.08	–	605.10	–	605.10
(iii) Mutual fund units	10	1070.80	–	–	1070.80	5031.03	–	–	5031.03
(iv) Bonds	10	424.46	–	–	424.46	202.33	–	–	202.33
(v) Derivative instruments not designated as cash flow hedges	7,15	–	3.77	–	3.77	–	6.08	–	6.08
(vi) Embedded derivative Instruments not designated as cash flow hedges	7,15	–	21.33	–	21.33	–	78.97	–	78.97

Notes forming part of the Financial Statements (contd.)

NOTE [45]

(e) Fair value hierarchy of financial assets and liabilities measured at fair value (contd.)

₹ crore

Particulars	Note	As at 31-3-2018				As at 31-3-2017			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVTOCI									
(i) Debt instruments viz. government securities, bonds and debentures	10	2849.72	–	–	2849.72	1748.72	–	–	1748.72
(ii) Derivative financial instruments designated as cash flow hedges	7,15	–	358.49	–	358.49	–	659.92	–	659.92
(iii) Embedded derivative financial instruments designated as cash flow hedges	7,15	–	1.96	–	1.96	–	2.62	–	2.62
Total		4417.25	1470.63	64.37	5952.25	6982.08	1352.69	56.04	8390.81
Financial Liabilities:									
(i) At FVTPL-Designated at FVTPL:									
(a) Derivative financial instruments not designated as cash flow hedges	20,26	–	13.52	–	13.52	–	8.53	–	8.53
(b) Embedded derivative instruments not designated as cash flow hedges	20,26	–	15.79	–	15.79	–	83.26	–	83.26
(ii) Designated at FVTOCI:									
(a) Derivative financial instruments designated as cash flow hedges	20,26	–	132.19	–	132.19	–	279.61	–	279.61
(b) Embedded Derivative financial instruments designated as cash flow hedges	20,26	–	121.34	–	121.34	–	50.43	–	50.43
Total		–	282.84	–	282.84	–	421.83	–	421.83

Valuation technique and key inputs used to determine fair value:

- Level 1: Mutual funds, bonds, debentures and government securities- Quoted price in the active market.
 - Level 2: (a) Derivative instrument – Mark to market on forward covers and embedded derivative instruments is based on forward exchange rates at the end of reporting period and discounted using G-sec rate plus applicable spread.
(b) Preference shares – Future cash flows are discounted using G-sec rate plus applicable spread as at reporting date.
- (f) Movement of items measured using unobservable inputs (Level 3):

₹ crore

Particulars	Equity investment in Tidel Park Limited
Balance as at 1-4-2016	55.94
Gains/(losses) recognised in Profit or Loss during 2016-17	–
Balance as at 31-3-2017	55.94
Gains/(losses) recognised in Profit or Loss during 2017-18	8.32
Balance as at 31-3-2018	64.27

Significant unobservable inputs used in level 3 fair value measurements and sensitivity of the fair value measurement to changes in unobservable inputs.

₹ crore

Particulars	Fair Value as at 31-3-2018	Fair Value as at 31-3-2017	Significant unobservable inputs	Sensitivity
Equity investment in "Tidel Park Limited"	64.27	55.94	1. Lease realisation: net realisation per month ₹ 30 per sq/ft. 2. Capitalisation rate 12%	31-3-2018: 1% change in net realisation would result in +/- ₹ 0.31 crore (post tax +/- ₹ 0.20 crore). 25 bps change in capitalisation rate would result in +/- ₹ 0.64 crore (post tax +/- ₹ 0.42 crore). 31-3-2017: 1% change in net realisation would result in +/- ₹ 0.38 crore (post tax +/- ₹ 0.25 crore). 25 bps change in capitalisation rate would result in +/- ₹ 0.78 crore (post tax +/- ₹ 0.51 crore).

Notes forming part of the Financial Statements (contd.)

NOTE [45] (contd.)

(g) Maturity profile of financial liabilities:

Particulars	Note	As at 31-3-2018			As at 31-3-2017		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
		₹ crore					
A. Non derivative liabilities:							
Borrowings	19, 23, 24	5370.82	5874.29	11245.11	3708.84	7797.02	11505.86
Trade payables	25	30447.66	649.45	31097.11	23086.63	1251.69	24338.32
Other financial liabilities	20, 26	1661.98	34.68	1696.66	1045.94	61.05	1106.99
Total		37480.46	6558.42	44038.88	27841.41	9109.76	36951.17
B. Derivative liabilities:							
Forward contracts	20, 26	131.32	19.80	151.12	267.61	30.21	297.82
Embedded derivatives	20, 26	63.40	85.37	148.77	120.33	26.42	146.75
Total		194.72	105.17	299.89	387.94	56.63	444.57

(h) Details of outstanding hedge instruments for which hedge accounting is followed:

(i) Outstanding currency exchange rate hedge instruments:

(A) Forward covers taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2018				As at 31-3-2017			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
(a) Receivable hedges								
US Dollar	4178.79	68.11	3584.90	593.89	2817.69	66.87	2185.09	632.60
EURO	904.48	85.60	632.20	272.28	723.40	84.61	507.79	215.61
Malaysian Ringgit	138.38	17.07	138.38	-	331.20	14.86	331.20	-
Omani Riyal	301.94	179.55	301.94	-	324.75	172.04	309.74	15.01
Arab Emirates Dirham	1414.99	18.11	1411.18	3.81	1229.22	17.59	1029.47	199.75
Canadian Dollar	-	-	-	-	9.41	50.29	9.41	-
British Pound	4.41	90.74	4.41	-	6.12	81.60	6.12	-
Japanese Yen	923.19	0.65	889.42	33.77	845.50	0.66	467.82	377.68
Kuwaiti Dinars	613.52	225.58	442.85	170.67	187.89	220.92	164.74	23.15
Qatari Riyals	1476.18	18.55	1253.61	222.57	1184.17	15.58	1061.92	122.25
Thai Baht	1.43	2.12	1.43	-	-	-	-	-

Particulars	As at 31-3-2018				As at 31-3-2017			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
(b) Payable hedges								
US Dollar	10172.38	67.96	4717.80	5454.58	7232.88	62.41	6082.60	1150.28
EURO	2711.27	80.59	2641.52	69.75	1907.72	71.72	1799.42	108.30
Arab Emirates Dirham	0.75	17.86	0.75	-	7.24	18.11	7.24	-
Swiss Franc	404.36	74.68	404.36	-	266.74	67.51	266.74	-
Chinese Yuan	26.03	10.32	26.03	-	63.51	9.63	63.51	-
British Pound	52.96	93.51	28.88	24.08	2.97	81.81	2.97	-
Japanese Yen	309.02	0.62	309.02	-	385.36	0.61	385.36	-
Kuwaiti Dinars	12.24	217.71	12.24	-	4.40	219.94	4.40	-
Swedish Krona	16.56	8.83	16.56	-	-	-	-	-

Notes forming part of the Financial Statements (contd.)

NOTE [45] (contd.)

(B) Forward covers taken to hedge exchange rate risk and accounted as net investment hedge:

Particulars	As at 31-3-2018				As at 31-3-2017			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Receivable hedges								
US Dollar	28.73	71.83	–	28.73	–	–	–	–
Saudi Riyal	187.39	17.43	187.39	–	785.74	19.44	27.79	757.95

(ii) Outstanding interest rate hedge instruments:

Interest rate swaps taken to hedge interest rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2018				As at 31-3-2017			
	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)
US Dollar	760.62	7.60	520.62	240.00	1433.26	8.00	672.70	760.56

(iii) Outstanding commodity price hedge instruments:

Commodity forward contract:

Particulars	As at 31-3-2018				As at 31-3-2017			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Copper(Tn)*	(223.90)	462821.73	(223.90)	–	30.99	374739.63	30.99	–
Aluminium(Tn)	198.62	139526.87	198.62	–	8.20	112943.72	8.20	–
Iron Ore(Tn)	60.65	4055.89	60.65	–	71.66	3592.00	43.19	28.47
Coking Coal(Tn)	33.91	11958.33	33.91	–	50.40	11494.00	42.07	8.33
Zinc(Tn)	19.76	222813.00	19.76	–	9.53	177153.00	9.53	–
Lead(Tn)	10.99	160606.00	10.99	–	0.23	150777.00	0.23	–

*Negative nominal amount represents sell position.

(i) Carrying amounts of hedge instruments for which hedge accounting is followed:

Cash flow hedge:

₹ crore

Particulars	As at 31-3-2018			As at 31-3-2017		
	Currency exposure	Interest rate exposure	Commodity price exposure	Currency exposure	Interest rate exposure	Commodity price exposure
(i) Forward contracts						
Current:						
Asset - Other financial assets	169.36	–	27.61	236.80	–	29.03
Liability - Other financial liabilities	134.83	–	23.27	286.78	–	(4.89)
Non current:						
Asset - Other financial assets	72.40	–	–	105.25	–	3.34
Liability - Other financial liabilities	93.28	–	–	46.76	–	1.39
(ii) Swap contracts						
Current:						
Asset - Other financial assets	66.59	(8.43)	–	123.06	(1.38)	–
Liability - Other financial liabilities	–	–	–	–	–	–
Non current:						
Asset - Other financial assets	21.03	(3.65)	–	116.91	(15.69)	–
Liability - Other financial liabilities	–	–	–	–	–	–

Notes forming part of the Financial Statements (contd.)

NOTE [45]

(i) Carrying amounts of hedge instruments for which hedge accounting is followed (contd.)

Net investment:

₹ crore

Particulars	As at 31-3-2018			As at 31-3-2017		
	Currency exposure	Interest rate exposure	Commodity price exposure	Currency exposure	Interest rate exposure	Commodity price exposure
(i) Forward contracts						
Current:						
Asset - Other financial assets	14.63	-	-	1.47	-	-
Liability - Other financial liabilities	2.15	-	-	-	-	-
Non current:						
Asset - Other financial assets	0.91	-	-	63.75	-	-

(j) Breakup of hedging reserve and cost of hedging reserve:

₹ crore

Particulars	As at 31-3-2018		As at 31-3-2017	
	Cash flow hedging reserve	Cost of hedging reserve	Cash flow hedging reserve	Cost of hedging reserve
Balance towards continuing hedges	(23.89)	(12.34)	140.99	(12.80)
Balance for which hedge accounting discontinued	138.39	-	15.92	-

(k) Reclassification of hedging reserve and cost of hedging reserve to Profit or Loss:

₹ crore

Particulars	Hedging reserve/Cost of hedging reserve	
	2017-18	2016-17
Future cash flows are no longer expected to occur:		
Sales, administration and other expenses	(1.32)	(9.69)
Hedged expected future cash flows affecting Profit or Loss:		
Progress billing	177.14	117.42
Revenue from operations	(15.60)	43.34
Manufacturing, construction and operating expenses	2.16	(131.78)
Finance costs	(266.60)	(401.21)
Sales, administration and other expenses	181.10	(46.83)

(l) Movement of hedging reserve and cost of hedging reserve:

₹ crore

Hedging reserve	2017-18			2016-17		
	Gross	Tax	Net of Tax	Gross	Tax	Net of Tax
Opening balance	240.09	(83.18)	156.91	(31.74)	10.98	(20.76)
Impact due to change in tax rate	-	(0.72)	(0.72)	-	-	-
Changes in the spot element of the forward contracts which is designated as hedging instrument for time period related hedges	(16.22)	5.81	(10.41)	(163.88)	56.77	(107.11)
Changes in fair value of forward contracts designated as hedging instruments	217.80	(78.02)	139.78	267.87	(92.79)	175.08
Changes in fair value of swaps	(150.03)	53.75	(96.28)	(63.41)	21.96	(41.45)
Amount reclassified to Profit or Loss	61.11	(21.89)	39.22	345.28	(119.60)	225.68
Amount included in non-financial assets/liabilities	(0.48)	0.17	(0.31)	-	-	-
Amount included in Progress Billing in Balance Sheet	(177.14)	63.45	(113.69)	(114.03)	39.50	(74.53)
Closing balance	175.13	(60.63)	114.50	240.09	(83.18)	156.91

Notes forming part of the Financial Statements (contd.)

NOTE [45]

(l) Movement of hedging reserve and cost of hedging reserve (contd.)

Cost of hedging reserve	2017-18			2016-17		
	Gross	Tax	Net of Tax	Gross	Tax	Net of Tax
	Opening balance	(19.56)	6.77	(12.79)	(23.04)	7.97
Impact due to change in tax rate	–	0.07	0.07	–	–	–
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instrument for time period related hedges	(38.56)	13.47	(25.09)	(194.03)	67.15	(126.88)
Amount included in carrying amount of hedge item	–	–	–	(3.39)	1.17	(2.22)
Amount reclassified to Profit or Loss	39.15	(13.68)	25.47	200.89	(69.52)	131.37
Closing balance	(18.97)	6.63	(12.34)	(19.57)	6.77	(12.80)

₹ crore

NOTE [46]

A. Exceptional items for the year ended March 31, 2018 include the following:

- 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;
- Gain on divestment of stake in L&T EWAC Alloys Limited ₹ 351.55 crore and L&T Cutting Tools Limited ₹ 174.91 crore;
- Write off of trade receivable and retention money not due from a customer against whom insolvency proceedings are underway ₹ 294.75 crore [note1(t)(vii)].

Exceptional items for the year ended March 31, 2017 include the following:

- Gain of ₹ 1947.89 crore on sale of the Company's part stake in subsidiary companies viz. Larsen & Toubro Infotech Limited ₹ 1191.70 crore and L&T Technology Services Limited ₹ 756.19 crore;
 - Loss on divestment of stake in L&T General Insurance Company Limited ₹ 92.84 crore;
 - Loss on sale of Company's full stake in subsidiary company L&T Arabia LLC to wholly owned subsidiary company ₹ 11.08 crore.
 - Provision for impairment of investment in Infrastructure Development Projects Limited ₹ 950 crore.
- B. On May 1, 2018, the Company signed, subject to regulatory approvals, definitive agreements with Schneider Electric for strategic divestment of its Electrical and Automation (E&A) business (which is a reported segment), together with certain associated subsidiary companies outside India, for an all-cash consideration of ₹ 14000 crore which is subject to customary post-closing adjustments.

NOTE [47]

Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) Information about reportable segment

Particulars	For the year ended 31-3-2018			For the year ended 31-3-2017		
	External	Inter-segment	Total	External	Inter-segment	Total
	Revenue					
Infrastructure	54578.87	206.91	54785.78	46573.35	321.07	46894.42
Power	6200.71	7.52	6208.23	6938.79	–	6938.79
Heavy Engineering	3896.06	150.28	4046.34	3098.38	233.39	3331.77
Electrical & Automation [Note 46(B)]	4264.25	182.28	4446.53	4058.19	223.15	4281.34
Others	5671.76	443.67	6115.43	5632.64	483.17	6115.81
Elimination	–	(990.66)	(990.66)	–	(1260.78)	(1260.78)
Total	74611.65	–	74611.65	66301.35	–	66301.35
Segment result [Profit/(Loss) before interest and tax]						
Infrastructure			4870.14			4147.12
Power			161.96			201.18
Heavy Engineering			569.66			530.88
Electrical & Automation [Note 46(B)]			624.78			520.39
Others			482.35			492.06
Total			6708.89			5891.63

₹ crore

Notes forming part of the Financial Statements (contd.)

NOTE [47(a)]

Disclosure pursuant to Ind AS 108 "Operating Segment" (contd.)

₹ crore

Particulars	For the year ended 31-3-2018		For the year ended 31-3-2017			
	External	Inter-segment	Total	External	Inter-segment	Total
Inter-segment margin on capital jobs			(14.71)			(32.83)
			6694.18			5858.80
Unallocated corporate income/(expenditure) [net]			1073.01			782.67
Operating Profit (PBIT)			7767.19			6641.47
Interest expense			(1432.23)			(1316.91)
Interest income			496.89			539.31
Profit before tax (PBT)			6831.85			5863.87
Provision for current tax			(1974.07)			(1675.20)
Provision for deferred tax			98.99			371.10
Profit after tax (before exceptional items)			4956.77			4559.77
Profit from exceptional items			430.53			893.97
Profit after tax (after exceptional items)			5387.30			5453.74

₹ crore

Particulars	Segment assets		Segment liabilities	
	As at	As at	As at	As at
	31-3-2018	31-3-2017	31-3-2018	31-3-2017
Infrastructure	53127.74	43931.92	37733.44	29858.24
Power	5670.64	6241.46	5657.36	6362.49
Heavy Engineering	6502.86	4879.29	4723.49	3281.58
Electrical & Automation [Note 46(B)]	2900.82	3007.54	1663.94	1530.93
Others	9348.55	7967.38	4973.14	3993.66
Total	77550.61	66027.59	54751.37	45026.90
Unallocable corporate assets/liabilities	38770.64	36746.81	12395.63	11734.76
Inter-segment assets/liabilities	(711.23)	(535.96)	(711.23)	(535.96)
Total assets/liabilities	115610.02	102238.44	66435.77	56225.70

₹ crore

Particulars	Depreciation, amortisation, impairment & obsolescence included in segment expense		Other non-cash expenses included in segment expense		Interest expense included in segment expense		Additions to non-current assets	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31-3-2018	31-3-2017	31-3-2018	31-3-2017	31-3-2018	31-3-2017	31-3-2018	31-3-2017
Infrastructure	552.06	591.45	20.03	19.81	(236.90)	(100.34)	1241.69	564.53
Power	43.56	44.40	1.40	1.99			151.36	100.17
Heavy Engineering	99.29	105.75	1.97	2.49			250.12	92.98
Electrical & Automation [Note 46(B)]	130.00	130.81	3.85	3.83			190.31	165.38
Others	113.64	122.60	4.07	4.45			231.08	75.04
Total	938.55	995.01	31.32	32.57	(236.90)	(100.34)	2064.56	998.10
Unallocated corporate	110.91	220.18	38.45	29.20	236.90	100.34	612.28	588.77
Inter-segment							(44.31)	(166.44)
Total	1049.46	1215.19	69.77	61.77	-	-	2632.53	1420.43

Note: There is no impairment in non-financial assets of the segments. Unallocable corporate expenses include impairment loss of ₹ Nil for the year ended March 31, 2018 (previous year: ₹ 103 crore).

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure pursuant to Ind AS 108 "Operating Segment" (contd.)

(b) Geographical information

Particulars	₹ crore	
	Revenue by location of customers	
	For the year ended 31-3-2018	For the year ended 31-3-2017
India (i)	58124.10	51737.85
Foreign countries:		
Kingdom of Saudi Arabia	2478.78	2639.59
United Arab Emirates	2942.13	2166.06
Qatar	4917.23	4655.27
Bangladesh	1551.96	1317.00
Other countries	4597.45	3785.58
Total foreign countries (ii)	16487.55	14563.50
Total (i+ii)	74611.65	66301.35

Particulars	₹ crore	
	Non current assets by location of customers	
	As at 31-3-2018	As at 31-3-2017
India (i)	10142.61	9206.97
Foreign countries (ii)	379.79	585.75
Total (i+ii)	10522.40	9792.72

- (c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.
- (d) The Company's reportable segments are organised based on the nature of products and services offered by these segments.
- (e) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:
- (i) Basis of identifying operating segments:
- Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are reviewed by the Corporate Executive Management to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.
- The Company has four reportable segments as described under "segment composition" below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.
- (ii) Reportable segments:
- An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.
- (iii) Segment profit:
- Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Corporate Executive Management.

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure pursuant to Ind AS 108 "Operating Segment" (contd.)

(iv) Segment composition

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water & effluent treatment and smart world & communication projects.
- **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages.
- **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment and systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power, Aerospace and Defence.
- **Electrical & Automation segment** comprises manufacture and sale of low and medium voltage switchgear components, custom built low and medium voltage switchboards, electronic energy meters/protection (relays) systems, control & automation products. .
- **Others segment** includes hydrocarbon, metallurgical & material handling systems, realty, shipbuilding, marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery. None of the businesses reported as part of others segment meet any of the quantitative thresholds for determining reportable segments in the year ended March 31, 2018 or the year ended March 31, 2017.

NOTE [48]

(a) Disclosures pursuant to Ind AS 11 "Construction Contracts":

Sr. No.	Particulars	₹ crore	
		2017-18	2016-17
i)	Contract revenue recognised for the financial year [Note 31]	66978.07	58498.42
ii)	Aggregate amount of contract costs incurred and recognised profits (less recognised losses) as at end of the financial year for all contracts in progress as at that date	251561.22*	217253.39*
iii)	Amount of customer advances outstanding for contracts in progress as at end of the financial year	13675.90	12205.69
iv)	Retention amounts by customers for contracts in progress as at end of the financial year	8442.44	6962.23

*includes provision for foreseeable loss: ₹ 144.78 crore (previous year: ₹ 121.66 crore)

(b) Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions issued by the Institute of Chartered Accountants of India:

Sr. No.	Particulars	₹ crore	
		2017-18	2016-17
i)	Amount of project revenue recognised for the financial year [Note 31]	96.68	403.18
ii)	Aggregate amount of costs incurred and profits recognised (less recognised losses) as at end of the financial year	2427.88	2332.26
iii)	Amount of advances received	6.87	19.16
iv)	Amount of work-in-progress and the value of inventories [Note 9]	986.40	281.83
v)	Excess of revenue recognised over actual bills raised (unbilled revenue) [Note 16]	–	71.28

Notes forming part of the Financial Statements (contd.)

NOTE [49]

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

		₹ crore	
Sr. No.	Particulars	2017-18	2016-17
(a)	Profit or Loss section		
	(i) Current income tax:		
	Current income tax expense	1808.52	1671.58
	Tax expense in respect of earlier years	165.55	3.62
	(ii) Deferred tax:		
	Tax expense on origination and reversal of temporary differences	(79.03)	(349.24)
	Effect of previously unrecognised tax losses on which deferred tax benefit is recognised	(16.05)	(21.86)
	Effect on deferred tax balances due to the change in income tax rate	(3.91)	–
	Income tax expense reported in Profit or Loss [(i)+(ii)]	1875.08	1304.10
(b)	Other Comprehensive Income (OCI) section:		
	(i) Items not to be reclassified to Profit or Loss in subsequent periods:		
	Current tax expense/(income):		
	On re-measurement of defined benefit plans	1.32	(4.25)
		1.32	(4.25)
	(ii) Items to be reclassified to Profit or Loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On gain/(loss) on cash flow hedges other than mark to market	4.73	(14.47)
	On foreign currency translation of joint operations	(0.49)	–
		4.24	(14.47)
	(B) Deferred tax:		
	On mark to market gain/(loss) on cash flow hedges	(27.13)	108.63
	Net gain/(loss) on cost of hedging reserve	0.14	1.20
	On gain/(loss) on fair value of debt securities	11.12	1.08
	On foreign currency translation of joint operations	–	(2.29)
		(15.87)	108.62
	Income tax expense reported in the OCI section [(i)+(ii)]	(10.31)	89.90
(c)	Retained earnings:		
	Current income tax	–	(133.40)
	Deferred tax	–	133.40
	Income tax expense reported in retained earnings	–	–

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

		₹ crore	
Sr. No.	Particulars	2017-18	2016-17
(a)	Profit before tax	7262.38	6757.84
(b)	Corporate tax rate as per Income tax Act, 1961	34.61%	34.61%
(c)	Tax on Accounting profit (c) = (a) * (b)	2513.37	2338.75
(d)	(i) Tax on income exempt from tax:		
	(A) Dividend income	(1117.38)	(368.61)
	(B) Long term capital gains exempt from tax	(68.81)	(671.75)
	(C) Interest on tax free bonds	(10.28)	(10.58)
	(ii) Tax on expenses not tax deductible:		
	(A) CSR expenses	34.93	34.87
	(B) Expenses in relation to exempt income	83.88	19.83
	(C) Tax on employee perquisites borne by the company	2.07	3.28
	(iii) Weighted deductions on R&D expenditure and deduction u/s 80IA	(397.65)	(368.93)
	(iv) Effect of previously unrecognised tax losses used to reduce deferred tax expense	(16.05)	(21.86)
	(v) Tax effect on impairment and fair valuation losses recognised on which deferred tax asset is not recognised	227.15	328.78
	(vi) Effect on deferred tax balances due to the change in income tax rate	(3.91)	–
	(vii) Effect of current year capital (gain)/loss [net] on which no deferred tax benefit is recognised	430.41	69.01
	(viii) Effect of current tax related to earlier years	165.55	3.62
	(ix) Tax effect of losses of current year in joint operations on which no deferred tax benefit is recognised	25.94	42.99
	(x) Tax effect on various other items	5.86	(95.30)
	Total effect of tax adjustments [(i) to (x)]	(638.29)	(1034.65)
(e)	Tax expense recognised during the year (e)=(c)+(d)	1875.08	1304.10
(f)	Effective tax rate (f)=(e)/(a)	25.82%	19.30%

Notes forming part of the Financial Statements (contd.)

NOTE [49]

Disclosure pursuant to Ind AS 12 "Income Taxes" (contd.)

(c) i. Unused tax losses for which no deferred tax asset (DTA) is recognised in Balance Sheet

Particulars	As at 31-3-2018			As at 31-3-2017		
	Base amount (₹ crore)	Deferred tax (₹ crore)	Expiry date (Assessment year)	Base amount (₹ crore)	Deferred tax (₹ crore)	Expiry date (Assessment year)
Tax losses (capital loss on which no DTA is created)						
Assessment year 2018-19	1651.79	284.17	31-3-2027			
Assessment year 2017-18	998.16	196.38	31-3-2026	998.16	194.17	31-3-2026
Assessment year 2016-17	1135.58	236.16	31-3-2025	1135.58	233.89	31-3-2025
Total	3785.53	716.71	-	2133.74	428.06	-

ii. Unrecognised deductible temporary differences for which no deferred tax asset (DTA) is recognised in Balance Sheet

₹ crore

Sr. No.	Particulars	As at 31-3-2018		As at 31-3-2017	
		Base amount	Deferred tax	Base amount	Deferred tax
(a)	Deductible temporary differences towards provision for diminution in value of investments on which no DTA is created	1692.29	363.99	1035.93	247.02
(b)	Temporary differences arising out of revaluation of tax base of assets (on account of indexation benefit)	5718.83	1332.26	4884.39	1126.93
	Total	7411.12	1696.25	5920.32	1373.95

(d) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit or Loss:

₹ crore

Sr. No.	Particulars	Balance Sheet		Statement of Profit or Loss	
		As at 31-3-2018	As at 31-3-2017	2017-18	2016-17
(a)	Disputed statutory liabilities claimed on payment basis u/s 43B of the Income Tax Act, 1961	136.47	150.54	(14.07)	36.89
(b)	Items disallowed u/s 43B of Income Tax Act, 1961	(208.68)	(213.79)	5.21	(16.45)
(c)	Provision for doubtful debt and advances	(880.64)	(740.19)	(140.44)	(123.21)
(d)	Difference in book depreciation and income tax depreciation	519.59	510.22	9.05	(77.07)
(e)	Gain/(loss) on derivative transactions	(8.51)	18.80	-	-
(f)	Other temporary differences	41.15	(10.80)	41.26	(191.26)
	Deferred tax expense/(income)			(98.99)	(371.10)
	Net deferred tax (assets)/liabilities	(400.62)	(285.22)		

(e) Reconciliation of deferred tax (assets)/liabilities:

₹ crore

Sr. No.	Particulars	2017-18	2016-17
(a)	Opening balance as at April 1	(285.22)	(156.14)
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of Profit and Loss in Profit or Loss section	(98.99)	(371.10)
	(ii) Statement of Profit and Loss under OCI section	(15.87)	108.62
	(iii) Retained earnings	-	133.40
	(iv) Hedging reserve (other than through OCI)	(0.15)	-
(c)	Acquired under business combination [Note 60]	(0.39)	-
	Closing balance as at March 31	(400.62)	(285.22)

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits":

(i) Defined contribution plans - Note {[1](k)(ii)(A)}: Amount of ₹ 124.47 crore (previous year: ₹ 118.34 crore) is recognised as an expense.

(ii) Defined benefit plans - Note {[1](k)(ii)(B)}:

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

₹ crore

Particulars	Gratuity Plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2018	As at 31-3-2017	As at 31-3-2018	As at 31-3-2017	As at 31-3-2018	As at 31-3-2017	As at 31-3-2018	As at 31-3-2017
A) Present value of defined benefit obligation								
- Wholly funded	444.87	445.79	-	-	-	-	2270.10	2146.56
- Wholly unfunded	91.10	71.94	178.83	185.64	323.71	312.75	-	-
	535.97	517.73	178.83	185.64	323.71	312.75	2270.10	2146.56
Less: Fair value of plan assets	399.87	439.61	-	-	-	-	2287.81	2156.30
Add: Amount not recognised as an asset (limit in para 64(b))	0.01	-	-	-	-	-	-	-
Amount to be recognised as liability or (asset)	136.11	78.12	178.83	185.64	323.71	312.75	(17.71)	(9.74)
B) Amounts reflected in the Balance Sheet								
Liabilities	136.11	78.12	178.83	185.64	323.71	312.75	22.73	23.33
Assets	-	-	-	-	-	-	-	-
Net liability/(asset)	136.11	78.12	178.83	185.64	323.71	312.75	22.73	23.33
Net liability/(asset) - current #	136.11	78.12	7.09	5.25	22.58	22.46	22.73	23.33
Net liability/(asset) - non-current	-	-	171.74	180.39	301.13	290.29	-	-

Employer's and employees' contribution due towards Provident Fund.

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

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1 Current service cost	72.42	67.21	13.11	10.83	3.44	2.47	61.53	59.96
2 Interest cost	28.33	27.92	13.16	11.68	21.67	21.14	178.70	168.78
3 Interest income on plan assets	(29.00)	(27.56)	-	-	-	-	(178.70)	(168.78)
4 Actuarial losses/(gains) - others	34.04	19.37	(21.93)	15.69	5.91	23.63	-	(9.87)
5 Actuarial losses/(gains) - difference between actual return on plan assets and interest income	(21.84)	(46.42)	-	-	-	-	(2.13)	(10.04)
6 Past service cost	0.20	-	-	-	-	-	-	-
7 Actuarial gain/(loss) not recognised in books	-	-	-	-	-	-	2.13	19.91
8 Effect of the limit in para 64(b)	0.01	-	-	-	-	-	-	-
9 Translation adjustments	-	0.19	-	-	-	-	-	-
10 Amount capitalised out of the above/ Recovered from S&A	(0.12)	(0.10)	(0.02)	(0.01)	-	-	-	-
Total (1 to 10)	84.04	40.61	4.32	38.19	31.02	47.24	61.53	59.96
i Amount included in "employee benefits expense"	72.50	67.30	13.09	10.82	3.44	2.47	61.53	59.96
ii Amount included as part of "finance cost"	(0.66)	0.36	13.16	11.68	21.67	21.14	-	-
iii Amount included as part of "Other Comprehensive Income"	12.20	(27.05)	(21.93)	15.69	5.91	23.63	-	-
Total (i+ii+iii)	84.04	40.61	4.32	38.19	31.02	47.24	61.53	59.96
Actual return on plan assets	50.83	73.98	-	-	-	-	180.89	168.96

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits" (contd.)

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

₹ crore

	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2018	As at 31-3-2017	As at 31-3-2018	As at 31-3-2017	As at 31-3-2018	As at 31-3-2017	As at 31-3-2018	As at 31-3-2017
Opening balance of the present value of defined benefit obligation	517.73	468.40	185.64	155.58	312.75	283.25	2146.56	1996.84
Add: Current service cost	72.42	67.21	13.11	10.83	3.44	2.47	61.53	59.96
Add: Interest cost	28.33	27.92	13.16	11.68	21.67	21.14	178.70	168.78
Add: Contribution by plan participants								
i) Employee	–	–	–	–	–	–	168.39	161.80
ii) Transfer-in/(out)	–	–	–	–	–	–	25.12	20.09
Add/(less): Actuarial (gains)/losses								
i) Actuarial (gains)/losses arising from changes in demographic assumptions	18.79	–	(23.05)	–	–	–	–	–
ii) Actuarial (gains)/losses arising from changes in financial assumptions	(14.52)	19.28	(13.08)	17.26	(13.32)	16.80	–	(9.87)
iii) Actuarial (gains)/losses arising from changes in experience adjustments	29.77	0.09	14.20	(1.57)	19.23	6.83	–	–
Less: Benefit paid	(116.88)	(64.99)	(11.15)	(8.14)	(20.07)	(17.74)	(310.20)	(251.04)
Add: Past service cost	0.20	–	–	–	–	–	–	–
Add: Business combination	0.24	–	–	–	–	–	–	–
Add/(less): Translation adjustments	(0.11)	(0.18)	–	–	–	–	–	–
Closing balance of the present value of defined benefit obligation	535.97	517.73	178.83	185.64	323.70	312.75	2270.10	2146.56

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

₹ crore

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2018	As at 31-3-2017	As at 31-3-2018	As at 31-3-2017
Opening balance of the fair value of the plan assets	439.61	385.85	2156.30	1990.14
Add: Interest income on plan assets *	29.00	27.56	178.70	168.78
Add/(Less): Actuarial gains/(losses)				
Difference between actual return on plan assets and interest income	21.84	46.42	2.13	10.04
Add: Contribution by the employer	26.07	44.77	63.20	58.14
Add/(less): Transfer in/(out)	–	–	25.12	20.09
Add: Contribution by plan participants	–	–	172.56	160.15
Add: Business combination	0.23	–	–	–
Less: Benefits paid	(116.88)	(64.99)	(310.20)	(251.04)
Closing balance of the plan assets	399.87	439.61	2287.81	2156.30

* Basis used to determine interest income on plan assets:

The Trust formed by the Company manages the investments of provident funds and gratuity fund. Interest income on plan assets is determined by multiplying the fair value of the plan assets by the discount rate stated in (g)(i) below both determined at the start of the annual reporting period.

The Company expects to fund ₹ 45.05 crore (previous year: ₹ 6.18 crore) towards its gratuity plan and ₹ 67.68 crore (previous year: ₹ 73.21 crore) towards its trust-managed provident fund plan during the year 2018-19.

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits" (contd.)

e) The fair value of major categories of plan assets are as follows:

Particulars	Gratuity plan					
	As at 31-3-2018			As at 31-3-2017		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	0.69	0.69	–	2.41	2.41
Equity instruments	16.51	–	16.51	14.89	–	14.89
Debt instruments - Corporate bonds	65.12	99.91	165.03	66.30	150.47	216.77
Debt instruments - Central government bonds	88.46	–	88.46	135.01	–	135.01
Debt instruments - State government bonds	66.35	–	66.35	123.17	–	123.17
Debt instruments - PSU Bonds	–	55.59	55.59	–	70.68	70.68
Mutual funds – Equity	3.89	–	3.89	–	63.87	63.87
Mutual funds – Debt	–	0.29	0.29	–	0.50	0.50
Mutual funds – Others	–	–	–	–	0.10	0.10
Insurer managed funds	–	0.26	0.26	–	–	–
Fixed deposits	–	1.47	1.47	–	1.15	1.15
Special deposit scheme	–	1.49	1.49	–	1.46	1.46
Advances taken	–	–	–	–	(175.00)	(175.00)
Other (payables)/receivables	–	(0.16)	(0.16)	–	(15.40)	(15.40)
Closing balance of the plan assets	240.33	159.54	399.87	339.37	100.24	439.61

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2018			As at 31-3-2017		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	5.05	5.05	–	8.77	8.77
Debt instruments - Corporate bonds	334.83	66.78	401.61	225.16	83.05	308.21
Debt instruments - Central government bonds	518.65	–	518.65	433.43	–	433.43
Debt instruments - State government bonds	455.76	–	455.76	451.64	–	451.64
Debt instruments - PSU bonds	283.08	375.60	658.68	252.00	446.47	698.47
Mutual funds – Equity	50.06	8.90	58.96	7.37	45.88	53.25
Mutual funds – Debt	–	0.25	0.25	–	2.70	2.70
Mutual funds – Others	2.76	5.09	7.85	–	–	–
Special deposit scheme	–	193.08	193.08	–	199.83	199.83
Other (payables)/receivables	–	(12.08)	(12.08)	–	–	–
Closing balance of the plan assets	1645.14	642.67	2287.81	1369.60	786.70	2156.30

₹ crore

f) The average duration of the defined benefit plan obligations at the end of the reporting period is as follows:

Plans		As at 31-3-2018	As at 31-3-2017
1.	Gratuity plan	6.45	7.53
2.	Post-retirement medical benefit plan	13.95	16.65
3.	Company pension plan	7.57	8.02

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits" (contd.)

- g) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

Particulars		As at 31-3-2018	As at 31-3-2017
i)	Discount rate:		
(a)	Gratuity plan	7.68%	7.19%
(b)	Company pension plan	7.68%	7.19%
(c)	Post-retirement medical benefit plan	7.68%	7.19%
ii)	Annual increase in healthcare costs (see note below)	5.00%	5.00%
iii)	Salary growth rate:		
(a)	Gratuity plan	5.00%	5.00%
(b)	Company pension plan	6.00%	6.00%

- iv) Attrition Rate:
- (a) For post-retirement medical benefit plan and Company pension plan, the attrition rate varies from 1% to 12% (previous year: 2% to 8%) for various age groups.
- (b) For gratuity plan the attrition rate varies from 1% to 11% (previous year: 1% to 6%) for various age groups.
- v) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- vi) The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss.
- vii) The obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits. At present, healthcare cost, as indicated in the principal actuarial assumption given above, has been assumed to increase at 5.00% p.a.
- viii) (A) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of gratuity plan:

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2017-18	2016-17	2017-18	2016-17
Impact of change in salary growth rate	30.99	36.73	(27.97)	(32.01)
Impact of change in discount rate	(27.08)	(31.16)	30.46	36.29

₹ crore

- (B) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of company pension plan:

Particular	Effect of 1% increase		Effect of 1% decrease	
	2017-18	2016-17	2017-18	2016-17
Impact of change in discount rate	(24.01)	(25.62)	27.70	26.15

₹ crore

- (C) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of post-retirement medical benefit plan:

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2017-18	2016-17	2017-18	2016-17
Impact of change in health care cost	17.53	22.91	(14.43)	(18.36)
Impact of change in discount rate	(22.60)	(27.42)	28.40	35.33

₹ crore

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosure pursuant to Ind AS 19 "Employee Benefits" (contd.)

h) Characteristics of defined benefit plans and associated risks:

1. Gratuity plan:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972. The defined benefit plan for gratuity of the Company is administered by separate gratuity funds that are legally separate from the Company. The trustees nominated by the Company are responsible for the administration of the plan. There are no minimum funding requirements of these plans. The funding of these plans are based on gratuity fund's actuarial measurement framework set out in the funding policies of the plan. These actuarial measurements are similar compared to the assumptions set out in (g) *supra*. Employees do not contribute to any of these plans.

Unfunded gratuity represents a small part of gratuity plan which is not material. Further, it includes amounts payable in respect of the Company's foreign operations which result in gratuity payable to employees engaged as per the local laws of country of operation.

2. Post-retirement medical care plan:

The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

3. Company's pension plan:

In addition to contribution to state-managed pension plan (EPS scheme), the Company operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees. The quantum of pension depends on the cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

4. Trust managed provident fund plan:

The Company manages provident fund plan through a provident fund trust for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan mandates contribution by employer at a fixed percentage of employee's salary. Employees also contribute to the plan at a fixed percentage of their salary as a minimum contribution and additional sums at their discretion. The plan guarantees interest at the rate notified by Employees' Provident Fund Organisation. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss as actuarial loss. Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

All the above defined benefit plans expose the Company to general actuarial risks such as interest rate risk and market (investment) risk.

Notes forming part of the Financial Statements (contd.)

NOTE [51]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures"

(a) List of related parties over which control exist and status of transactions entered during the year:

Sr. No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
1.	L&T Cutting Tools Limited*	Wholly owned subsidiary (WOS)	Yes
2.	Bhilai Power Supply Company Limited	Subsidiary	Yes
3.	Spectrum Infotech Private Limited **	WOS	Yes
4.	L&T Shipbuilding Limited	Subsidiary	Yes
5.	L&T Electricals and Automation Limited	WOS	Yes
6.	Hi-Tech Rock Products and Aggregates Limited	WOS	Yes
7.	L&T Seawoods Limited	WOS	Yes
8.	Kesun Iron and Steel Company Private Limited	Subsidiary	Yes
9.	EWAC Alloys Limited@	WOS	Yes
10.	L&T Geostructure LLP	Subsidiary	Yes
11.	L&T Valves Limited	WOS	Yes
12.	L&T Realty Limited	WOS	Yes
13.	L&T Asian Realty Project LLP	Subsidiary of L&T Realty Limited	Yes
14.	L&T Parel Project LLP	Subsidiary of L&T Realty Limited	Yes
15.	Chennai Vision Developers Private Limited	WOS of L&T Realty Limited	Yes
16.	L&T South City Projects Limited%	Subsidiary of L&T Realty Limited	Yes
17.	L&T Vision Ventures Limited	Subsidiary of L&T Realty Limited	Yes
18.	L&T Power Limited	Subsidiary	Yes
19.	L&T Cassidian Limited^^	WOS	Yes
20.	L&T General Insurance Company Limited***	WOS	Yes
21.	L&T Aviation Services Private Limited	WOS	Yes
22.	Larsen & Toubro Infotech Limited	Subsidiary	Yes
23.	L&T Finance Holdings Limited	Subsidiary	Yes
24.	Syncordis S.A. Luxembourg\$\$	Subsidiary of Larsen & Toubro Infotech GmbH	No
25.	Syncordis France SARL\$\$	Subsidiary of Syncordis S.A. Luxembourg	No
26.	Syncordis Limited\$\$	Subsidiary of Syncordis S.A. Luxembourg	No
27.	L&T Housing Finance Limited	WOS of L&T Finance Holdings Limited	Yes
28.	L&T Infra Investment Partners	Subsidiary of L&T Infrastructure Finance Company Limited	No
29.	L&T Finance Limited	WOS of L&T Finance Holdings Limited	Yes
30.	L&T Information Technology Spain, S.L.	WOS of Larsen & Toubro Infotech Limited	No
31.	L&T Capital Markets Limited	WOS of L&T Finance Holding Limited	Yes
32.	L&T Investment Management Limited	WOS of L&T Finance Holdings Limited	Yes
33.	L&T Mutual Fund Trustee Limited	WOS of L&T Finance Holdings Limited	No
34.	Syncordis PSF S.A. \$\$	Subsidiary of Syncordis S.A. Luxembourg	No
35.	L&T Infrastructure Finance Company Limited	WOS of L&T Finance Holdings Limited	Yes
36.	L&T Infra Debt Fund Limited	WOS of L&T Finance Holdings Limited	Yes
37.	L&T Infra Investment Partners Advisory Private Limited	WOS of L&T Infrastructure Finance Company Limited	Yes
38.	L&T Infra Investment Partners Trustee Private Limited	WOS of L&T Infrastructure Finance Company Limited	No
39.	L&T Financial Consultants Limited	WOS of L&T Finance Holdings Limited	Yes
40.	L&T Access Distribution Services Limited@@	WOS of L&T Finance Holdings Limited	Yes
41.	Mudit Cement Private Limited	WOS of L&T Financial Consultants Limited (formerly known as L&T Vrindavan Properties Limited)	Yes

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(a) List of related parties over which control exist and status of transactions entered during the year: (contd.)

Sr. No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
42.	L&T Capital Company Limited	WOS	Yes
43.	L&T Trustee Company Private Limited	WOS of L&T Capital Company Limited	Yes
44.	L&T Power Development Limited	WOS	Yes
45.	L&T Uttaranchal Hydropower Limited	WOS of L&T Power Development Limited	Yes
46.	Larsen & Toubro Electromech LLC % %	Subsidiary	Yes
47.	L&T Westend Project LLP ~ ~ ~	Subsidiary of L&T Realty Limited	No
48.	Esencia Technologies India Private Limited ~ ~	Subsidiary of Esencia Technologies, Inc.	No
49.	Syncordis Software Services India Private Limited \$	Subsidiary of Larsen & Toubro Infotech Limited	No
50.	L&T Arunachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
51.	L&T Himachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
52.	Nabha Power Limited	WOS of L&T Power Development Limited	Yes
53.	L&T Metro Rail (Hyderabad) Limited	Subsidiary	Yes
54.	L&T Technology Services Limited	Subsidiary	Yes
55.	L&T Construction Equipment Limited	WOS	Yes
56.	L&T Infrastructure Engineering Limited	WOS	Yes
57.	L&T Thales Technology Services Private Limited	Subsidiary of L&T Technology Services Limited	Yes
58.	L&T Hydrocarbon Engineering Limited	WOS	Yes
59.	Sahibganj Ganges Bridge-Company Private Limited ^	WOS of L&T Capital Company Limited	No
60.	Seawoods Retail Private Limited ^^	WOS	Yes
61.	Seawoods Realty Private Limited ^^	WOS	Yes
62.	Marine Infrastructure Developer Private Limited	Subsidiary	Yes
63.	AugmentIQ Data Sciences Private Limited ##	Subsidiary of Larsen & Toubro Infotech Limited	No
64.	L&T Infra Contractors Private Limited ###	WOS of L&T Capital Company Limited	No
65.	Larsen & Toubro LLC	Subsidiary	Yes
66.	Larsen & Toubro Infotech GmbH	WOS of Larsen & Toubro Infotech Limited	No
67.	Larsen & Toubro Infotech Canada Limited	WOS of Larsen & Toubro Infotech Limited	No
68.	Larsen & Toubro Infotech LLC	WOS of Larsen & Toubro Infotech Limited	No
69.	L&T Infotech Financial Services Technologies Inc.	WOS of Larsen & Toubro Infotech Limited	No
70.	Larsen & Toubro Infotech South Africa (PTY) Limited	Subsidiary of Larsen & Toubro Infotech Limited	No
71.	L&T Information Technology Services (Shanghai) Co. Ltd.	WOS of Larsen & Toubro Infotech Limited	No
72.	L&T Realty FZE	WOS of L&T Realty Limited	No
73.	Larsen & Toubro International FZE	WOS of L&T Global Holdings Limited	Yes
74.	Larsen & Toubro Hydrocarbon International Limited LLC	Subsidiary	Yes
75.	Thalest Limited	WOS of Larsen & Toubro International FZE	No
76.	Servowatch Systems Limited	WOS of Thalest Limited	Yes
77.	Larsen & Toubro (Oman) LLC	Subsidiary of Larsen & Toubro International FZE	Yes
78.	L&T Modular Fabrication Yard LLC	Subsidiary of Larsen & Toubro International FZE	No
79.	Larsen & Toubro (East Asia) SDN.BHD	Subsidiary	No
80.	Larsen & Toubro Qatar LLC @ @ @	Subsidiary of Larsen & Toubro International FZE	Yes

Notes forming part of the Financial Statements (contd.)

NOTE [51]

(a) List of related parties over which control exist and status of transactions entered during the year: (contd.)

Sr. No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
81.	L&T Overseas Projects Nigeria Limited	WOS of Larsen & Toubro International FZE	No
82.	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary of Larsen & Toubro International FZE	No
83.	L&T Electricals & Automation Saudi Arabia Company Limited LLC	Subsidiary of Larsen & Toubro International FZE	Yes
84.	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Subsidiary of Larsen & Toubro International FZE	No
85.	Larsen & Toubro Readymix & Asphalt Concrete Industries LLC#	Subsidiary of Larsen & Toubro International FZE	No
86.	Larsen & Toubro (Saudi Arabia) LLC	Subsidiary	Yes
87.	Larsen Toubro Arabia LLC	Subsidiary	Yes
88.	Larsen & Toubro ATCO Saudi LLC	Subsidiary of Larsen & Toubro International FZE	Yes
89.	Tamco Switchgear (Malaysia) SDN BHD	WOS of Larsen & Toubro International FZE	Yes
90.	Henikwon Corporation SDN. BHD	WOS of Tamco Switchgear (Malaysia) SDN. BHD	Yes
91.	Esencia Technologies, Inc.~~	Subsidiary of L&T Technology Services LLC	No
92.	L&T Infotech S. DE R.L. DE C.V.\$\$	Subsidiary of Larsen & Toubro Infotech Limited	No
93.	Tamco Electrical Industries Australia Pty Ltd.	WOS of Larsen & Toubro International FZE	No
94.	PT Tamco Indonesia	Subsidiary of Larsen & Toubro International FZE	Yes
95.	Larsen & Toubro Heavy Engineering LLC	Subsidiary of Larsen & Toubro International FZE	Yes
96.	L&T Electrical & Automation FZE	WOS of Larsen & Toubro International FZE	Yes
97.	Kana Controls General Trading & Contracting Company W.L.L.	Subsidiary of L&T Electrical & Automation FZE	No
98.	Larsen & Toubro T&D SA (Proprietary) Limited	Subsidiary of Larsen & Toubro International FZE	No
99.	L&T Technology Services LLC	WOS of L&T Technology Services Limited	Yes
100.	Larsen & Toubro Infotech Austria GmbH	WOS of Larsen & Toubro Infotech Limited	No
101.	L&T Global Holdings Limited	WOS	Yes
*	The Company has sold its stake on September 27, 2017		
**	Merged with the Company w.e.f. April 1, 2017		
***	The Company has sold its stake on September 9, 2016		
@	The Company has sold its stake on November 16, 2017		
@@	Merged with L&T Capital Market Limited w.e.f. April 1, 2017		
@@@	In the process of liquidation		
~~	The Company through its subsidiaries acquired stake on June 1,2017		
~~~	Incorporated on August 8,2017		
^	Incorporated on July 14, 2016		
^^	Applied for strike off		
#	The Company through its subsidiary sold its stake on September 28, 2017		
##	Merged with Larsen & Toubro Infotech Limited w.e.f. April 1, 2017		
###	Incorporated on March 17, 2017		
%	The Company through its subsidiary has sold its stake on March 20, 2017		
%%	Reclassified from joint venture to subsidiary due to additional purchase of stake on August 16, 2017		
\$	The Company through its subsidiary has acquired stake on December 11, 2017		
\$\$	The Company through its subsidiary has acquired stake on December 15, 2017		

## Notes forming part of the Financial Statements (contd.)

### NOTE [51] (contd.)

(b) (i) Name of associates with whom transactions were carried out during the year:

Sr. No.	Associate Companies
1.	L&T-Chiyoda Limited
2.	Feedback Infra Private Limited@
3.	Magtorq Private Limited

@ The Company has sold its stake on March 19, 2018.

(ii) Names of joint ventures with whom transactions were carried out during the year:

Sr. No.	Joint Ventures	Sr. No.	Joint Ventures
1.	Larsen & Toubro Electromech LLC***	2.	L&T Port Kachchigarh Limited*
3.	L&T-Sargent & Lundy Limited	4.	Ahmedabad-Maliya Tollway Limited
5.	L&T Interstate Road Corridor Limited	6.	L&T Halol-Shamlaji Tollway Limited
7.	L&T Chennai–Tada Tollway Limited	8.	Krishnagiri Walajahpet Tollway Limited
9.	L&T BPP Tollway Limited	10.	Devihalli Hassan Tollway Limited
11.	L&T Rajkot-Vadinar Tollway Limited	12.	L&T Howden Private Limited
13.	L&T Deccan Tollways Limited	14.	L&T Sapura Shipping Private Limited
15.	L&T Samakhiali Gandhidham Tollway Limited	16.	L&T Sapura Offshore Private Limited
17.	Kudgi Transmission Limited	18.	L&T-Gulf Private Limited
19.	L&T Sambalpur- Rourkela Tollway limited	20.	L&T-MHPS Boilers Private Limited
21.	L&T Infrastructure Development Projects Limited	22.	L&T-MHPS Turbine Generators Private Limited
23.	Panipat Elevated Corridor Limited	24.	Raykal Aluminium Company Private Limited
25.	Krishnagiri Thopur Toll Road Limited	26.	L&T Special Steels and Heavy Forgings Private Limited
27.	Western Andhra Tollways Limited	28.	PNG Tollway Limited
29.	Vadodara Bharuch Tollway Limited	30.	L&T Kobelco Machinery Private Limited
31.	L&T Transportation Infrastructure Limited	32.	LTIDPL INDVIT Services Limited (formerly known as L&T Western India Tollbridge Limited)
33.	L&T MBDA Missile Systems Limited**		

* Merged with Infrastructure Development Projects Limited w.e.f. April 1, 2016

**The joint venture is formed on April, 5, 2017

*** Reclassified from joint venture to subsidiary due to additional purchase of stake on August 16, 2017

(iii) Name of post-employment benefit plans with whom transactions were carried out during the year:

Sr. No.	Provident Fund Trust
1.	Larsen & Toubro Officers & Supervisory Staff Provident Fund
2.	Larsen & Toubro Limited Provident Fund of 1952
3.	Larsen & Toubro Limited Provident Fund
4.	L&T Kansbahal Officers & Supervisory Provident Fund
5.	L&T Kansbahal Staff & Workmen Provident Fund

Sr. No.	Gratuity Trust
1.	Larsen & Toubro Officers & Supervisors Gratuity Fund
2.	Larsen & Toubro Gratuity Fund

Superannuation Trust	
Larsen & Toubro Limited Senior Officers' Superannuation Scheme	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51] (contd.)

(iv) Name of key management personnel and their relatives with whom transactions were carried out during the year:

Sr. No.	Executive Directors	Sr. No.	Executive Directors
1.	Mr. A.M. Naik (Group Executive Chairman)*	2.	Mr. S. N. Subrahmanyam (Chief Executive Officer and Managing Director)#
3.	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)	4.	Mr. Shailendra Roy (Whole-time Director)
5.	Mr. D. K. Sen (Whole-time Director)	6.	Mr. M. V. Satish (Whole-time Director)
7.	Mr. J. D. Patil (Whole-time Director)**		

Sr. No.	Non-Executive Directors	Sr. No.	Non-Executive Directors
1.	Mr. M. M. Chitale	2.	Mr. Subodh Bhargava
3.	Mr. M. Damodaran	4.	Mr. Vikram Singh Mehta
5.	Mr. Adil Zainulbhai	6.	Mr. Akhilesh Krishna Gupta
7.	Mrs. Sunita Sharma	8.	Mr. Thomas Mathew T
9.	Mr. Ajay Shankar	10.	Mr. Subramanian Sarma
11.	Mrs. Naina Lal Kidwai	12.	Mr. Sanjeev Aga @@@
13.	Mr. Narayanan Kumar @@	14.	Mr. Arvind Gupta ##
15.	Mr. Sushobhan Sarker ###	16.	Mr. Swapan Dasgupta @
17.	Mr. Bahram Vakil ***		

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

# w.e.f. July 1, 2017 (till June 30, 2017 Whole-time Director)

** Appointed w.e.f. July 1, 2017

@@ Appointed w.e.f. May 27, 2016

@@@ Appointed w.e.f. May 25, 2016

*** Ceased w.e.f. August 1, 2016

@ Ceased w.e.f. May 15, 2016

## Appointed w.e.f. July 1, 2017

### Ceased w.e.f. May 2, 2018

(c) Disclosure of related party transactions:

Sr. No.	Nature of transaction/relationship/major parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
i.	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	1497.24		1121.13	
	L&T Shipbuilding Limited		729.89		428.06
	Hi-Tech Rock Products & Aggregates Limited		244.57		169.61
	L&T Geostucture LLP		237.24		172.14
	Joint ventures, including:	1802.47		2323.92	
	L&T-MHPS Boilers Private Limited		1382.61		1675.16
	L&T-MHPS Turbine Generators Private Limited		352.83		530.79
	Associates, including:	3.82		7.01	
	Feedback Infra Private Limited		1.50		2.58
	L&T-Chiyoda Limited				1.10
	Magtorq Private Limited		2.10		3.33
	Total	3303.53		3452.06	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(c) Disclosure of related party transactions: (contd.)

Sr. No.	Nature of transaction/relationship/major parties	₹ crore			
		2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
ii.	Sale of goods/contract revenue & services				
	Subsidiaries, including:	1370.43		2359.81	
	L&T Metro Rail (Hyderabad) Limited		770.34		1231.51
	L&T Seawoods Limited				281.62
	L&T Parel Project LLP		188.42		
	Nabha Power Limited				364.41
	Joint ventures, including:	415.69		1070.75	
	L&T Infrastructure Development Projects Limited		132.96		544.27
	L&T Deccan Tollways Limited		87.07		394.35
	L&T-MHPS Boilers Private Limited		178.54		124.02
	Associate:	0.13		0.14	
	L&T-Chiyoda Limited		0.13		0.14
	Total	1786.25		3430.70	
iii.	Purchase/lease of property, plant and equipment				
	Subsidiaries, including:	9.49		26.45	
	L&T Construction Equipment Limited		5.75		9.38
	L&T Hydrocarbon Engineering Limited		2.20		13.67
	Larsen & Toubro Infotech Limited		1.25		
	Joint ventures:	0.01		0.02	
	L&T Infrastructure Development Projects Limited		–		0.02
	L&T-MHPS Turbine Generators Private Limited		0.01		–
	Total	9.50		26.47	
iv.	Sale of property, plant and equipment				
	Subsidiaries, including:	0.54		58.68	
	L&T Valves Limited		–		45.01
	L&T Shipbuilding Limited		–		6.56
	L&T Hydrocarbon Engineering Limited		0.50		
	Total	0.54		58.68	
v.	Sale of receivables				
	Subsidiary:	–		297.01	
	L&T Finance Limited		–		297.01
	Total	–		297.01	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(c) Disclosure of related party transactions: (contd.)

Sr. No.	Nature of transaction/relationship/major parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
vi.	Investments including subscription to equity and preference shares considered as equity (including application money paid)				
	Subsidiaries, including:	2771.16		1262.84	
	L&T Technology Services Limited		–		750.00
	L&T Shipbuilding Limited		436.57		276.24
	L&T Finance Holdings Limited		2000.00		–
	Joint ventures, including:	261.01		(0.25)	
	L&T-MHPS Boilers Private Limited		–		(0.03)
	L&T-MHPS Turbine Generators Private Limited				(0.22)
	L&T Special Steels and Heavy Forgings Private Limited		260.65		–
	Total	3032.17		1262.59	
vii.	Investment in preference shares considered as debt				
	Subsidiary:	181.76		111.76	
	L&T Shipbuilding Limited		181.76		111.76
	Joint venture:	214.43		–	
	L&T Special Steels and Heavy Forgings Private Limited		214.43		–
	Total	396.19		111.76	
viii.	Purchase of investments from				
	Subsidiary:	–		388.00	
	L&T Shipbuilding Limited		–		388.00
	Joint venture:	–		2041.57	
	L&T Infrastructure Development Projects Limited		–		2041.57
	Total	–		2429.57	
ix.	Sale/Redemption of investments				
	Subsidiaries, including:	210.00		761.08	
	L&T Seawoods Limited		210.00		–
	L&T Technology Services Limited		–		750.00
	Total	210.00		761.08	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(c) Disclosure of related party transactions: (contd.)

Sr. No.	Nature of transaction/relationship/major parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
x.	Net inter corporate deposits given/(returned)				
	Subsidiaries, including:	(1202.30)		(1593.81)	
	L&T Shipbuilding Limited		(286.50)		(1409.00)
	Nabha Power Limited		(986.21)		698.27
	EWAC Alloys Limited		–		(503.95)
	L&T Realty Limited		–		(174.13)
	L&T Seawoods Limited		–		(189.00)
	Joint venture:	211.89		387.50	
	L&T Special Steels and Heavy Forgings Private Limited		211.89		387.50
	Total	(990.41)		(1206.31)	
xi.	Net inter corporate borrowing taken/(repaid)				
	Subsidiaries, including:	420.80		(3.75)	
	L&T Seawoods Limited		294.89		–
	L&T Hydrocarbon Engineering Limited		124.41		5.50
	L&T Cutting Tools Limited		–		(9.25)
	Total	420.80		(3.75)	
xii.	Charges paid for miscellaneous services				
	Subsidiaries, including:	137.62		139.13	
	Larsen & Toubro Infotech Limited		105.35		101.42
	L&T Aviation Services Private Limited		17.86		23.74
	Joint ventures, including:	4.36		3.64	
	L&T-Sargent & Lundy Limited		4.18		3.62
	Associates, including:	–		0.19	
	Feedback Infra Private Limited		–		0.17
	Total	141.98		142.96	
xiii.	Rent paid, including lease rentals under leasing/hire purchase arrangements				
	Subsidiaries, including:	1.16		1.37	
	L&T Electrical & Automation FZE		0.80		0.79
	PT Tamco Indonesia		0.28		0.31
	Total	1.16		1.37	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(c) Disclosure of related party transactions: (contd.)

Sr. No.	Nature of transaction/relationship/major parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
xiv.(a)	Charges incurred for deputation of employees from related parties				
	Subsidiaries, including:	11.06		12.65	
	L&T Electricals & Automation Saudi Arabia Company Limited LLC		1.19		1.38
	L&T Electrical & Automation FZE		6.99		6.16
	PT Tamco Indonesia		1.50		1.55
	Total	11.06		12.65	
xiv.(b)	Charges recovered for deputation of employees to related parties				
	Subsidiaries, including:	88.00		84.47	
	L&T Parel Project LLP		24.58		22.39
	L&T Electrical & Automation FZE				8.54
	L&T Construction Equipment Limited		11.40		8.97
	L&T Geostucture LLP		14.30		
	Joint ventures, including:	4.65		3.99	
	L&T-MHPS Boilers Private Limited		0.50		0.64
	L&T Special Steels and Heavy Forgings Private Limited		1.97		1.21
	L&T Infrastructure Development Projects Limited		2.17		2.14
	Associate:	15.81		18.01	
	L&T-Chiyoda Limited		15.81		18.01
	Total	108.46		106.47	
xv.	Dividend received				
	Subsidiaries, including:	535.59		405.47	
	Larsen & Toubro Infotech Limited		264.98		149.48
	L&T Technology Services Limited		95.57		99.05
	L&T Finance Holdings Limited		93.58		93.58
	L&T Hydrocarbon Engineering Limited		60.90		–
	Total	535.59		405.47	
xvi.	Commission received, including those under agency arrangements				
	Subsidiary:	7.95		5.82	
	L&T Construction Equipment Limited		7.95		5.82
	Joint venture:	2.00		0.65	
	L&T Kobelco Machinery Private Limited		2.00		0.65
	Total	9.95		6.47	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(c) Disclosure of related party transactions: (contd.)

Sr. No.	Nature of transaction/relationship/major parties	₹ crore			
		2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xvii.	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	532.50		422.94	
	Larsen & Toubro Infotech Limited		77.58		67.78
	L&T Technology Services Limited				49.04
	L&T Hydrocarbon Engineering Limited		122.10		90.99
	L&T Geostucture LLP		107.92		77.44
	Joint ventures, including:	90.38		90.07	
	L&T-MHPS Boilers Private Limited		40.86		35.50
	L&T-Sargent & Lundy Limited		13.58		17.70
	L&T-MHPS Turbine Generators Private Limited				9.64
	Associate:	17.78		2.77	
	L&T-Chiyoda Limited		17.78		2.77
	Key management personnel:	0.08		0.07	
	Mr. D.K. Sen		0.08		0.07
	Total	640.74		515.85	
xviii.	Guarantee charges recovered from				
	Subsidiaries, including:	36.81		30.98	
	Nabha Power Limited		7.07		9.45
	L&T Shipbuilding Limited		4.50		
	L&T Hydrocarbon Engineering Limited		9.07		6.54
	Larsen & Toubro (Saudi Arabia) LLC		4.16		4.64
	Larsen Toubro Arabia LLC		7.97		5.53
	Total	36.81		30.98	
xix.	Interest received from				
	Subsidiaries, including:	109.69		248.30	
	L&T Shipbuilding Limited		42.13		71.21
	Nabha Power Limited		56.83		62.41
	Marine Infrastructure Developer Private Limited		–		69.64
	Joint ventures, including:	102.05		79.54	
	L&T Special Steels and Heavy Forgings Private Limited		102.05		78.98
	Total	211.74		327.84	



## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(c) Disclosure of related party transactions: (contd.)

Sr. No.	Nature of transaction/relationship/major parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
xx.	Interest paid to				
	Subsidiaries, including:	124.87		45.38	
	L&T Hydrocarbon Engineering Limited		98.24		40.27
	L&T Seawoods Limited		25.02		
	Joint venture:	33.06		–	
	L&T Infrastructure Development Projects Limited		33.06		–
	Total	157.93		45.38	
xxi.	Amount written off as bad debts	–			
	Joint ventures, including:		–	0.55	
	Krishnagiri Thopur Toll Road Limited		–		0.31
	Western Andhra Tollways Limited		–		0.07
	L&T Interstate Road Corridor Limited		–		0.13
	Total	–		0.55	
xii.	Amount recognised in P&L as provision towards bad and doubtful debts (including expected credit loss on account of delay)				
	Subsidiaries, including:	(6.03)		4.34	
	L&T Hydrocarbon Engineering Limited		(0.83)		–
	Nabha Power Limited		2.93		1.87
	L&T Electricals & Automation Saudi Arabia Company Limited LLC		(7.25)		2.22
	Joint ventures, including:	22.69		24.11	
	PNG Tollway Limited		–		22.11
	L&T-MHPS Boilers Private Limited		21.66		–
	Total	16.66		28.45	
xxiii.	Amount recognised in P&L on account of impairment loss/provision on investment:				
	Subsidiaries, including:	0.75		–	
	Larsen & Toubro Hydrocarbon International Limited LLC		0.68		–
	Joint venture:	–		950.00	
	L&T Infrastructure Development Projects Limited		–		950.00
	Total	0.75		950.00	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(c) Disclosure of related party transactions: (contd.)

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xxiv.	Contribution to post-employment benefit plan				
(a)	Transaction with trust managed provident fund				
(i)	Towards employer's contribution:	64.13		59.68	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		54.35		51.52
	Larsen & Toubro Limited Provident Fund of 1952		8.45		6.64
	Total	64.13		59.68	
(b)	Transaction with approved gratuity fund				
(i)	Towards employer's contribution:	6.18		29.85	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		5.01		23.59
	Larsen & Toubro Gratuity Fund		1.17		6.26
	Total	6.18		29.85	
(ii)	Towards advance contribution/(refund):	(175.00)		-	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		(142.30)		-
	Larsen & Toubro Gratuity Fund		(32.70)		-
	Total	(175.00)		-	
(c)	Transaction with superannuation trust				
	Towards employer's contribution:	3.25		3.32	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		3.25		3.32
	Total	3.25		3.32	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

xxv. Compensation paid to key management personnel:

		₹ crore						
Key Management Personnel	2017-18				2016-17			
	Short-term employee benefits	Post-employment benefits	Other long term benefits	Total	Short-term employee benefits	Post-employment benefits	Other long term benefits	Total
Executive Directors:								
(a) Mr. A. M. Naik (Group Executive Chairman upto September 30, 2017)	11.58	56.80 [^]	19.38 [*]	87.76	21.86	5.83	32.21 [*]	59.90
(b) Mr. S. N. Subrahmanyam	13.99	3.70	-	17.69	13.26	3.51	-	16.77
(c) Mr. R. Shankar Raman	9.16	2.42	-	11.58	9.00	2.38	-	11.38
(d) Mr. Shailendra Roy	7.96	1.83	-	9.79	8.13	1.93	-	10.06
(e) Mr. D. K. Sen	6.37	1.69	-	8.06	6.20	1.57	-	7.77
(f) Mr. M. V. Satish	5.86	1.52	-	7.38	5.96	1.44	-	7.40
(g) Mr. J. D. Patil **	3.14	0.81	-	3.95	-	-	-	-
Non-Executive Directors:								
(a) Mr. A. M. Naik (Group Chairman w.e.f. October 1, 2017)	2.54	1.50 ^{***}	-	4.04	-	-	-	-
(b) Other Non-Executive Directors	3.82	-	-	3.82	4.37	-	-	4.37
<b>Total</b>	<b>64.42</b>	<b>70.27</b>	<b>19.38</b>	<b>154.07</b>	<b>68.78</b>	<b>16.66</b>	<b>32.21</b>	<b>117.65</b>

[^] Post-employment benefits include gratuity ₹ 55.04 crore

**Appointed w.e.f. July 1, 2017.

^{*} Represents encashment of past service accumulated leave

^{***} Represents pension

## Notes forming part of the Financial Statements (contd.)

### NOTE [51] (contd.)

(d) Amount due to/from related parties (including commitments):

Sr. No.	Category of balance/relationship/major parties	₹ crore			
		As at 31-3-2018		As at 31-3-2017	
		Amount	Amounts for major parties	Amount	Amounts for major parties
i.	Accounts receivable				
	Subsidiaries, including:	458.44		528.35	
	L&T Metro Rail (Hyderabad) Limited		188.22		212.29
	L&T Seawoods Limited		64.03		
	Joint ventures, including:	289.15		404.08	
	L&T-MHPS Boilers Private Limited		78.87		65.55
	L&T Infrastructure Development Projects Limited		40.66		78.42
	L&T Samakhiali Gandhidham Tollway Limited		38.19		43.30
	L&T Deccan Tollways Limited		33.22		125.63
	Krishnagiri Walajahpet Tollway Limited		42.68		44.68
	Associate:	0.15		–	
	L&T-Chiyoda Limited		0.15		–
	Total	747.74		932.43	
ii.	Accounts payables, including other payables				
	Subsidiaries, including:	771.22		634.97	
	L&T Shipbuilding Limited		78.23		
	Hi-Tech Rock Products & Aggregates Limited		89.21		103.27
	Larsen & Toubro (Oman) LLC		98.12		118.89
	L&T Geostructure LLP		234.82		108.78
	Joint ventures, including:	1019.17		1844.04	
	L&T-MHPS Boilers Private Limited		276.37		1171.07
	L&T-MHPS Turbine Generators Private Limited		700.05		605.53
	Associates, including:	0.61		1.99	
	Feedback Infra Private Limited				1.27
	Magtorq Private Limited		0.43		0.57
	L&T-Chiyoda Limited		0.18		
	Total	1791.00		2481.00	
iii.	Investment in debt securities				
	Subsidiaries, including:	867.35		627.85	
	L&T Shipbuilding Limited		867.35		605.10
	Joint ventures:	987.58		264.42	
	L&T Special Steels and Heavy Forgings Private Limited		217.73		–
	Kudgi Transmission Limited		509.49		–
	L&T Infrastructure Development Private Limited		260.36		264.42
	Total	1854.93		892.27	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(d) Amount due to/from related parties: (contd.)

		₹ crore			
Sr. No.	Category of balance/relationship/major parties	As at 31-3-2018		As at 31-3-2017	
		Amount	Amounts for major parties	Amount	Amounts for major parties
iv.	Loans and advances recoverable				
	Subsidiaries, including:	2134.44		3199.61	
	L&T Shipbuilding Limited		763.09		932.58
	L&T Geostructure LLP		223.11		
	Nabha Power Limited		615.10		1587.64
	Joint ventures, including:	1621.11		1665.63	
	L&T Special Steels and Heavy Forgings Private Limited		1399.58		1184.98
	L&T-MHPS Boilers Private Limited				215.18
	L&T-MHPS Turbine Generators Private Limited				210.22
	Associates, including:	0.39		4.36	
	L&T-Chiyoda Limited		0.79		3.96
	Total	3755.94		4869.60	
v.	Advances against equity contribution				
	Subsidiaries:	19.45		6.35	
	L&T Uttaranchal Hydropower Limited		19.45		–
	L&T Metro Rail (Hyderabad) Limited		–		6.35
	Total	19.45		6.35	
vi.	Unsecured loans (including lease finance)				
	Subsidiaries, including:	426.30		5.52	
	L&T Hydrocarbon Engineering Limited		129.91		5.52
	L&T Seawoods Limited		294.89		–
	Total	426.30		5.52	
vii.	Advances received in the capacity of supplier of goods/services classified as "advances from customers" in the Balance Sheet				
	Subsidiaries, including:	74.69		90.12	
	L&T Metro Rail (Hyderabad) Limited				73.15
	L&T Seawoods Limited		28.15		
	L&T Hydrocarbon Engineering Limited		29.95		
	Joint ventures, including:	17.00		23.21	
	L&T-MHPS Boilers Private Limited		17.00		21.54
	Total	91.69		113.33	
viii.	Due to directors #:				
	(Key management personnel)	49.11		55.58	
	Mr. A. M. Naik		9.77		18.24
	Mr. S. N. Subrahmanyam		11.58		11.29
	Mr. R. Shankar Raman		7.39		7.41
	Mr. Shailendra Roy		5.32		5.84
	Mr. D. K. Sen		5.19		4.93
	Mr. M. V. Satish		4.50		4.32
	Mr. J. D. Patil		2.28		–
	Total	49.11		55.58	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(d) Amount due to/from related parties: (contd.)

Sr. No.	Category of balance/relationship/major parties	₹ crore			
		As at 31-3-2018		As at 31-3-2017	
		Amount	Amounts for major parties	Amount	Amounts for major parties
ix.	Post employment benefit plan				
(a)	Trust managed provident fund				
(i)	Amount due to:	9.02		10.63	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		8.38		10.07
	Total	9.02		10.63	
(b)	Approved gratuity fund	45.05		61.75	
(i)	Amount due to:				
	Larsen & Toubro Officers & Supervisors Gratuity Fund		36.31		50.05
	Larsen & Toubro Gratuity Fund		8.75		11.70
	Total	45.05		61.75	
(c)	Superannuation trust				
(i)	Amount due to:	6.74		7.79	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		6.74		7.79
	Total	6.74		7.79	
x.(a)	Capital commitment given				
	Subsidiaries, including:	84.39		8.93	
	L&T Shipbuilding Limited		47.25		–
	Larsen & Toubro Heavy Engineering LLC		33.59		–
	L&T Construction Equipment Limited				5.30
	L&T Technology Services Limited				1.60
	L&T Hydrocarbon Engineering Limited				1.99
	Joint venture:	0.13		–	
	L&T Special Steels and Heavy Forgings Private Limited		0.13		–
	Total	84.52		8.93	
x.(b)	Revenue commitment given				
	Subsidiaries, including:	1476.64		1660.62	
	L&T Shipbuilding Limited		1185.88		1260.35
	L&T Geostucture LLP				290.20
	Joint ventures, including:	1205.16		3386.85	
	L&T-MHPS Boilers Private Limited		667.58		2232.20
	L&T-MHPS Turbine Generators Private Limited		394.67		1086.15
	Associates, including:	5.50		3.89	
	Feedback Infra Private Limited		–		0.80
	L&T-Chiyoda Limited		1.87		0.96
	Magtorq Private Limited		3.63		2.13
	Total	2687.30		5051.36	

## Notes forming part of the Financial Statements (contd.)

### NOTE [51]

(d) Amount due to/from related parties: (contd.)

Sr. No.	Category of balance/relationship/major parties	₹ crore			
		As at 31-3-2018		As at 31-3-2017	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xi.	Commitment to fund				
	Subsidiaries:	715.45		1063.20	
	L&T Uttaranchal Hydropower Limited		233.45		442.75
	L&T Metro Rail (Hyderabad) Limited		482.00		620.45
	Total	715.45		1063.20	
xii.	Revenue commitment received				
	Subsidiaries, including:	1329.55		2261.68	
	L&T Metro Rail (Hyderabad) Limited		693.54		1396.43
	L&T Parel Project LLP		195.41		397.04
	L&T Asian Realty Project LLP		149.67		237.62
	L&T Construction Equipment Limited		156.46		–
	Joint ventures, including:	76.10		138.67	
	L&T MBDA Missile Systems Limited				
	L&T Deccan Tollways Limited		15.24		25.95
	L&T Infrastructure Development Projects Limited		13.70		60.00
	Krishnagiri Walajahpet Tollway Limited		13.63		
	L&T Samakhiali Gandhidham Tollway Limited		13.08		
	L&T BPP Tollway Limited		20.43		26.27
	Total	1405.65		2400.35	
xiii.	Capital commitment received				
	Subsidiary:	–		0.77	
	L&T Shipbuilding Limited		–		0.77
	Total	–		0.77	
xiv.	Provision for doubtful debts related to the amount of outstanding balances				
	Subsidiaries, including:	8.56		16.64	
	Nabha Power Limited		3.52		2.46
	L&T Electricals & Automation Saudi Arabia Company Limited LLC		1.81		9.06
	Larsen & Toubro Heavy Engineering LLC		0.90		
	Joint ventures, including:	52.73		31.99	
	L&T-MHPS Boilers Private Limited		21.84		
	PNG Tollway Limited		25.08		25.08
	Total	61.29		48.63	

“Major parties” denote entities account for 10% or more of the aggregate for that category of balance during respective period.

# Includes commission due to non-executive directors ₹ 3.08 crore (as at 31-3-2017: ₹ 3.55 crore).

Note: 1. All the related party contracts / arrangements have been entered on arms' length basis.

2. The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

## Notes forming part of the Financial Statements (contd.)

### NOTE [52]

Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":

Particulars		2017-18	2016-17
<b>Basic earnings per share</b>			
Profit after tax as per accounts (₹ crore)	A	5387.30	5453.74
Weighted average number of equity shares outstanding	B	1,40,06,13,951	1,39,85,23,545
<b>Basic EPS (₹)</b>	A/B	38.46	39.00
<b>Diluted earnings per share</b>			
Profit after tax as per accounts (₹ crore)	A	5387.30	5453.74
Weighted average number of equity shares outstanding	B	1,40,06,13,951	1,39,85,23,545
Add: Weighted average number of potential equity shares on account of employee stock options	C	35,69,417	47,40,600
Weighted average number of equity shares outstanding for diluted EPS	D=B+C	1,40,41,83,368	1,40,32,64,145
<b>Diluted EPS (₹)</b>	A/D	38.37	38.86
Face value per share (₹)		2	2

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share:

Particulars	2017-18	2016-17
Weighted average number of potential equity shares on account of conversion of foreign currency convertible bonds	95,20,455	95,20,455

Note: The basic and diluted EPS and number of potential equity shares on account of conversion of foreign currency convertible bonds for the year 2016-17 have been restated pursuant to the issue of bonus equity shares in the ratio of 1:2 (one bonus equity share of ₹ 2 each for every two equity share of ₹ 2 each held).

### NOTE [53]

Disclosure pursuant to Ind AS 27 "Separate Financial Statements"

Investment in following subsidiary companies, joint venture companies and associates is accounted at cost.

#### Subsidiaries:

Sr. No.	Name of the subsidiary company	Principal place of business	As at 31-3-2018			As at 31-3-2017		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)
<b>Indian subsidiaries</b>								
1.	L&T Cutting Tools Limited **	India	–	–	–	100.00	100.00	100.00
2.	Bhilai Power Supply Company Limited	India	99.90	99.90	99.90	99.90	99.90	99.90
3.	Spectrum Infotech Private Limited ^	India	–	–	–	100.00	100.00	100.00
4.	L&T Shipbuilding Limited	India	97.00	97.00	97.00	97.00	97.00	97.00
5.	L&T Electricals and Automation Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
6.	Hi-Tech Rock Products and Aggregates Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
7.	L&T Seawoods Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
8.	Kesun Iron and Steel Company Private Limited	India	95.00	95.00	95.00	95.00	95.00	95.00
9.	L&T EWAC Alloys Limited *	India	–	–	–	100.00	100.00	100.00
10.	L&T Geostructure LLP	India	74.00	74.00	74.00	74.00	74.00	74.00
11.	L&T Valves Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
12.	L&T Realty Limited	India	100.00	100.00	100.00	100.00	100.00	100.00

## Notes forming part of the Financial Statements (contd.)

### NOTE [53] (contd.)

Sr. No.	Name of the subsidiary company	Principal place of business	As at 31-3-2018			As at 31-3-2017		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)
<b>Indian subsidiaries</b>								
13.	L&T Power Limited	India	99.99	99.99	99.99	99.99	99.99	99.99
14.	L&T Cassidian Limited%	India	100.00	100.00	100.00	74.00	74.00	74.00
15.	L&T Aviation Services Private Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
16.	Larsen & Toubro Infotech Limited	India	82.96	82.96	82.96	84.28	84.28	84.28
17.	L&T Finance Holdings Limited	India	64.01	64.01	64.01	66.62	66.62	66.62
18.	L&T Capital Company Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
19.	L&T Power Development Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
20.	L&T Metro Rail (Hyderabad) Limited	India	99.99	99.99	99.99	99.99	99.99	99.99
21.	L&T Technology Services Limited	India	88.64	88.64	88.64	89.77	89.77	89.77
22.	L&T Construction Equipment Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
23.	L&T Infrastructure Engineering Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
24.	L&T Hydrocarbon Engineering Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
25.	Seawoods Retail Private Limited %	India	100.00	100.00	100.00	100.00	100.00	100.00
26.	Seawoods Realty Private Limited %	India	100.00	100.00	100.00	100.00	100.00	100.00
27.	Marine Infrastructure Developer Private Limited	India	97.00	97.00	97.00	97.00	97.00	97.00

* The Company has sold its stake on November 16, 2017

** The Company has sold its stake on September 27, 2017

^ Merged with the Company w.e.f. April 1, 2017

% Applied for strike off

#### Foreign subsidiaries:

Sr. No.	Name of the subsidiary company	Principal place of business	As at 31-3-2018			As at 31-3-2017		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)
<b>Foreign subsidiaries</b>								
1.	Larsen & Toubro LLC	USA	95.24	99.19	99.19	95.24	100.00	100.00
2.	Larsen & Toubro Hydrocarbon International Limited LLC	Kindgom of Saudi Arabia	90.00	100.00	100.00	90.00	100.00	100.00
3.	Larsen & Toubro (Saudi Arabia) LLC	Kindgom of Saudi Arabia	4.35	100.00	100.00	4.35	100.00	100.00
4.	L&T Global Holdings Limited	UAE	100.00	100.00	100.00	100.00	100.00	100.00

#### Associate companies:

Sr. No.	Name of the associate company	Principal place of business	As at 31-3-2018			As at 31-3-2017		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)
1.	Gujarat Leather Industries Limited @	India	50.00	50.00	50.00	50.00	50.00	50.00
2.	Magtorq Private Limited	India	42.85	42.85	42.85	42.85	42.85	42.85

@ Under liquidation



## Notes forming part of the Financial Statements (contd.)

### NOTE [53] (contd.)

#### Joint ventures:

Sr. No.	Name of the joint venture	Principal place of business	As at 31-3-2018		As at 31-3-2017	
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)
1.	L&T Chennai–Tada Tollway Limited	India	^	97.45	^	97.45
2.	L&T Rajkot-Vadinar Tollway Limited	India	^	97.45	^	97.45
3.	L&T Samakhiali Gandhidham Tollway Limited	India	0.02	97.45	0.02	97.45
4.	L&T Infrastructure Development Projects Limited	India	97.45	97.45	97.45	97.45
5.	L&T Transportation Infrastructure Limited	India	26.24	98.12	26.24	98.12
6.	Ahmedabad-Maliya Tollway Limited	India	^	97.45	^	97.45
7.	L&T Halol-Shamlaji Tollway Limited	India	^	47.75	^	47.75
8.	Krishnagiri Walajahpet Tollway Limited	India	–	97.45	^	97.45
9.	Devihalli Hassan Tollway Limited	India	–	97.45	0.01	97.45
10.	L&T Howden Private Limited	India	50.10	50.10	50.10	50.10
11.	L&T-MHPS Boilers Private Limited	India	51.00	51.00	51.00	51.00
12.	L&T-MHPS Turbine Generators Private Limited	India	51.00	51.00	51.00	51.00
13.	Raykal Aluminium Company Private Limited	India	75.50	75.50	75.50	75.50
14.	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00	74.00	74.00
15.	PNG Tollway Limited	India	13.26	72.11	13.26	72.11
16.	L&T Kobelco Machinery Private Limited	India	51.00	51.00	51.00	51.00
17.	L&T MBDA Missile Systems Limited *	India	51.00	51.00	–	–
18.	L&T-Sargent & Lundy Limited	India	50.00	50.00	50.00	50.00

* The joint venture is formed on April 05, 2017.

^ Proportion of direct ownership is less than 0.01%.

### NOTE [54]

Disclosures pursuant to Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”

#### a) Movement in provisions:

₹ crore

Sr. No.	Particulars	Class of provisions					Total
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation related obligations	Contractual rectification cost - construction contracts	Others	
1.	Balance as at 1-4-2017	21.25	181.89	8.22	263.34	–	474.70
2.	Additional provision during the year	23.72	36.24	–	153.64	17.99	231.59
3.	Provision used during the year	(10.15)	(31.84)	–	–	–	(41.99)
4.	Unused provision reversed during the year	(0.14)	(7.64)	–	(191.69)	–	(199.47)
5.	Additional provision for unwinding of interest and change in discount rate	0.29	–	0.49	–	–	0.78
6.	Transfer under scheme of arrangement	0.50	–	–	–	–	0.50
7.	Balance as at 31-3-2018 (7=1+2+3+4+5+6)	35.47	178.65	8.71	225.29	17.99	466.11

## Notes forming part of the Financial Statements (contd.)

### NOTE [54]

Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" (contd.)

b) Nature of provisions:

- i. Product warranties: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2018 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of 2 to 4 years from the date of the Balance Sheet.
- ii. Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms.
- iii. Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.
- iv. Contractual rectification cost represents the estimated cost the Company is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under Ind AS 11 "Construction Contracts".

c) Disclosure in respect of contingent liabilities is given as part of Note 29 to the Balance Sheet.

### NOTE [55]

Auditors' remuneration (excluding service tax):

₹ crore

Sr. No.	Particulars	2017-18	2016-17
a.	Paid as Auditor		
	(i) Statutory audit fees	1.90	2.45
	(ii) Limited review of standalone and consolidated financial statements on a quarterly basis	1.50	1.30
b.	For Taxation matters	0.46	0.48
c.	For Company law matters	0.30	0.25
d.	For Other services including certification work	0.52	0.58
e.	For Reimbursement of expenses	0.20	0.27

### NOTE [56]

Contribution to political parties during the year 2017-18 is ₹ Nil (previous year: ₹ Nil)

### NOTE [57]

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2018. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	2017-2018	2016-17
Principal amount due to suppliers under MSMED Act, 2006	66.85	52.83
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.28	0.40
Payment made to suppliers (other than interest) beyond the appointed day during the year	142.30	187.48
Interest paid to suppliers under MSMED Act (other than Section 16)	0.02	–
Interest paid to suppliers under MSMED Act (Section 16)	0.11	–
Interest due and payable to suppliers under MSMED Act for payments already made	5.68	3.54
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	10.20	10.22
Amount of further interest remaining due and payable even in the succeeding years	8.14	8.14

## Notes forming part of the Financial Statements (contd.)

### NOTE [58]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2018.

### NOTE [59]

Disclosure in respect of joint operations:

I(a) Name of joint operation (with specific ownership interest in the arrangement):

Sr. No.	Name of the joint operation	Proportion of ownership interest %	Principal place of business	Description of interest
1.	Desbuild L&T Joint Venture	49%	India	Jointly Controlled Entity (Renovation of US Consulate, Chennai).
2.	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	50%	India	Jointly Controlled Entity (Design & Build work for Construction of TCS SEZ at Kolkata, West Bengal).
3.	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture	80%	Qatar	Jointly Controlled Entity (Main Construction Works for Al Rayyan Stadium and Precint).
4.	L&T-AM Tapovan Joint Venture	65%	India	Jointly Controlled Entity (Construction of Head Race Tunnel for Tapovan Vishnugad Hydro Electric project in Uttaranchal State).
5.	HCC-L&T Purulia Joint Venture	43%	India	Jointly Controlled Entity (Construction of Pumped Storage Project).
6.	International Metro Civil Contractors Joint Venture	26%	India	Jointly Controlled Entity (Construction of Delhi Metro Corridor Phase I Tunnel Project).
7.	Metro Tunneling Group	26%	India	Jointly Controlled Entity (Construction of Delhi Metro Corridor-Phase II Tunnel Project).
8.	L&T-Hochtief Seabird Joint Venture	90%	India	Jointly Controlled Entity (Construction of breakwater, Karwar).
9.	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	75%	India	Jointly Controlled Entity (Construction of UG Stations at Nehru Park, KMC and Pachiyappas College and associated tunnels for CMRL).
10.	Metro Tunneling Delhi- L&T Shanghai Urban Construction (Group) Corporation Joint Venture	60%	India	Jointly Controlled Entity (Construction of Delhi Metro Corridor- Tunnel Project-Phase-CC5).
11.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	68%	India	Jointly Controlled Entity (Design and Construction of Tunnel for Delhi MRTS Project of Phase-III).
12.	Aktor-Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	22%	Qatar	Jointly Controlled Entity (Contract for Design & Build Package 3, Gold Line Underground, a part of the construction of the Qatar integrated Railway Project).
13.	Civil Works Joint Venture	29%	Saudi Arabia	Jointly Controlled Entity (Contract for Detail Design, Construction and Commissioning of Package 2 of The Riyadh Metro Project).
14.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	51%	India	Jointly Controlled Entity (Construction of Twin Tunnel between IGI Airport and Sector 21 for DMRC).
15.	DAEWOO and L&T Joint Venture	50%	India	Jointly Controlled Entity (EPC for construction of Greenfield six-Lane Extradosed Cable Bridge over Ganga River).

## Notes forming part of the Financial Statements (contd.)

### NOTE [59] (contd.)

Sr. No.	Name of the joint operation	Proportion of ownership interest %	Principal place of business	Description of interest
16.	L&T-STEC JV MUMBAI	65%	India	Jointly Controlled Entity (Design and Construction of Underground Section including Three Underground Stations at Marol Naka, MIDC and SEEPZ and Associated Tunnels).
17.	L&T-ISDPL (JV)^	100%	India	Jointly Controlled Entity (Construction of Inner Harbour for Project Varsha at Visakapatnam).
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 Mafrag Joint Venture *	100%	UAE	Jointly Controlled Entity (Improvement of Mafrag to AL Ghwaifat Border Post Highway Section No.4A).
24.	L&T-AL-Sraiya LRDP 6 Joint Venture	75%	Qatar	Jointly Controlled Entity (Execution of the Roads and Infrastructure in Doha Industrial Area).
25.	Larsen & Toubro Limited & NCC Limited Joint Venture	55%	India	Jointly Controlled Entity (Supply and construction of 2 parallel 2100 mm diameter steel gravity mains conduit pipes from Palra to Bhureka).
26.	Besix-Larsen & Toubro Joint Venture	50%	Dubai	Jointly Controlled Entity (DS 150/2 Jabel Ali Sewage Treatment Plant Phase 2).
27.	Larsen & Toubro Ltd - Passavant Energy & Environment JV ^	50%	India	Jointly Controlled Entity (Construction of 318MLD Wastewater Treatment Plant with 10 years O&M at Coronation Pillar, Delhi).
28.	LNT-Shriram EPC Tanzania UJV%	90%	Tanzania	Jointly Controlled Entity (Extension of Lake Victoria Pipeline to Tabora, Nzega and Igunga Towers, Tanzania).
29.	LTH Milcom Private Limited	56.67%	India	Jointly Controlled Entity.

* As at March 31, 2017, proportion of ownership interest was 60%

**The joint operation is in the process of liquidation

^ The joint operation has been formed on October 12, 2016

^^ The joint operation has been formed on December 1, 2017

^^^ The joint operation has been formed on July 14, 2017

*** The joint operation has been formed on April 25, 2016

% The joint operation has been formed on December 25, 2016

## Notes forming part of the Financial Statements (contd.)

### NOTE [59] (contd.)

(b) Financial interest in joint operation (to the extent of Company's share):

₹ crore

Sr. No.	Name of the joint operation	Year	Company's share							
			As at period end		For the year					
			Total Assets	Total Liabilities	Total Income	Total Expense excluding tax	Total tax	Profit after tax	Other Comprehensive Income	Total Comprehensive Income
1.	Desbuild L&T Joint Venture	2017-18	0.053	(0.592)	–	0.001	–	(0.001)	–	(0.001)
		2016-17	0.647	0.002	–	0.001	–	(0.001)	–	(0.001)
2.	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	2017-18	26.753	57.636	1.174	1.539	–	(0.365)	–	(0.365)
		2016-17	29.329	59.847	(7.822)	7.643	–	(15.465)	–	(15.465)
3.	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture	2017-18	532.638	531.469	626.043	626.603	–	(0.560)	0.003	(0.557)
		2016-17	275.057	273.330	188.727	186.944	–	1.783	(0.056)	1.727
4.	L&T - AM Tapovan Joint Venture	2017-18	141.500	183.162	0.503	0.520	–	(0.017)	–	(0.017)
		2016-17	143.338	184.982	–	0.692	–	(0.692)	–	(0.692)
5.	HCC - L&T Purulia Joint Venture	2017-18	2.966	(0.906)	–	0.013	–	(0.013)	–	(0.013)
		2016-17	6.572	2.688	–	0.008	–	(0.008)	–	(0.008)
6.	International Metro Civil Contractors Joint Venture	2017-18	9.766	10.110	0.059	0.048	0.018	(0.007)	–	(0.007)
		2016-17	9.743	10.079	0.047	0.018	(0.001)	0.030	–	0.030
7.	Metro Tunneling Group	2017-18	11.457	0.755	0.753	0.021	0.285	0.447	–	0.447
		2016-17	11.461	1.207	0.870	0.066	0.312	0.492	–	0.492
8.	L&T - Hochtief Seabird Joint Venture	2017-18	23.831	(50.477)	–	0.013	–	(0.013)	–	(0.013)
		2016-17	74.326	0.005	–	(0.251)	0.089	0.162	–	0.162
9.	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	2017-18	87.298	121.548	27.249	29.078	–	(1.829)	0.520	(1.309)
		2016-17	94.692	127.633	40.015	74.094	0.319	(34.398)	(0.510)	(34.908)
10.	Metro Tunneling Delhi- L&T Shanghai Urban Construction (Group) Corporation Joint Venture	2017-18	54.269	55.786	2.593	10.377	–	(7.784)	–	(7.784)
		2016-17	99.376	93.108	58.266	52.606	0.036	5.624	–	5.624
11.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	2017-18	94.892	221.616	50.094	106.114	–	(56.020)	(0.009)	(56.029)
		2016-17	169.850	240.545	46.692	121.573	0.069	(74.950)	(0.074)	(75.024)
12.	Aktor- Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	2017-18	491.395	489.967	997.411	997.008	–	0.403	0.010	0.413
		2016-17	588.525	587.509	1007.766	1006.718	–	1.048	(0.033)	1.015
13.	Civil Works Joint Venture	2017-18	1717.123	1500.921	1901.446	1573.576	–	327.870	4.332	332.202
		2016-17	1792.328	1620.490	2238.447	1880.248	–	358.199	(16.597)	341.602
14.	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	2017-18	14.272	6.334	0.551	0.011	0.194	0.346	–	0.346
		2016-17	13.958	6.365	0.582	0.215	0.135	0.232	–	0.232
15.	DAEWOO and L&T Joint Venture	2017-18	150.957	150.195	96.439	95.037	0.643	0.759	–	0.759
		2016-17	28.615	28.612	23.172	23.168	0.001	0.003	–	0.003
16.	L&T – STEC JV MUMBAI	2017-18	534.150	526.782	388.537	375.696	4.486	8.355	–	8.355
		2016-17	179.030	180.016	109.656	110.643	–	(0.987)	–	(0.987)
17.	L&T- ISDPL (JV)	2017-18	32.907	32.907	18.314	18.314	–	–	–	–
18.	L&T-IHI Consortium	2017-18	45.023	45.023	71.707	71.707	–	–	–	–
19.	L&T-Eastern Joint Venture	2017-18	17.696	18.156	0.027	5.699	–	(5.672)	–	(5.672)
		2016-17	17.740	12.528	0.010	(0.026)	–	0.036	–	0.036

## Notes forming part of the Financial Statements (contd.)

### NOTE [59] (contd.)

₹ crore

Sr. No.	Name of the joint operation	Year	Company's share							
			As at period end		For the year					
			Total Assets	Total Liabilities	Total Income	Total Expense excluding tax	Total tax	Profit after tax	Other Comprehensive Income	Total Comprehensive Income
20.	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture	2017-18	8.995	0.500	0.813	1.191	-	(0.378)	-	(0.378)
		2016-17	2.904	(5.969)	8.533	1.794	-	6.739	-	6.739
21.	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	2017-18	7.591	41.011	4.512	12.162	-	(7.650)	-	(7.650)
		2016-17	10.805	36.575	7.611	11.660	-	(4.049)	-	(4.049)
22.	L&T- Inabensa Consortium	2017-18	30.923	31.270	23.263	23.610	-	(0.347)	-	(0.347)
23.	L&T-Delma Mafraq Joint Venture	2017-18	325.673	401.918	635.825	699.959	-	(64.134)	(0.067)	(64.201)
		2016-17	266.412	278.457	343.945	387.295	-	(43.350)	-	(43.350)
24.	L&T-AL-Sraiya LRDP 6 Joint Venture	2017-18	275.208	250.604	279.741	279.569	-	0.172	0.128	0.300
		2016-17	214.439	190.135	264.506	239.370	-	25.136	-	25.136
25.	Larsen & Toubro Limited & NCC Limited Joint Venture	2017-18	65.194	39.595	13.312	13.316	0.037	(0.041)	-	(0.041)
		2016-17	68.326	42.686	159.325	140.235	7.727	11.363	-	11.363
26.	Besix - Larsen & Toubro Joint Venture	2017-18	254.207	227.628	402.949	376.649	-	26.300	0.278	26.578
		2016-17	110.947	110.947	64.889	64.889	-	-	-	-
27.	Larsen & Toubro Ltd - Passavant Energy & Environment JV	2017-18	22.756	23.290	29.978	30.513	-	(0.535)	-	(0.535)
		2016-17	2.615	2.615	1.521	1.521	-	-	-	-
28.	LNT-Shriram EPC Tanzania UJV	2017-18	172.037	171.898	89.469	89.331	-	0.138	0.001	0.139
29.	LTH Milcom Private Limited	2017-18	0.052	0.011	-	0.012	-	(0.012)	-	(0.012)
		2016-17	0.064	0.012	-	0.013	-	(0.013)	-	(0.013)
	<b>Total</b>	2017-18	5151.582	5088.117	5662.762	5437.687	5.663	219.412	5.196	224.608
		2016-17	4211.099	4084.404	4556.758	4311.137	8.687	236.934	(17.27)	219.664

#### II Joint operation (with specific ownership of activity carried out through the arrangement):

Sr. No.	Name of the joint operation	Principal place of business	Description of the interest
1.	L&T Sojitz Consortium	India	Design and construction of Special Bridge across Narmada River Structure for Dedicated Freight Corridor Corporation.
2.	L&T-KBL (UJV) Hyderabad	India	Jointly Controlled Operations (Investigation, Design, Supply and Erection of necessary lift systems with all electrical and mechanical components including surge protection systems).
3.	L&T-KBL-MAYTAS UJV	India	Jointly Controlled Operations (Transmission of 735 MLD treated water associated with all Civil, Electrical & Mechanical works at Hyderabad).
4.	Mallanna Sagar Reservoir LnT-Prasad-RK Infra JV^	India	Jointly Controlled Operations (Construction of Reservoir of 50 TMC, formation of earth bund with all associated components for Reach 2 and adjoining Reach 3).
5.	Larsen & Toubro Limited Waterleau Consortium	Qatar	Construction of Sewage Treatment Plant of 7.5 MLD at Alshamal.
6.	L&T-BRAPL JV (package II)	India	Jointly Controlled Operations (Design, Supply, Erection, Testing & Commissioning of 25 KV, 50HZ, Single Phase, Traction Over-head Equipment, Switching Stations, SCADA and other associated works, in the state of Karnataka and Andhra Pradesh, India.).

## Notes forming part of the Financial Statements (contd.)

### NOTE [59] (contd.)

Sr. No.	Name of the joint operation	Principal place of business	Description of the interest
7.	L&T-BRAPL JV (package III)	India	Jointly Controlled Operations (Design, Supply, Erection, Testing & Commissioning of 25 KV, 50HZ, Single Phase, Traction Over-head Equipment, Switching Stations, and other associated works, in the state of Karnataka and Andhra Pradesh, India.).
8.	IIS-L&T Consortium	India	Design & Construction of 8 Special Steel Bridges over water main and Railways and across creek & rivers including Ulhas Damanganga, Par & Tapi rivers, involving Bridge Structure , approaches in formation in embankments with 1 Major Bridge , 3 Minor Bridges and 1 RUB, guide bunds and protection works including testing and commissioning on Design-Build Lumpsum price basis for JNPT Vadodara Section of Western Dedicated Freight Corridor (Phase-2).
9.	PES Engg P ltd-L&T Consortium	India	Construction of Medigadda Barrage.
10.	L&T ISDPL-DI (JV)^^	India	Dredging, Reclamation, Revetment, Quarrying and NAV Aids for project Sea-Bird, Phase- IIA at Naval Base, Karwar.
11.	L&T Galfar Consortium	Oman	Salalah Airport Project.
12.	L&T Oman-L&T consortium	Oman	Construction of 400KV Underground cable line and OHL from 400 KV Sohar IPP 3 GS to 400 KV Sohar Free Zone.
13.	L&T Oman-L&T consortium	Oman	Construction of new 400KV OHL from IBRI to IZKI and 400 KV reactors.
14.	L&T Oman-L&T consortium	Oman	Construction of 400/132 KV Grid stations at Qabel and Associated works.
15.	Sojitz Corporation-L&T consortium	India	DC of ST Works for Double Line Rly involving TD Syst El Aut. Sig. TMS Interlocking of LC Gates Dispatch Tel. Sys FOCS GSM(R) Dig. Elec.Ex. Syst Master Clock Syst for JNPT VADODARA Sec.-422 KM including TC on Design-Build LS Basis of WDFC Phase 2.
16.	Sojitz Corporation-L&T consortium	India	Civil Building And Track Works Contract Ctp-14.
17.	Sojitz Corporation-L&T consortium	India	Design Supply Installation Testing and Commissioning of 2x25 kv Overhead Equipments Traction Sub-Stations Auxiliary Stations Switching Stations Auto Transformer Stations and SCADA System on Design-Build Lump Sum Price Basis for JNPT -Makarpur section.
18.	Sojitz Corporation-Gayathri Projects Ltd-L&T consortium	India	Civil Building And Track Works Contract Package- 3 (R).
19.	PESB and Larsen & Toubro Joint Venture	Malaysia	Execution of 500 KV Transmission Line Tender in Malaysia.
20.	Scomi Engineering Bhd-L&T consortium	India	RLBU - Mumbai Monorail Project.
21.	Sojitz Corporation-L&T consortium	India	Design Supply Installation Testing and Commissioning of 2x25 kv Overhead Equipments Traction Sub-Stations Auxiliary Stations Switching Stations Auto Transformer Stations and SCADA System on Design-Build Lump Sum Price Basis for Rewari- Makarpura.

^ The joint operation has been formed on October 11, 2017

^^ The joint operation has been formed on August 1, 2017

## Notes forming part of the Financial Statements (contd.)

### NOTE [60]

Disclosure pursuant to Ind AS 103 "Business Combinations":

During the year Spectrum Infotech Private Limited (SIPL), a wholly owned subsidiary, was merged with the Company under a scheme of amalgamation approved by National Company Law Tribunal on March 27, 2018. The merger is effective from the appointed date April 1, 2017. SIPL has a registered office in Bengaluru, India and is engaged in the business of Manufacture of Electronic Systems and Sub-systems.

No fresh shares are issued to effect the merger as SIPL is wholly owned subsidiary of the Company. Further the merger is accounted using pooling of interest method, involving the following:

- The assets and liabilities of SIPL are reflected at their carrying amounts. No adjustment is made to reflect the fair values, or recognise any new asset or liability.
- The financial information in the financial statements of the Company is restated from the effective date April 1, 2017.
- The balance of the retained earnings appearing in the financial statements of the SIPL is aggregated with the corresponding balance appearing in the financial statements of the Company.
- The identity of General Reserve and Securities Premium is preserved and is appearing in the financial statements of the Company in the same form in which they appeared in financial statements of SIPL; and
- The excess of amount of investment by the Company in SIPL over the share capital of SIPL is treated as capital reserve in Company's financial statements and the same is presented separately from other capital reserves [refer to Note 18].

### NOTE [61]

Disclosure pursuant to Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance":

The Company's exports qualify for various export benefits offered in the form of duty credit scrips under foreign trade policy framed by Department General of Foreign Trade India (DGFT). Income accounted towards such export incentives amounts to ₹ 111.04 crore (previous year: ₹ 27.23 crore).

### NOTE [62]

Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

₹ crore

Sr. No.	Particulars	Non-current borrowings (Note 19)	Current borrowings (Note 23)	Current maturities of long term borrowings (Note 24)	Total
1	Opening balance	7134.28	2312.50	1111.59	10558.37
2	Changes from financing cash flows	(770.63)	1783.81	(1100.79)	(87.61)
3	The effect of changes in foreign exchange rates	10.06	32.62	(10.80)	31.88
4	Interest accrued	57.72	0.64	–	58.36
5	Other changes (transfer within categories)	(936.27)	–	936.27	–
6	Closing balance	5495.16	4129.57	936.27	10561.00



## Notes forming part of the Financial Statements (contd.)

### NOTE [62] (contd.)

Amounts reported in the Statement of Cash Flows under financing activities:

₹ crore

Particulars	Amounts reported in statement of cash flows
Proceeds from non-current borrowings	1922.70
Repayment of non-current borrowings	(3794.12)
(Repayments)/proceeds from other borrowings (net)	1783.81
Total changes from financing cash flows (refer to Sr. No. 2 above)	(87.61)

### NOTE [63]

Disclosure pursuant to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" on new Ind AS that has been issued but is not effective as of the closing day of the reporting period:

#### A. Ind AS 115 "Revenue from Contracts with Customers"

The Ministry of Corporate Affairs notified Ind AS 115 "Revenue from Contracts with Customers" in respect of accounting periods commencing on or after April 1, 2018, superseding Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue".

The Company's current revenue recognition policy is broadly aligned to the principles enunciated in Ind AS 115 and does not require any material change except for realty business. In terms of Ind AS 115, revenue of realty business will be recognised at the time of delivery of units to the customers as compared to revenue recognition based on percentage completion method currently followed as per the Guidance note issued by the Institute of Chartered Accountants of India. The management is in the process of implementing Ind AS 115 and does not expect any material impact on the Company's financial position as at March 31, 2018 and on the financial results of the Company in the first year of implementation viz. financial year commencing on April 1, 2018 except as above.

#### B. Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"

On March 28, 2018, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2018 and inserted Appendix B, Foreign Currency Transactions and Advance Consideration in Ind AS 21.

In Appendix B, it is clarified that the date of transaction to determine the exchange rate to use on initial recognition of related asset, expense or income is the date on which the initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The company's existing accounting policy conforms to the above clarification.

### NOTE [64]

Figures for the previous year have been regrouped/re-classified to conform to the figures of the current year.