

Standalone Statement of Changes in Equity for the year ended March 31, 2024 (contd.)

₹ crore

Particulars	Reserves and Surplus							Items of Other comprehensive income				Total other equity
	Capital reserve	Capital reserve on business combination	Capital redemption reserve	Securities premium	Employee share options (net)	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	
Balance as at 1-4-2023	10.84	(25.77)	260.00	8770.19	74.62	20.42	26201.60	35863.32	(21.47)	224.01	(130.91)	71246.85
Profit for the year (c)	-	-	-	-	-	-	-	9304.33	-	-	-	9304.33
Other comprehensive income (d)	-	-	-	-	-	-	-	10.43	(5.19)	(184.07)	132.58	(46.25)
Total comprehensive income for the year (c+d)	-	-	-	-	-	-	-	9314.76	(5.19)	(184.07)	132.58	9258.08
Buyback of equity shares	-	-	-	(8770.19)	-	-	(1223.56)	-	-	-	-	(9993.75)
Tax on Buyback of equity shares	-	-	-	-	-	-	(2253.33)	-	-	-	-	(2253.33)
Expenses for Buyback of equity shares (net of tax)	-	-	-	-	-	-	(26.55)	-	-	-	-	(26.55)
Amount transferred to capital redemption reserve upon Buyback	-	-	6.25	-	-	-	(6.25)	-	-	-	-	-
Issue of equity shares on exercise of employee share options	-	-	-	9.56	-	-	-	-	-	-	-	9.56
Transfer on account of exercise of employee share options	-	-	-	41.00	(41.00)	-	-	-	-	-	-	-
Transfer to non- financial assets/liability	-	-	-	-	-	-	-	-	-	22.27	-	22.27
Transfer from/to general reserve/retained earnings during the year	-	-	-	-	(2.86)	(20.42)	23.28	-	-	-	-	-
Employee share options (net)	-	-	-	-	94.93	-	-	-	-	-	-	94.93
Special dividend paid during the year	-	-	-	-	-	-	-	(843.39)	-	-	-	(843.39)
Dividend paid for previous year	-	-	-	-	-	-	-	(3373.56)	-	-	-	(3373.56)
Balance as at 31-03-2024	10.84	(25.77)	266.25	50.56	125.69	-	22715.19	40961.13	(26.66)	62.21	1.67	64141.11

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

RUPEN K. BHATT
Partner
Membership No. 046930

S. N. SUBRAHMANYAN
Chairman & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Whole - time Director & Chief Financial Officer
(DIN 00019798)

P. R. RAMESH
Independent Director
(DIN 01915274)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 8, 2024

Standalone Statement of Cash Flows for the year ended March 31, 2024

	₹ crore	
Particulars	2023-24	2022-23
A. Cash flow from operating activities:		
Profit before tax (excluding exceptional items)	10868.32	9832.70
Adjustments for:		
Dividend received	(2655.67)	(1713.39)
Depreciation, amortisation, impairment and obsolescence	1751.01	1371.64
Exchange difference on items grouped under financing/investing activities	(43.23)	(12.70)
Effect of exchange rate changes on cash and cash equivalents	(2.06)	7.92
Finance costs	2405.83	2125.23
Interest income	(1648.20)	(1612.25)
(Profit)/loss on sale of Property, plant and equipment, Investment property and Intangible assets (net)	(58.67)	(130.65)
(Profit)/loss on sale of investments (net) [including fair valuation]	(284.78)	(160.17)
Reversal of provision with respect to loans given to subsidiary companies	(70.24)	(891.86)
Loss on cancellation of equity shares on capital reduction by subsidiary	–	602.95
Employee stock option-discount forming part of employee benefits expense	91.25	28.16
Other adjustments	0.42	–
Operating profit before working capital changes	10353.98	9447.58
Adjustments for:		
(Increase)/decrease in trade and other receivables	(5434.80)	(143.75)
(Increase)/decrease in inventories	(74.95)	(290.99)
Increase/(decrease) in trade payables and customer advances	6078.46	581.62
Cash (used in)/generated from operations	10922.69	9594.46
Direct taxes paid [net]	(2629.14)	(2330.50)
Net cash (used in)/from operating activities	8293.55	7263.96
B. Cash flow from investing activities:		
Purchase of Property, plant and equipment, Investment property and Intangible assets	(2916.46)	(2396.90)
Sale of Property, plant and equipment, Investment property and Intangible assets	94.55	161.18
Investment in subsidiaries, associates and joint venture companies	(3719.66)	(1447.02)
Divestment of stake/capital reduction in subsidiary companies	186.67	522.95
Purchase of non-current investments	–	(84.17)
Sale of non-current investments	34.23	46.36
Net proceeds from transfer of business undertaking	800.00	98.18
Net payments for transfer of discontinued operations (net of tax)	–	(113.19)
(Purchase)/sale of current investments (net)	4757.26	(2845.35)
Change in other bank balances and cash not available for immediate use	(146.31)	(21.01)
Long term deposits/Loans (given) - subsidiaries, associates, joint venture companies and third parties	(110.21)	(296.10)
Long term deposits/loans repaid - subsidiaries, associates, joint venture companies and third parties	2499.27	1573.03
Short term deposits/loans (given)/repaid (net) - subsidiaries, associates, joint venture companies and third parties	192.71	14.07
Interest received	2034.17	1321.86
Dividend received from subsidiaries and joint venture companies	2649.30	1712.43
Dividend received from other investments	6.37	0.97
Net cash (used in)/from investing activities	6361.89	(1752.71)

Standalone Statement of Cash Flows for the year ended March 31, 2024 (contd.)

	₹ crore	
Particulars	2023-24	2022-23
C. Cash flow from financing activities:		
Proceeds from fresh issue of share capital (including share application money)[net]	9.65	10.31
Proceeds from non-current borrowings	7450.00	2450.00
Repayment of non-current borrowings	(4845.00)	(5549.00)
(Repayments)/proceeds from other borrowings (net)	1676.96	1078.98
Settlement of derivative contracts related to borrowings	49.65	87.93
Interest paid on Lease Liability	(17.56)	(12.02)
Principal repayment on Lease Liability	(98.70)	(95.18)
Dividends paid	(4216.95)	(3091.42)
Buyback of equity shares	(10000.00)	–
Tax on buyback of equity shares	(2253.33)	–
Expenses for buyback of equity shares (net of tax)	(26.55)	–
Interest paid (including cash flows from interest rate swaps)	(2250.23)	(2320.99)
Net cash (used in)/from financing activities	(14522.06)	(7441.39)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	133.38	(1930.14)
Cash and cash equivalents at beginning of the year	3802.49	5718.23
Effect of exchange rate changes on cash and cash equivalents	3.34	14.41
Cash and cash equivalents classified as asset held for sale	–	(0.01)
Cash and cash equivalents at end of the year	3939.21	3802.49

Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 “Statement of Cash Flows” as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Property, plant and equipment, Investment property and Intangible assets are adjusted for movement of (a) capital work-in-progress for Property, plant and equipment and Investment property and (b) Intangible assets under development during the year.
- Previous year’s figures have been regrouped/reclassified wherever applicable.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm’s Registration No.117366W/W-100018
by the hand of

RUPEN K. BHATT
Partner
Membership No. 046930

S. N. SUBRAHMANYAN
Chairman & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Whole - time Director & Chief Financial Officer
(DIN 00019798)

P. R. RAMESH
Independent Director
(DIN 01915274)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 8, 2024

Notes forming part of the Standalone Financial Statements

NOTE [1](i)

Company overview:

Larsen & Toubro Limited ("the Company") is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. The Company operates in over 50 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled the Company to attain and sustain leadership in its major lines of business for over eight decades.

The Company is engaged in core, high impact sectors of the economy and its integrated capabilities span the entire spectrum of 'design to delivery'. Every aspect of Company's businesses is characterised by professionalism and high standards of corporate governance. Sustainability is embedded into its long-term strategy for growth.

The Company's manufacturing footprint extends across eight countries in addition to India. The Company has several international offices and a supply chain that extends around the globe.

NOTE [1](ii)

Material Accounting Policy Information

(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 thereto issued by Ministry of Corporate Affairs under 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 its meeting held on May 8, 2024.

(b) Basis of accounting

The Company maintains its accounts on accrual basis following historical cost convention, except for certain assets and liabilities 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 assets or liabilities, 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, the Statement of Profit and Loss and the Statement of Changes in Equity 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 in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures 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 Ind AS and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

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

Operating cycle for the business activities of the Company covers the duration of the specific project or contract or product line or 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 from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer.

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

For performance obligation satisfied over time, the revenue recognition is done using input method by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation as it best depicts the transfer of control that occurs as costs are incurred.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the customer simultaneously consumes the benefit of the Company's performance or
- (b) the customer controls the asset as it is being created/ enhanced by the Company's performance or
- (c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents,

In all other cases, performance obligation is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

- a. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
- b. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
- c. Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the transaction price.
- (i) Revenue from operations

Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

- A. Revenue from sale of manufactured and traded goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Revenue is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods. Revenue from commissioning of complex plant and equipment is recognised either 'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract.

- B. Revenue from construction/project related activity is recognised as follows:

- Cost plus contracts: Revenue from cost plus contracts is recognised over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
- Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. With respect to contracts, where the outcome of the performance obligation cannot be reasonably measured, but the costs incurred towards satisfaction of performance obligation are expected to be recovered, the revenue is recognised only to the extent of costs incurred.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Unbilled revenue". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Excess of billing over revenue". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognised in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). The Company recognises impairment loss (termed as provision for expected credit loss in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

- C. Revenue from property development activities is recognised when performance obligation is satisfied, customer obtains control of the property transferred and a reasonable expectation of collection of the sale consideration from the customer exists.
- D. Revenue from rendering of services is recognised over time as the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.
- E. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (B) above.
- F. Commission income is recognised as the terms of the contract are fulfilled.
- G. Course fees/subscription income is recognised over time as per the course/subscription duration and agreed terms.
- H. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

(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 of realisation.
- B. Dividend income is accounted in the period in which the right to receive the same is established.
- C. Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the Company, are recognised as other income/reduced from underlying expenses in profit or loss in the period in which such costs are incurred. Government grants related to an asset are reduced from the cost of an asset until the asset is ready to use and the grant post that is presented as deferred income. Subsequently the grant is recognised as income in profit or loss on a systematic basis over the expected useful life of the related asset. Government grant receivable in the form of duty credit scrips is recognised as other income in the Statement of Profit and Loss in the period in which the export is done or the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.
- D. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(f) Exceptional items

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

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

NOTE [1](ii)

Material Accounting Policy Information (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. All directly attributable costs related to the acquisition of PPE and borrowing costs in case of qualifying assets are capitalised in accordance with the Company's accounting policy.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

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

Depreciation is recognised using straight-line method so as to write off the cost of the assets (other than freehold land and capital work-in-progress) 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 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.

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.

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

(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 and borrowing cost capitalised for qualifying assets, in accordance with the Company's accounting policy. Policies with respect to depreciation, useful life and derecognition are followed on the same basis as stated for Property, Plant and Equipment vide 1(ii)(g) above.

(i) Intangible assets

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

Research and development expenditure on new products:

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

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

F. the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

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

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

Intangible assets are amortised on straight-line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each financial year with the effect of any changes in the estimate being accounted for on 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 financial year, the carrying amounts of PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies are tested for impairment so as to determine the impairment loss, if any. Goodwill is 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 fair value less costs of disposal 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 fair value less costs of disposal 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, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (post-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 recognised earlier is subject to full or partial reversal, the carrying amount of the asset (or cash generating unit), except impairment loss allocated to goodwill, is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

(k) Employee Benefits

- (i) Short-term employee benefits:

Employee benefits such as salaries, wages, short-term compensated absences, 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 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 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.

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

The obligation towards defined benefit plans 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 costs. 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) Other long-term employee benefits:

The obligation recognised in respect of other long-term benefits 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) above.

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

(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 can no longer be withdrawn or when the Company recognises the related restructuring costs whichever is earlier.

(I) Leases

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognised at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, as reduced by any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Asset held under finance lease is initially recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

In case of sale and leaseback transactions, the Company first considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale by applying the requirements of Ind AS 115. If the transfer qualifies as a sale and the transaction is at market terms, the Company effectively derecognises the asset, recognises a ROU asset (and lease liability) and recognises in Statement of Profit and Loss, the gain or loss relating to the buyer-lessor's rights in the underlying asset. (Also refer to policy on Property, Plant and Equipment vide 1(ii) (g), above).

(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 fair value excepting for trade receivables not containing a significant financing component are initially measured at transaction price. 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 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 as follows:

1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.
2. Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same designated as fair value through profit or loss):
 - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
3. Investment in debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)
 - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
4. Investment in equity instruments issued by subsidiary, associate and joint venture companies are measured at cost less impairment.
5. Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

6. Investments in equity instruments issued by other than subsidiaries are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.
7. Trade receivables, security deposits, cash and cash equivalents, employee and other advances – at amortised cost.
- 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 at the date of derecognition and the consideration received is recognised in profit or loss.

- D. Impairment of financial assets: Impairment loss on trade receivables is recognised 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 and is adjusted for forward looking information. Impairment loss on investments is recognised when the carrying amount exceeds its recoverable amount. For all other financial assets, expected credit losses are recognised based on the difference between the contractual cashflows and all the expected cash flows, discounted at the original effective interest rate. ECLs are measured at an amount equal to 12-month expected credit losses or at an amount equal to lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Financial liabilities:

- A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.
- B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

(iii) The Company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

- A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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

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

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

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

The cash flow hedges are allocated to the forecast transactions on gross exposure basis. Where the hedged forecast transaction results in the recognition of a non-financial asset, such gains/losses are transferred from hedge reserve (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

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 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 recognising the liability and the equity components separately. 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 costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location. Taxes which are subsequently recoverable from taxation authorities are not included in the cost.
- (iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

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

(o) Cash and bank balances

Cash and bank balances 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

- (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.

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

(q) Borrowing Costs

Borrowing costs include finance costs calculated using the effective interest method, finance charges in respect of assets acquired on lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to finance costs. In cases where hedging instruments are acquired for protection against exchange rate risk related to borrowings and are accounted as hedging a time-period related hedge item, the borrowing costs also include the amortisation of premium element of the forward contract and foreign currency basis spread as applicable, over the period of the hedging instrument.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventorised 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 in terms of the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The fair value of the stock options granted to employees of the Company by the Company's subsidiaries is accounted as employee compensation cost over the vesting period and where such fair value is not recovered by the subsidiaries, the same is treated as dividend declared by them. The share-based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(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 translated. 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, are included in the cost of those assets when such exchange differences are regarded as an adjustment to finance costs on those foreign currency borrowings; and
 - B. exchange differences on transactions entered into to hedge certain foreign currency risks.
- (iii) exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, expense or income.
- (iv) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:
 - A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
 - B. income and expenses for each income statement are translated at average exchange rate for the reporting period; 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.

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

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 common costs are allocated to segments mainly on the basis of the respective segment revenue estimated at the beginning of the reporting period.
- iv) Income not allocable to segments is included in "Unallocable corporate income net of expenditure".
- v) Segment result represents profit before interest and tax and includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.
- vi) Segment result includes the finance costs incurred on interest bearing advances with corresponding credit included in "Unallocable corporate income net of expenditure".
- vii) Segment results are not adjusted for any 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 also includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(ii)(r) above] and is allocated to the segment.
- x) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.

(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 using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

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 as per laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the 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 it 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.

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.

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

NOTE [1](ii)

Material Accounting Policy Information (contd.)

(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; and
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

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

Contingent liability is disclosed in case of:

- (i) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (ii) a present obligation arising from past events where:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

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
- (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) Discontinued operations and non-current assets held for sale

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business.

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.

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

NOTE [1](ii)

Material Accounting Policy Information (*contd.*)

(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;
- (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) Earnings per share

Basic earnings per share is computed using the net profit or loss after tax and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss after tax and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

(ab) 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 made by management are explained under respective policies. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value/recoverable amount measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

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

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress

Class of assets	Cost/Valuation				Depreciation				Impairment		Book value			
	As at 1-4-2023	Additions	Transfer *	Foreign currency fluctuation	Deductions	As at 31-3-2024	Up to 31-3-2023	For the year	Transfer *	Foreign currency fluctuation	Deductions	Up to 31-3-2024	As at 31-3-2024	As at 31-3-2024
Land														
Freehold	556.11	0.71	(33.10)	-	0.01	523.71	-	-	-	-	-	-	-	523.71
Leasehold	143.95	-	(0.81)	-	-	143.14	12.86	1.59	(0.09)	-	-	14.36	-	128.78
Sub-total	700.06	0.71	(33.91)	-	0.01	666.85	12.86	1.59	(0.09)	-	-	14.36	-	652.49
Buildings	3335.56	252.95	1.18	0.20	4.36	3585.53	762.25	108.39	0.62	0.20	2.59	868.87	87.35	2629.31
Plant and equipment														
Owned	9194.36	1789.09	-	0.63	192.03	10792.05	5040.61	1228.24	-	0.62	160.82	6108.65	13.26	4670.14
Leased out	162.72	-	-	-	151.06	11.66	162.55	-	-	-	150.89	11.66	-	-
Sub-total	9357.08	1789.09	-	0.63	343.09	10803.71	5203.16	1228.24	-	0.62	311.71	6120.31	13.26	4670.14
Computers	595.30	87.13	-	0.03	23.59	658.87	458.99	63.86	-	0.03	22.65	500.23	-	158.64
Office equipment	309.12	30.29	-	0.15	8.04	331.52	239.44	31.81	-	0.15	7.62	263.78	-	67.74
Furniture and fixtures	160.73	10.36	-	0.02	4.22	166.89	114.54	13.15	-	0.02	2.99	124.72	0.06	42.11
Vehicles	259.46	31.28	-	0.12	24.19	266.67	155.87	27.37	-	0.12	19.46	163.90	-	102.77
Other assets														
Ships	286.37	37.14	-	-	-	323.51	92.12	21.31	-	-	-	113.43	-	210.08
Dredged Channel	679.69	-	-	-	-	679.69	296.37	29.54	-	-	-	325.91	-	353.78
Breakwater Structures	226.00	-	-	-	-	226.00	41.46	5.01	-	-	-	46.47	-	179.53
Aircraft	195.22	-	-	-	-	195.22	58.34	10.48	-	-	-	68.82	-	126.40
Leasehold Improvements	4.75	8.06	-	-	-	12.81	0.62	2.01	-	-	-	2.63	-	10.18
Sub-total	1392.03	45.20	-	-	-	1437.23	488.91	68.35	-	-	-	557.26	-	879.97
Total	16109.34	2247.01	(32.73)	1.15	407.50	17917.27	7436.02	1542.76	0.53	1.14	367.02	8613.43	100.67	9203.17
Add: Capital work-in-progress [refer Note 2(g)]														1397.04
														10600.21

* Transfer (to)/from Investment property

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

NOTE [2] Property, Plant and Equipment & Capital work-in-progress (contd.)

Class of assets	Cost/Valuation				Depreciation				Impairment	Book value					
	As at 1-4-2022	Additions	Transfer *	Foreign currency fluctuation	Classified as held for sale	Deductions	As at 31-3-2023	For the year			Transfer *	Foreign currency fluctuation	Classified as held for sale	Deductions	Up to 31-3-2023
Land															
Freehold	557.48	0.06	-	-	-	1.43	556.11	-	-	-	-	-	-	-	556.11
Leasehold	144.01	-	(0.06)	-	-	-	143.95	11.16	1.70	-	-	-	12.86	-	131.09
Sub-total	701.49	0.06	(0.06)	-	-	1.43	700.06	11.16	1.70	-	-	-	12.86	-	687.20
Buildings	3261.43	63.42	22.16	1.23	1.79	10.89	3335.56	657.02	106.67	2.86	1.23	0.04	5.49	762.25	2485.96
Plant and equipment															
Owned	7703.76	1643.30	(4.08)	6.14	2.40	152.36	9194.36	4292.34	890.18	(1.65)	6.12	0.56	145.82	5040.61	4138.73
Leased out	162.72	-	-	-	-	-	162.72	160.68	1.87	-	-	-	-	162.55	0.17
Sub-total	7866.48	1643.30	(4.08)	6.14	2.40	152.36	9357.08	4453.02	892.05	(1.65)	6.12	0.56	145.82	5203.16	4138.90
Computers	541.79	79.68	(0.08)	0.18	6.38	19.89	595.30	417.57	63.09	(0.08)	0.18	2.61	19.16	458.99	136.31
Office equipment	289.47	23.65	(0.02)	0.66	2.37	2.27	309.12	210.26	31.00	(0.02)	0.64	1.22	1.22	239.44	69.67
Furniture and fixtures	153.08	10.45	(0.30)	0.04	0.64	1.90	160.73	103.18	13.36	(0.28)	0.03	0.10	1.65	114.54	45.95
Vehicles	257.61	37.30	-	0.79	-	36.24	259.46	156.81	27.53	-	0.79	-	29.26	155.87	103.59
Other assets															
Ships	264.24	22.13	-	-	-	-	286.37	71.02	21.10	-	-	-	-	92.12	194.25
Dredged Channel	679.69	-	-	-	-	-	679.69	265.82	30.55	-	-	-	-	296.37	383.32
Breakwater Structures	226.00	-	-	-	-	-	226.00	36.45	5.01	-	-	-	-	41.46	184.54
Aircraft	195.22	-	-	-	-	-	195.22	47.86	10.48	-	-	-	-	58.34	136.88
Leasehold Improvements	4.75	-	-	-	-	-	4.75	0.09	0.53	-	-	-	-	0.62	4.13
Sub-total	1369.90	22.13	-	-	-	-	1392.03	421.24	67.67	-	-	-	-	488.91	903.12
Total	14441.25	1879.99	17.62	9.04	13.58	224.98	16109.34	6430.26	1203.07	0.83	8.99	4.53	202.60	7436.02	8570.70
Add: Capital work-in-progress [refer Note 2(g)]															
															1998.38
															10509.08

* Transfer (to)/from Investment property

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

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress (contd.)

- a) Additions during the year and capital work-in-progress include ₹ 52.30 crore (previous year: ₹ 19.47 crore) being borrowing cost capitalised in accordance with Accounting Standard (Ind AS) 23 on "Borrowing Costs".
- b) The rate used to determine the amount of borrowing costs eligible for capitalisation is 7.29% (previous year: 6.68%).
- c) Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to Ind AS 116 "Leases".
- d) Out of its leasehold land at Hazira, the Company has given certain portion of land for the use to its joint venture company and the lease deed is under execution.
- e) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.
- a. Estimated useful life of the following assets is in line with useful life prescribed in schedule II of the Companies Act, 2013:

Sr. No.	Asset class	Minimum useful life (in years)	Maximum useful life (in years)
1.	Buildings	3	60
2.	Plant and equipment	8	15
3.	Computer	3	6
4.	Office equipment	4	5
5.	Furniture & fixture	10	10
6.	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)	Revised useful life adopted based on technical evaluation (in years)
1.	Aircrafts	—	20	18
2.	Vehicles	Motor cars	8	7

- A Assets used in Heavy Engineering Business (Hi-Tech Manufacturing segment):

Sr. No.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Revised useful life adopted based on technical evaluation (in years)
1.	Plant & equipment	Boring/Rolling/Drilling/Milling machines	15	10-30
		Modular furnace	15	5-15
		Other furnaces	15	5-30
		Horizontal autoclaves	15	10-30
		Load bearing structures	15	50
		Flushing facility	15	3
		Cranes	15	10-30
2.	Roads	Carpeted roads-other than RCC	5	5-15

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

NOTE [2]
Property, Plant and Equipment & Capital work-in-progress (contd.)

B. Assets used in Shipbuilding Business: (a part of Precision Engineering System under the Hi-Tech Manufacturing segment):

Asset category		Useful life as per Schedule II (in years)	Revised useful life adopted based on technical evaluation (in years)
(1)	Breakwater structures		
	(a) Breakwater & Rock bund & Finger Jetties	30*	50
(2)	Dredged channel		
	(a) Ship lift structures, Control system, Chiller units, Condition monitoring system, Ship position system, Ship transfer system, other ship lift related items	15	20
	(b) Land berth and piled platforms	30*	40
	(c) Tower cranes	15	25
(3)	Plant and equipment		
	(a) Rails	15	20
	(b) Diesel generator	15	12
	(c) Air-Conditioner & refrigeration equipment	15	12
(4)	Buildings		
	(a) Production shops	30	50
	(b) Internal roads	5	15
(5)	Vehicles - Motor cars	8	7

* Represents licence period as per agreement executed with the Tamil Nadu Maritime Board, renewable on expiry.

C. Assets used in Precision Engineering System (a part of Hi-Tech Manufacturing segment):

Sr. No.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Revised useful life adopted based on technical evaluation (in years)
1.	Buildings	Factory buildings	30	15 - 60
		Non-Factory buildings	3 – 60	2-60
2.	Plant & Equipment	General	8-15	3 – 30
		Photographic equipment	15	5-8
		Laboratory equipment	10	8
		Electrical installation	10	10-20
3.	Office Equipment		4 – 5	4 – 15
4.	Furniture & Fixture		10	10 – 20
5.	Vehicles	Motor cars (Including Electrical vehicle)	8	7-14

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

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress (contd.)

D. Assets used in Infrastructure business:

Sr. No.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Revised useful life adopted based on technical evaluation (in years)
1.	Office equipment	Assets deployed at project site	5	3
2.	Air conditioning and refrigeration equipment	Assets deployed at project site	15	3
3.	Canteen equipment	Assets deployed at project site	15	3
4.	Laboratory equipment	Assets deployed at project site	10	3
5.	Photographic equipment	Assets deployed at project site	15	3

In addition to above:

1. Plant and equipment which are project specific and deployed at project sites, with useful life of 15 years as per Schedule II, are depreciated over the project duration of 2-4 years.
2. Any asset purchased for project site with acquisition value less than ₹ 50000 for above 5 categories of asset, full cost is depreciated in the same financial year.

E. Assets used in Energy Hydrocarbon business (a part of Energy project segment):

Category	Sub class	Useful life as per Schedule II (in years)	Revised useful life adopted based on technical evaluation (in years)
Buildings	Office building	60	5-60
	Housing colony	50	5-60
Ships		20	15-25
Software	Specialised software	6	2-6
Plant and equipment	Crane 250 Tonnes	12	20
	Jetty construction	12	30
	Land development	12	30
	Minor Plant & Machinery	12	2-15
	Tunnelling and transmission line Equipments	10	2-15
	Cranes < 100 tons & Heavy lift Equipment	15	2-15
	Road making equipment, Crushing Equipment	15	2-15
	Piling, welding and pipeline Equipment	15	2-15
	Earth-moving equipment	15	2-15
	Computers	3	3-6
	Servers & Storage & Network switches & Routers	6	3-6
Office equipments	Fax/Printers/Scanner (MFD), Desktop inkjet/LaserJet printers, Switches audio video & Projectors	4	3-6
	Water cooler and other office equipments	5	3-6
	Air-condition and Refrigeration	12	3-12

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

NOTE [2]
Property, Plant and Equipment & Capital work-in-progress (contd.)

Category	Sub class	Useful life as per Schedule II (in years)	Revised useful life adopted based on technical evaluation (in years)
Canteen equipments	Assets deployed at office and project sites	8	8
Photographic equipments	Assets deployed at office and project sites	15	3
Laboratory equipments	Assets deployed at office and project sites	15	8-12
Electrical installations	HT/LT ELECTRIC SUB-STATION IN MFF II	10	6-22
	Others	10	3-6
Furniture and Fixtures	Assets deployed at office	10	2-10
Vehicles	Buses & Trucks	8	5-10
	Cars	7	5-10
	Jeeps	7	5-10
	Motorcycles	10	5-10

- i) Assets with acquisition value less than ₹ 5000 will be depreciated fully in the financial year of acquisition
- ii) P&M & Office Equipment at project sites costing below ₹ 50000 will be depreciated fully in the financial year of acquisition.

f) Carrying value of Property, plant and equipment hypothecated as collateral for certain borrowings and / or commitments as at March 31, 2024: Nil (as at March 31, 2023 -Nil)

g) Ageing of Capital work-in-progress:

₹ crore

Particulars	As at 31-3-2024					As at 31-3-2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	854.54	467.43	66.05	9.02	1397.04	1781.17	113.79	30.84	12.58	1938.38

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

h) Title deeds of Immovable Properties not held in name of the Company

Description of property	Gross carrying value as at March 31, 2024 (₹ crore)	Carrying value in the financial statements as at March 31, 2024 (₹ crore)	Title deeds held in name of	Whether title deed holder is a promoter, director or their relative or employee	Property held since which date	Reason for not being held in name of Company
Freehold Land-Hazira West	1.01	1.01	Heirs of Magan Prema and Magan Kuber*	No	12 years (Since 2012)	Land acquired from farmers through Government Acquisition Route. The formalities are pending from the authorities side.

* Irrevocable Power of Attorney given to L&T by the owners, possession is with the Company.

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

NOTE [3]

Investment Property

₹ crore

Class of assets	Cost					Depreciation					Book Value		
	As at 1-4-2023	Additions	Transfer *	Assets held for sale	Deductions	As at 31-3-2024	As at 31-3-2023	For the year	Transfer *	Assets held for sale	Deductions	As at 31-3-2024	As at 31-3-2023
Land	181.79	—	16.47	—	—	198.26	—	0.01	0.09	—	—	0.10	198.16
Buildings	483.93	0.87	(1.18)	—	0.08	483.54	97.15	17.26	(0.62)	—	0.02	113.77	369.77
Total	665.72	0.87	15.29	—	0.08	681.80	97.15	17.27	(0.53)	—	0.02	113.87	567.93
Add: Capital work-in-progress [refer Note 3(iii)]													593.33
													1161.26

* Transfer (to)/from Property plant & equipment / Inventory

₹ crore

Class of assets	Cost					Depreciation					Book Value		
	As at 1-4-2022	Additions	Transfer *	Assets held for sale	Deductions	As at 31-3-2023	As at 31-3-2022	For the year	Transfer *	Assets held for sale	Deductions	As at 31-3-2023	As at 31-3-2022
Land	194.05	—	(1.11)	11.09	0.06	181.79	—	—	—	—	—	—	181.79
Buildings	480.86	41.39	(24.35)	—	13.97	483.93	85.27	16.81	(3.40)	—	1.53	97.15	386.78
Total	674.91	41.39	(25.46)	11.09	14.03	665.72	85.27	16.81	(3.40)	—	1.53	97.15	568.57
Add: Capital work-in-progress [refer Note 3(iii)]													—
													568.57

* Transfer (to)/from Property plant & equipment / Inventory

- (a) 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

- (b) 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	2023-24	2022-23
1	Rental income derived from investment property	136.68	113.37
2	Direct operating expenses pertaining from investment property that generated rental income	36.33	30.27
3	Direct operating expenses pertaining from investment property that did not generate rental income	—	—

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

NOTE [3]
Investment Property (contd.)

(ii) Details with respect to fair valuation of Investment property:

₹ crore

Particulars	2023-24	2022-23
Fair valuation by:		
(i) independent registered valuers ^[1]	2788.12	758.30
(ii) independent unregistered valuers ^[1]	75.00	71.24
(iii) internal architectural department	2181.94	3353.18
Total fair value	5045.06	4182.72

^[1] Independent valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

Note: Above valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

(iii) Ageing of Capital work-in-progress:

₹ crore

Particulars	As at 31-3-2024					As at 31-3-2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	356.91	170.82	32.83	32.77	593.33	–	–	–	–	–

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

NOTE [4]
Other Intangible assets & Intangible assets under development

₹ crore

Class of assets	Cost			Amortisation				Book Value	
	As at 1-4-2023	Additions	Deductions	As at 31-3-2024	Up to 31-3-2023	For the year	Deductions	Up to 31-3-2024	As at 31-3-2024
Intangible assets									
Specialised software	282.38	21.37	–	303.75	236.99	17.33	–	254.32	49.43
Technical know-how	99.85	35.68	–	135.53	88.04	20.68	–	108.72	26.81
New Product Design and Development	6.26	–	–	6.26	6.26	–	–	6.26	–
Platforms and Courses	116.86	17.54	–	134.40	27.25	31.06	–	58.31	76.09
Sub-total	505.35	74.59	–	579.94	358.54	69.07	–	427.61	152.33
Add: Intangible assets under development [refer Note 4(c)]									26.63
									178.96

₹ crore

Class of assets	Cost			Amortisation				Book Value	
	As at 1-4-2022	Additions	Deductions	As at 31-3-2023	Up to 31-3-2022	For the year	Deductions	Up to 31-3-2023	As at 31-3-2023
Intangible assets									
Specialised software	267.25	17.02	1.89	282.38	223.13	15.46	1.60	236.99	45.39
Technical know-how	99.85	–	–	99.85	81.45	6.59	–	88.04	11.81
New Product Design and Development	6.26	–	–	6.26	6.26	–	–	6.26	–
Platforms and Courses	88.39	28.47	–	116.86	3.62	23.63	–	27.25	89.61
Sub-total	461.75	45.49	1.89	505.35	314.46	45.68	1.60	358.54	146.81
Add: Intangible assets under development [refer Note 4(c)]									16.39
									163.20

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

NOTE [4]

Intangible assets & Intangible assets under development (contd.)

(a) Additions during the year

₹ crore

Class of assets	FY 2023-24			FY 2022-23		
	Internal development	Acquired - external	Total	Internal development	Acquired - external	Total
Specialised software	–	21.37	21.37	–	17.02	17.02
Technical know-how	–	35.68	35.68	–	–	–
Platforms and courses	16.22	1.32	17.54	28.47	–	28.47
Total	16.22	58.37	74.59	28.47	17.02	45.49

(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 software	2	8
2.	Technical know-how	5	8
3.	Platforms and courses	3	4

(c) Ageing of Capital work-in-progress:

₹ crore

Particulars	As at 31-3-2024					As at 31-3-2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	21.66	4.97	–	–	26.63	15.27	1.12	–	–	16.39

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

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

NOTE [5]
Non-current Assets: Financial Assets- Investments

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Investment in equity instruments		
(a) Subsidiary companies	30021.59	26324.78
(b) Associate companies	4.42	4.42
(c) Joint venture companies	605.92	605.29
(d) Other companies	96.84	102.48
	<u>30728.77</u>	<u>27036.97</u>

Details of Non-current Assets: Financial Assets - Investments

Particulars	Face value per unit	Number of units		
		As at 31-3-2024	As at 31-3-2024	As at 31-3-2023
	₹		₹ crore	₹ crore
(A) Investments in fully paid equity instruments				
(a) Subsidiary companies:				
(i) Investments in fully paid equity instruments:				
L&T Valves Limited	100	18,00,000	161.23	161.23
Bhilai Power Supply Company Limited	10	49,950	0.05	0.05
Hi-Tech Rock Products & Aggregates Limited	10	2,65,50,000	26.55	26.55
Kesun Iron & Steel Company Private Limited (previous year ₹ 95,000)	10	—	—	—
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 (previous year provision: ₹ 0.05 crore)	10	—	—	—
L&T Finance Limited (quoted) (formerly known as L&T Finance Holdings Limited)	10	1,63,92,30,125	5918.65	5918.65
L&T Metro Rail (Hyderabad) Limited	10	7,41,29,99,999	7412.99	3759.00
L&T Hydrocarbon Saudi Company LLC [₹ 130.39 (previous year: ₹ 130.39)]	SAR 1000	1,000	—	—
L&T Power Development Limited	10	2,28,96,63,205	2289.66	2289.66
L&T Energy Green Tech Limited	10	5,10,51,164	51.05	0.05
L&T Electromech LLC [₹ 171.70 (previous year: ₹ 171.70)]	OMR 1	2,10,000	—	—
L&T Realty Developers Limited	10	16,71,60,700	107.72	107.72
L&T Heavy Engineering LLC [₹ 183.89 (previous year: ₹ 183.89)]	OMR 1	39,65,500	—	—
L&T Seawoods Limited	10	1,40,39,79,846	1394.91	1354.55
L&T Modular Fabrication Yard LLC [₹ 171.70 (previous year: ₹ 171.70)]	OMR 1	20,19,230	—	—
L&T Innovation Campus (Chennai) Limited (merged with L&T Seawoods Limited on April 1, 2023)	10	—	—	40.36
Larsen & Toubro Kuwait Construction General Contracting Company W.L.L. [₹ 66.04 (previous year: ₹ 66.04)]	KWD 1000	980	—	—
L&T Technology Services Limited (quoted)	2	7,79,86,899	805.25	805.25
LTIMindtree Limited (quoted)	1	20,31,69,279	9675.98	9675.98
Larsen & Toubro Arabia LLC	SAR 1000	7,500	11.08	11.08
L&T Geostructure Private Limited	10	2,47,50,000	318.50	318.50
L&T Construction Equipment Limited	10	19,91,42,091	22.27	22.27
Larsen & Toubro (Saudi Arabia) LLC	SAR 1000	625	1.05	1.05
L&T Infrastructure Engineering Limited (Divested w.e.f. January 3, 2024)	10	—	—	21.85
L&T Network Services Private Limited	10	90,00,000	9.00	9.00
PT Larsen & Toubro	IDR 1000000	25,700	16.46	16.46
Corporate Park (Powai) Private Limited	10	20,50,000	2.05	—
Business Park (Powai) Private Limited	10	20,50,000	2.05	—
L&T Energy Hydrocarbon Engineering Limited	10	90,00,000	79.51	79.51
L&T Global Holdings Limited	USD 100	80,000	53.16	53.16
L&T Semiconductor Technologies Limited	10	95,50,000	9.55	—
L&T Offshore Private Limited (formerly known as L&T Sapura Offshore Private Limited)	10	10,000	0.01	—
			<u>28414.39</u>	<u>24717.58</u>

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

NOTE [5]

Details of Non-current Assets: Financial Assets - Investments (contd.)

Particulars	Face value per unit	Number of units		
		As at 31-3-2024	As at 31-3-2024	As at 31-3-2023
	₹		₹ crore	₹ crore
(ii) Preference share considered equity as per terms:				
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, March 30, 2027	2	82,60,00,000	826.00	826.00
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, May 12, 2027	2	4,80,00,000	48.00	48.00
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, July 14, 2027	2	4,22,50,000	42.25	42.25
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, September 3, 2027	2	4,20,00,000	42.00	42.00
L&T Realty Developers Limited - 12% Non-cumulative optionally convertible redeemable at par preference shares, May 26, 2025	10	64,83,00,000	648.30	648.30
			1606.55	1606.55
(iii) Other deemed equity investment:				
L&T Aviation Services Private Limited			0.65	0.65
			0.65	0.65
Total - (a) = (i)+(ii)+(iii)			30021.59	26324.78
(b) Associate companies:				
Gujarat Leather Industries Limited [Net of provision ₹ 0.56 crore (previous year provision ₹ 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:				
L&T Howden Private Limited	10	1,50,30,000	15.03	15.03
L&T Hydrocarbon Caspian LLC	AZM 10	—	—	0.36
L&T Sapura Shipping Private Limited	10	9,53,11,850	95.31	95.31
L&T Sapura Offshore Private Limited (Reclassified as subsidiary w.e.f December 27, 2023)	10	—	—	0.01
L&T - MHI Power Boilers Private Limited	10	11,93,91,000	119.39	119.39
L&T - MHI Power Turbine Generators Private Limited	10	36,24,06,000	362.41	362.41
L&T Special Steels and Heavy Forgings Private Limited [Net of provision ₹ 419.28 crore (previous year provision ₹ 419.29 crore)]	10	41,92,84,000	—	—
L&T-Sargent & Lundy Limited	10	27,82,736	0.82	0.82
Raykal Aluminium Company Private Limited	10	37,750	0.04	0.04
L&T MBDA Missile Systems Limited	10	5,10,000	0.51	0.51
GH4India Private Limited	10	10,00,000	1.00	—
			594.51	593.88
(ii) Other deemed equity investment:				
L&T - MHI Power Boilers Private Limited			2.24	2.24
L&T - MHI Power Turbine Generators Private Limited			9.13	9.13
			11.37	11.37

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

Particulars	Face value per unit	Number of units		
		As at 31-3-2024	As at 31-3-2024	As at 31-3-2023
	₹		₹ crore	₹ crore
(iii) Preference shares-(equity portion):				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024 [Net of provision ₹ 78.33 crore (previous year provision ₹ 78.33 crore)]	10	15,54,00,000	—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025 [Net of provision ₹ 97.91 crore (previous year provision ₹ 97.91 crore)]	10	17,76,00,000	—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026 [Net of provision ₹ 84.41 crore (previous year provision ₹ 84.41 crore)]	10	14,20,80,000	—	—
L&T Infrastructure Development Projects Limited -Series 1 Compulsorily Convertible Preference Shares - January 11, 2033 (Bonus shares)	10	25,500	—	—
L&T Infrastructure Development Projects Limited -(Series 2 Compulsorily Convertible Preference Shares - January 11 2033) (Bonus shares)	10	25,500	—	—
L&T Infrastructure Development Projects Limited -(Series 3 Compulsorily Convertible Preference Shares - January 11, 2033) (Bonus shares)	10	25,500	—	—
L&T Infrastructure Development Projects Limited -(Series 4 Compulsorily Convertible Preference Shares - January 11, 2033)	10	37,000	0.04	0.04
			0.04	0.04
Total - (c) = (i)+(ii)+(iii)			605.92	605.29
(d) Other companies:				
International Seaport Dredging Limited [Net of provision ₹ 15.90 crore (previous year provision ₹ 15.90 crore)]	10000	15,899	—	—
BBT Elevated Road Private Limited	10	1,00,000	0.10	0.10
Utmal Multi purpose Service Co-operative Society Limited (B Class) [₹ 30,000 (previous year: ₹ 30,000)]	100	300	—	—
Tidel Park Limited	10	40,00,000	86.59	78.69
VP Global Fibre and Yarns Private Limited [₹ 13,600 (previous year: ₹ 17,300)]	100	136	—	—
New Vision Wind Power Private Limited [₹ 23,420 (previous year: ₹ 38,560)]	10	2,342	—	—
The New India Assurance Company Limited (quoted)	10	4,45,803	10.14	4.34
Kalyan Halol-Shamlaji Tollway Limited [Net of provision ₹ 1000 (previous year provision ₹ 1000)]	10	100	—	—
Life Insurance Corporation of India Limited (quoted)	10	—	—	19.35
			96.84	102.48
Total - (A) =(a)+(b)+(c)+(d)			30728.77	27036.97
(B) Investment 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 [Net of provision ₹ 77.77 crore (previous year provision ₹ 77.77 crore)]	10	15,54,00,000	—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025 [Net of provision ₹ 79.12 crore (previous year provision ₹ 79.12 crore)]	10	17,76,00,000	—	—
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026 [Net of provision ₹ 56.28 crore (previous year provision ₹ 56.28 crore)]	10	14,20,80,000	—	—
Total - (B)			—	—
Total Non Current Investment =(A)+(B)			30728.77	27036.97

Details of quoted/unquoted investments:

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	16417.71	16452.05
Market Value	169041.56	136523.30
(b) Aggregate amount of unquoted investments;		
Book Value	14311.06	10584.92
(c) Aggregate amount of Impairment in value of investments	909.56	909.57

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

NOTE [6]

Non-current Assets: Financials Assets - Loans

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Unsecured loan and advances to related parties:		
Subsidiary companies, considered good	401.50	3131.38
Subsidiary companies, considered doubtful	–	75.60
Less: Allowance for expected credit loss	–	75.60
	–	–
Joint venture companies, considered good	1907.74	1905.11
Less: Allowance for expected credit loss	1730.38	1730.38
	177.35	174.73
Unsecured others loans, considered good	0.21	0.71
	579.06	3306.81

NOTE [7]

Non current Assets: Financial Assets - Others

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Unsecured security deposits, considered good:	211.58	190.67
Less: Allowance for expected credit loss	33.10	41.68
	178.48	148.99
Fixed deposits with banks (maturity more than 12 months)	17.38	-
Cash and bank balances not available for immediate use [refer Note 7(a)]	194.87	128.78
Forward contract receivables	168.83	51.97
Embedded derivative receivables	11.94	27.40
Premium receivable on financial guarantee contracts	24.90	50.03
Other receivables	0.44	0.05
	596.84	407.22

Note 7(a)

Particulars of cash and bank balances not available for immediate use

		₹ crore	
Sr. No.	Particulars	As at 31-3-2024	As at 31-3-2023
1	Amount received (including interest accrued thereon) from customers of property development business – to be handed over to housing society on its formation.	30.17	28.59
2	Contingency deposit (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.	17.76	16.97
3	Other bank balances (including interest accrued thereon) not available for immediate use being security offered for bids submitted, loans availed, acquisition etc.	563.84	423.06
	Total	611.77	468.62
	Less: Amount reflected under current assets [refer Note 13]	416.90	339.84
	Amount reflected under other financial assets - non-current [refer Note 7]	194.87	128.78

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

NOTE [8]
Other non-current assets

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Capital advances:		
Secured	4.21	1.47
Unsecured	44.64	23.58
Advance recoverable other than in cash	1368.44	1567.82
	<u>1417.29</u>	<u>1592.87</u>

NOTE [9]
Current Assets: Inventories

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Raw materials [includes goods-in-transit ₹ 10.04 crore (previous year: ₹ 3.82 crore)]	402.09	337.25
Components [includes goods-in-transit ₹ 6.50 crore (previous year: ₹ 8.81 crore)]	220.86	178.98
Construction materials [includes goods-in-transit ₹ 119.58 crore (previous year: ₹ 275.00 crore)]	148.37	310.55
Manufacturing work-in-progress	279.33	267.73
Finished goods [includes goods-in-transit ₹ 0.59 crore (previous year: 0.12)]	0.87	16.77
Stock-in-trade [includes goods-in-transit ₹ 53.45 crore (previous year: ₹ 39.62 crore)]	228.30	364.92
Stores and spares [includes goods-in-transit ₹ 2.56 crore (previous year: ₹ 3.17 crore)]	145.98	164.81
Loose tools	4.70	4.10
Property development related work-in-progress	2032.37	1753.16
Property development project - completed property	58.10	30.29
	<u>3520.97</u>	<u>3428.56</u>

Note : During the year ₹ 18.56 crore (previous year: ₹ 2.28 crore) was recognised as expense towards write-down of inventories (net).

NOTE [10]
Current Assets: Financial Assets - investments

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
(A) Government and trust securities	4393.72	4115.10
(B) Debentures and bonds		
(i) Subsidiary companies	758.90	2038.24
(ii) Joint venture companies	736.26	742.39
(iii) Other debentures & bonds	5307.70	5450.41
	<u>6802.86</u>	<u>8231.04</u>
(C) Mutual funds	1499.59	2224.35
(D) Collateral borrowing and lending obligation (CBLO)	199.96	899.67
(E) Commercial paper	195.79	1871.46
(F) Certificate of deposits	1026.85	2080.59
(G) InvITs	2694.57	802.08
	<u>16813.34</u>	<u>20224.29</u>

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

NOTE [10] (contd.)

Details of current investments in Subsidiary companies and Joint venture companies

Particulars	Face value per unit	Number of units		
		As at 31-3-2024	As at 31-3-2024	As at 31-3-2023
	₹		₹ crore	₹ crore
Debentures and Bonds (quoted):				
(i) Subsidiary companies:				
9.00% L&T Finance Limited NCD April 15, 2024	1,000	153,800	16.72	16.87
7.75% L&T Finance Limited NCD July 10, 2025	10,00,000	1,450	152.70	152.47
7.95% L&T Finance Limited NCD July 28, 2025	10,00,000	1,300	137.30	137.30
7.15% L&T Finance Limited NCD September 16, 2024	10,00,000	—	—	102.47
6.75% L&T Finance Limited NCD November 3, 2028	10,00,000	—	—	193.10
7.85% L&T Finance Limited NCD July 9, 2025	10,00,000	150	15.82	94.90
6.55% L&T Finance Limited NCD November 3, 2028	10,00,000	—	—	262.80
9.81% L&T Metro Rail (Hyderabad) Limited NCD June 18, 2035	10,00,000	—	—	189.03
9.81% L&T Metro Rail (Hyderabad) Limited NCD November 2, 2035	10,00,000	—	—	290.47
9.85% L&T Metro Rail (Hyderabad) Limited NCD January 28, 2036	10,00,000	—	—	166.47
6.68% L&T Metro Rail (Hyderabad) Limited SR C 30 NCD April 30, 2027	10,00,000	4,220	436.36	432.35
Total- (i)			758.90	2038.24
(ii) Joint Venture companies:				
8.80% Kudgi Transmission Limited NCD April 25, 2023	10,00,000	—	—	16.24
8.80% Kudgi Transmission Limited NCD April 25, 2024	10,00,000	170	18.41	18.57
8.80% Kudgi Transmission Limited NCD April 25, 2025	10,00,000	180	19.66	19.82
8.80% Kudgi Transmission Limited NCD April 25, 2026	10,00,000	200	22.03	22.18
8.80% Kudgi Transmission Limited NCD April 25, 2027	10,00,000	210	23.33	23.46
9.14% Kudgi Transmission Limited SR-K NCD April 25, 2028	10,00,000	230	26.13	26.29
9.14% Kudgi Transmission Limited SR-L NCD April 25, 2029	10,00,000	240	27.57	27.58
9.14% Kudgi Transmission Limited SR-M NCD April 25, 2030	10,00,000	270	31.29	31.23
9.14% Kudgi Transmission Limited SR-N NCD April 25, 2031	10,00,000	280	32.74	32.56
9.14% Kudgi Transmission Limited SR-O NCD April 25, 2032	10,00,000	290	34.18	33.90
9.50% Kudgi Transmission Limited SR-P NCD April 25, 2033	10,00,000	310	37.65	37.22
9.50% Kudgi Transmission Limited SR-T NCD April 25, 2034	10,00,000	330	40.39	39.52
9.50% Kudgi Transmission Limited SR-R NCD April 25, 2035	10,00,000	360	43.97	42.95
9.50% Kudgi Transmission Limited SR-S NCD April 25, 2036	10,00,000	390	47.47	46.29
9.50% Kudgi Transmission Limited SR-T NCD April 25, 2037	10,00,000	410	49.66	48.36
9.50% Kudgi Transmission Limited SR-U NCD April 25, 2038	10,00,000	350	42.14	41.02
9.50% Kudgi Transmission Limited SR-V NCD April 25, 2039	10,00,000	960	114.86	112.77
9.50% Kudgi Transmission Limited SR-W NCD April 25, 2040	10,00,000	1,040	124.78	122.43
Total- (ii)			736.26	742.39

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

NOTE [10] (contd.)
Details of quoted/unquoted investments:

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
(a) Aggregate amount of quoted current investments and market value thereof;		
Book Value	13891.15	13148.22
Market Value	13891.15	13148.22
(b) Aggregate amount of unquoted current investments;		
Book Value (Accounted based on NAV)	1499.59	2224.35
Market Value	1422.60	4851.72

NOTE [11]
Current Assets: Financial Assets - Trade receivables

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Unsecured, considered good	40895.57	36788.26
Less: Allowance for expected credit loss	3942.46	3643.00
	36953.11	33145.26
Credit Impaired	214.76	333.10
Less: Allowance for expected credit loss	206.32	325.78
	8.44	7.32
	36961.55	33152.58

[a] Current assets: Financial assets - Trade receivables ageing

₹ crore

Particulars	As at 31-3-2024						Total
	Not due	Outstanding for the following periods from the due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
- Considered good	20894.18	10453.61	2437.28	1854.39	1271.25	2577.29	39488.00
- Credit impaired	–	–	0.80	2.52	8.60	38.26	50.18
Disputed:							
- Considered good	105.90	253.73	–	94.10	0.20	953.64	1407.57
- Credit impaired	–	–	–	–	–	164.58	164.58
Gross trade receivables	21000.08	10707.34	2438.08	1951.01	1280.05	3733.77	41110.33
Less: Allowance for expected credit loss							4148.78
Total							36961.55

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

NOTE [11]

[a] Current assets: Financial assets - Trade receivables ageing (contd.)

₹ crore

	As at 31-3-2023						
Particulars	Not due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
- Considered good	19261.20	8093.69	2593.31	2362.04	1057.02	2158.34	35525.60
- Credit impaired	–	–	1.23	9.30	9.14	99.51	119.18
Disputed:							
- Considered good	104.49	21.57	–	60.35	42.28	1033.97	1262.66
- Credit impaired	–	–	–	–	–	213.91	213.91
Gross trade receivables	19365.69	8115.26	2594.54	2431.69	1108.44	3505.73	37121.35
Less: Allowance for expected credit loss							3968.77
Total							33152.58

NOTE [12]

Current Assets: Financials Assets - Cash and cash equivalents

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Balance with banks	3026.17	3437.56
Cheques and draft on hand	409.56	361.39
Cash on hand	3.42	3.54
Fixed deposits with banks (maturity less than 3 months)	500.06	–
	3939.21	3802.49

NOTE [13]

Current Assets: Financials Assets - Other bank balances

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Fixed deposits with banks	282.43	297.50
Earmarked balances with banks-unclaimed dividend	129.90	129.10
Earmarked balances with banks-Section4(2)(1)(D) of RERA ⁽¹⁾	0.75	0.71
Cash and bank balances not available for immediate use [refer Note 7(a)]	416.90	339.84
	829.98	767.15

⁽¹⁾ Real Estate (Regulation and Development) Act, 2016

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

NOTE [14]

Current Assets: Financial Assets - Loans

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Unsecured loans and advances to related parties:		
Subsidiary companies, considered good	36.10	—
Subsidiary companies, considered doubtful	—	5.90
Less: Allowance for expected credit loss	—	5.90
	—	—
Associate/Joint venture companies, considered good	26.94	168.29
	63.04	168.29

NOTE [15]

Current Assets: Financial Assets - Others

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Unsecured security deposits, considered good	497.72	449.12
Less: Allowance for expected credit loss	0.76	0.45
	496.96	448.67
Receivable from related parties:		
Subsidiary companies	1047.69	762.90
Less: Allowance for expected credit loss	6.50	5.28
	1041.19	757.62
Joint venture companies	107.90	158.31
Less: Allowance for expected credit loss	0.87	6.05
	107.03	152.26
Other recoverable	2200.17	1588.91
Premium receivable on financial guarantee contracts	25.13	26.85
Forward contract receivable	238.14	325.19
Embedded derivative receivable	158.39	228.40
Doubtful advances:		
Deferred credit sale of ships	27.11	27.11
Other loans and advances	182.98	316.56
	210.09	343.67
Less: Allowance for expected credit loss	210.09	343.67
	—	—
	4267.01	3527.90

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

NOTE [16]

Other current assets

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Contract Assets [refer Note 41(d)]		
Unbilled Revenue	37441.04	36408.48
Retention money	11886.84	12516.49
	49327.88	48924.97
Advance recoverable other than in cash	7756.71	8189.12
Government grants receivable	11.65	14.22
Other loans and advances	0.99	0.67
Less: Allowance for expected credit loss	0.99	0.67
	—	—
	57096.24	57128.31

NOTE [17]

Equity share capital

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

Particulars	As at 31-3-2024		As at 31-3-2023	
	Number of shares	₹ crore	Number of shares	₹ crore
Authorised:				
Equity shares of ₹ 2 each	40,18,50,00,000	8037.00	40,18,50,00,000	8037.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,37,46,68,619	274.93	1,40,54,82,190	281.10

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

Particulars	As at 31-03-2024		As at 31-3-2023	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,54,82,190	281.10	1,40,50,29,123	281.01
Add: Shares issued on exercise of employee stock options during the year	4,36,429	0.08	4,53,067	0.09
Less: Shares extinguished on buy-back	3,12,50,000	6.25	—	—
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,37,46,68,619	274.93	1,40,54,82,190	281.10

(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 Standalone Financial Statements (contd.)

NOTE [17]
Equity share capital (contd.)
(d) Shareholders holding more than 5% of equity shares as at the end of the year: -

Name of the shareholders	As at 31-3-2024		As at 31-3-2023	
	Number of shares	Shareholding %	Number of shares	Shareholding %
L&T Employees Trust	19,48,87,516	14.18	19,25,58,158	13.70
Life Insurance Corporation of India	15,17,12,116	11.04	16,04,73,308	11.42

(e) Shares reserved for issue under options outstanding on un-issued share capital:

Particulars	As at 31-3-2024		As at 31-3-2023	
	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 ^[1]	16,29,198	0.33 ^[2]	11,74,574	0.23 ^[2]

^[1] Note 17 (h) below for terms of employee stock option schemes

^[2] The equity shares will be issued at a premium of ₹ 27.41 crore (previous year: ₹ 25.57 crore)

(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, 2024 are NIL (previous period of five years ended March 31, 2023: 46,67,64,755 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, 2024 – NIL (previous period of five years ended March 31, 2023: 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. During the year, the Company has issued the new ESOP series 2006(B) in which options are vested equally over a period of 4 years. The options are vested equally over a period of 4 years for series 2003(B) and 2006(B), 5 years in the case of series 2006(A), subject to the discretion of the management and fulfillment of certain conditions.
- B. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

ii. The details of the grants under the aforesaid schemes are summarised below:

Sr. No.	Series reference	2003(B)		2006(A)		2006(B)	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1	Grant price (₹)	7.80	7.80	267.10	267.10	267.10	
2	Grant dates	23-5-2003 onwards		1-7-2007 onwards		08-07-2023 onwards	
3	Vesting commences on	23-5-2004 onwards		1-7-2008 onwards		08-07-2024 onwards	
4	Options granted and outstanding at the beginning of the year	2,14,553	2,79,959	9,60,021	14,38,460	–	
5	Options lapsed	20,995	17,809	53,320	94,393	5,600	
6	Options granted	4,92,308	21,424	–	–	4,78,660	
7	Options exercised	77,380	69,021	3,59,049	3,84,046	–	
8	Options granted and outstanding at the end of the year, of which	6,08,486	2,14,553	5,47,652	9,60,021	4,73,060	
	Options vested	12,880	18,719	2,38,138	3,43,562	–	
	Options yet to vest	5,95,606	1,95,834	3,09,514	6,16,459	4,73,060	
9	Weighted average remaining contractual life of options (in years)	5.78	4.88	2.97	3.59	6.31	

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

NOTE [17]

Equity share capital (contd.)

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

Particulars	2023-24		2022-23	
	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	11,74,574	219.74	17,18,419	224.86
(B) Options granted	9,70,968	135.63	21,424	7.80
(C) Options allotted	4,36,429	221.13	4,53,067	227.60
(D) Options lapsed	79,915	198.98	1,12,202	225.94
(E) Options granted and outstanding at the end of the year	16,29,198	170.25	11,74,574	219.74
(F) Options exercisable at the end of the year out of (E) above	2,51,018	253.80	3,62,281	253.70

- iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 2945.59 (previous year: ₹ 1779.07) 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 2023-24 is ₹ 91.25 crore (previous year: ₹ 28.16 crore)[Note 34]. The entire amount pertains to equity-settled employee share-based payment plans. The expenses includes ₹ 0.09 crore (previous year: ₹ 0.19 crore) charged by subsidiary companies towards the stock options granted to Company's employees.
- vi. During the year, the Company has recovered ₹ 2.41 crore (previous year: ₹ 1.12 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 ₹ 2314.37 (previous year: ₹ 1496.52) 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	2023-24	2022-23
(i)	Weighted average risk-free interest rate	7.05%	6.77%
(ii)	Weighted average expected life of options	2.75 Years	2.83 Years
(iii)	Weighted average expected volatility	18.64%	25.03%
(iv)	Weighted average expected dividends over the life of the options	₹ 65.90 per option	₹ 62.26 per option
(v)	Weighted average share price	₹ 2479.86 per option	₹ 1553.63 per option
(vi)	Weighted average exercise price	₹ 135.63 per option	₹ 7.80 per option
(vii)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

- ix. The balance in share options (net) account as at March 31, 2024 is ₹ 125.66 crore (previous year: ₹ 74.62 crore), including ₹ 20.78 crore (previous year: ₹ 30.86 crore) for which the options have been vested to employees as at March 31, 2024.

(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 enable the Company to navigate business challenges 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 0.35:1 as at March 31, 2024 (as at March 31, 2023 0.25:1).

During the year ended March 31, 2024, the shareholders approved the proposal of buyback of equity shares of the Company, as recommended by its Board of Directors. The settlement of all valid bids and extinguishment of equity shares bought back were completed on September 28, 2023.

Accordingly, the Company has bought back 3,12,50,000 equity shares of face value of ₹ 2 each, representing 2.22% of the number of equity shares in the paid-up share capital, at a price of ₹ 3,200 per share aggregating to ₹ 10,000 crore. Consequently, the equity share capital stands reduced by ₹ 6.25 crore. The premium on buyback of ₹ 9993.75 crore, transaction cost (net of tax) with respect to the buyback of ₹ 26.37 crore and the tax on buyback of ₹ 2253.33 crore have been adjusted against securities premium account and free reserves.

During the year ended March 31, 2024, the Company paid the final dividend of ₹ 24 per equity share for the year ended March 31, 2023 amounting to ₹ 3373.56 crore and a special dividend of ₹ 6 per equity share amounting to ₹ 843.39 crore.

The Board of directors, at their meeting held on May 8, 2024 recommended the final dividend of ₹ 28 per equity share for the year ended March 31, 2024 subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 3849.07 crore based on number of shares outstanding as at March 31, 2024.

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

NOTE [18]
Other equity

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Capital reserve ^[1]	10.84	10.84
Capital reserve on business combination ^[2]	(25.77)	(25.77)
Capital redemption reserve ^[3]	266.25	260.00
Securities premium [refer Note 1(II)(p)]	50.56	8770.19
Employee share options (net) [refer Note 1(II)(r)]		
Employee share options outstanding	254.72	93.20
Deferred employee compensation expense	(129.03)	(18.58)
	125.69	74.62
Debenture redemption reserve ^[4]	—	20.42
General reserve ^[5]	22715.19	26201.60
Retained earnings	40961.13	35863.32
Foreign currency translation reserve [refer Note 1(II)(s)(iv)]	(26.66)	(21.47)
Hedging reserve [refer Note 1(II)(m)(iii)]		
Cash flow hedging reserve	66.89	228.78
Cost of hedging reserve	(4.68)	(4.77)
	62.21	224.01
Debt instruments through other comprehensive income [refer Note 1(II)(m)(i)]	1.67	(130.89)
	<u>64141.11</u>	<u>71246.85</u>

^[1] **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.

^[2] **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.

^[3] **Capital redemption reserve:** Created on: (a) Buyback of equity shares out of free reserves and securities premium in accordance with Section 69 of the Companies Act, 2013 (b) Redemption of preference shares out of profits in accordance with Section 55(2)(c) of the Companies Act, 2013.

^[4] **Debenture redemption reserve (DRR):** The Ministry of Corporate Affairs vide notification dated August 16, 2019, amended the Companies (Share capital and Debenture) Rules, 2014 by which the Company is no longer required to create DRR towards the debentures issued. Earlier to this amendment, the Company was required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis and the amounts credited to the DRR was not to be utilised by the Company except to redeem debentures. The above amount represents the DRR created out of profits of the Company prior to the said notification.

^[5] **General reserve:** The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits 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.

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

NOTE [19]

Non-current liabilities: Financial Liabilities - Borrowings

₹ crore

Particulars	As at 31-3-2024			As at 31-3-2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Redeemable non-convertible fixed rate debentures [refer Note 19(a)(i)]	–	9792.22	9792.22	–	7286.80	7286.80
Redeemable non-convertible inflation linked debentures [refer Note 19(a)(ii)]	–	–	–	–	–	–
Term loan from banks [refer Note 19(b)]	–	2138.92	2138.92	–	2104.05	2104.05
	–	11931.14	11931.14	–	9390.85	9390.85

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

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31-3-2024 ₹ crore	As at 31-3-2023 ₹ crore	Interest for the year 2023-24	Terms of repayment for debentures outstanding as on 31-3-2024
1.	2,50,000	April 25, 2022	483.93	483.83	8.00% p.a. payable annually	Redeemable at face value at the end of 8th year from the date of allotment.
2.	2,50,000	April 23, 2023	483.93	–	8.00% p.a. payable annually	Redeemable at face value at the end of 7th year from the date of allotment.
3.	2,50,000	April 23, 2021	483.73	483.63	8.00% p.a. payable annually	Redeemable at face value at the end of 9th year from the date of allotment.
4.	2,50,000	April 23, 2020	483.69	483.58	8.00% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
5.	1,00,000	March 28, 2023	2142.15	1999.71	7.725% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
6.	1,00,000	November 9, 2023	2059.23	–	7.66% p.a. payable annually	Redeemable at face value at the end of 2nd year from the date of allotment.
7.	1,00,000	November 2, 2023	1546.39	–	7.58% p.a. payable annually	Redeemable at face value at the end of 1st year from the date of allotment.
8.	10,00,000	April 28, 2020	2673.77	2669.51	7.70% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
9.	1,00,000	June 8, 2023	1534.27	–	7.33% p.a. payable annually	Redeemable at face value at the end of 1st year from the date of allotment.
10.	1,00,000	June 8, 2023	1040.80	–	7.335% p.a. payable annually	Redeemable at face value at the end of 1st year from the date of allotment.
11.	1,00,000	June 8, 2023	1058.67	–	7.38% p.a. payable annually	Redeemable at face value at the end of 1st year from the date of allotment.

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

NOTE [19]
Non-current liabilities: Financial Liabilities - Borrowings (contd.)

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31-3-2024 ₹ crore	As at 31-3-2023 ₹ crore	Interest for the year 2023-24	Terms of repayment for debentures outstanding as on 31-3-2024
12.	10,00,000	May 6, 2020	1544.85	1542.63	7.25% p.a. payable annually	Redeemable at face value at the end of 4th year from the date of allotment.
13.	10,00,000	April 23, 2020	—	2616.75	7.25% p.a. payable annually	
14.	10,00,000	April 20, 2020	—	1335.19	7.20% p.a. payable annually	
15.	10,00,000	January 24, 2020	—	1062.95	6.72% p.a. payable annually	
Total			15535.41	12677.79		
Less:			5743.19	5390.99	Current maturity of long-term borrowings [refer Note 24]	
			9792.22	7286.80	Non-current borrowings [refer Note 19]	

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

Face value per debenture (₹)	Date of allotment	As at 31-3-2024 ₹ crore	As at 31-3-2023 ₹ crore	Interest for the year 2023-24	Terms of repayment for debentures outstanding as on 31-3-2024
10,00,000	May 23, 2013	—	143.51 ⁽¹⁾	1.65% p.a. payable on Inflation Adjusted Principal as on the date of coupon payment	
	Less:	—	143.51	Current maturity of long-term borrowings [refer Note 24]	
		—	—		

⁽¹⁾ 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) Details of term Loans (Unsecured):

Sr. No.	As at 31-3-2024 ₹ crore	As at 31-3-2023 ₹ crore	Rate of Interest for the year 2023-24	Terms of repayment of term loan outstanding as on 31-3-2024
1	892.07	878.18	USD SOFR + Spread ⁽¹⁾	Repayable on November 30, 2025
2	1248.34	1226.91	USD SOFR + Spread ⁽¹⁾	Repayable on April 14, 2025
3	—	29.44	9.00% p.a. payable monthly	
4	—	15.90	8.40% p.a. payable monthly	
Total	2140.41	2150.43		
Less:	1.49	46.38	Current maturity of long-term borrowings [refer Note 24]	
	2138.92	2104.05	Non-current borrowings [refer Note 19]	

⁽¹⁾ Represents unsecured term loans obtained in foreign currency.

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

NOTE [20]

Non-current liabilities: Other financial liabilities

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Forward contract payables	10.23	16.02
Embedded derivative payables	–	4.89
Financial guarantee contracts	24.93	50.38
Due to others (mainly includes liabilities towards capital goods)	40.65	37.12
	<u>75.81</u>	<u>108.41</u>

NOTE [21]

Non-current liabilities: Provisions

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Employee pension scheme	351.87	346.44
Post-retirement medical benefits plan	345.86	290.53
	<u>697.73</u>	<u>636.97</u>

NOTE [22]

Other non-current liabilities

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Other Payables (Deferred income on day one fair valuation of financial instrument)	22.67	7.05
	<u>22.67</u>	<u>7.05</u>

NOTE [23]

Current liabilities: Financial Liabilities - Borrowings

	₹ crore					
Particulars	As at 31-3-2024			As at 31-3-2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans repayable on demand from banks	–	0.29	0.29	0.36	0.54	0.90
Short term loan and advances from banks	–	813.75	813.75	–	1743.91	1743.91
Commercial paper	–	2668.53	2668.53	–	1231.28	1231.28
Loans from related parties:						
Subsidiary companies	–	1149.41	1149.41	–	1.23	1.23
Joint venture companies	–	207.67	207.67	–	202.04	202.04
Collateralized borrowing and lending obligation	25.00	–	25.00	–	–	–
	<u>25.00</u>	<u>4839.65</u>	<u>4864.65</u>	<u>0.36</u>	<u>3179.00</u>	<u>3179.36</u>

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

23(b) The Company has fund based and non-fund based facilities (viz. bank guarantees, letter of credits and derivatives) from banks. These facilities are secured by hypothecation of inventories and trade receivables. Amount of inventories and trade receivables that are pledged as collateral to the extent of: ₹ 6932.00 crore as at March 31, 2024 (March 31, 2023: ₹ 6932.00 crore)

23(c) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns filed by the Company with such banks or financial institutions are in agreement with the Books of Account of the Company of the respective quarters.

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

NOTE [24]
Current liabilities: Financial liabilities - Current maturities of long-term borrowings

₹ crore		
Particulars	As at 31-3-2024	As at 31-3-2023
Unsecured:		
Redeemable non-convertible fixed rate debentures [refer Note 19(a)(i)]	5743.19	5390.99
Term loans from banks [refer Note 19(b)]	1.49	46.38
Redeemable non-convertible floating rate debentures [refer Note 19(a)(ii)]	–	143.51
	<u>5744.68</u>	<u>5580.88</u>

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

NOTE [25]
Current liabilities: Financial liabilities - Other trade payables

₹ crore		
Particulars	As at 31-3-2024	As at 31-3-2023
Acceptances	93.89	175.47
Due to related parties:		
Subsidiary companies	1307.52	848.57
Associate companies	5.61	6.00
Joint venture companies	1262.66	1455.48
	<u>2575.79</u>	<u>2310.05</u>
Due to others	37305.43	38543.14
	<u>39975.11</u>	<u>41028.66</u>

25(a) Current liabilities: Financial liabilities - Trade payables ageing

							₹ crore
Particulars	As at 31-3-2024						
	Unbilled Dues	Not due	Outstanding for the following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
Micro and small enterprises	16.11	822.51	26.71	1.96	2.06	1.87	871.22
Others	10699.91	21993.09	5397.22	347.92	290.59	1239.29	39968.02
Disputed:							–
Micro and small enterprises	–	–	–	–	–	–	–
Others	–	7.09	–	–	–	–	7.09
Total	10716.02	22822.69	5423.93	349.88	292.65	1241.16	40846.33

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

NOTE [25]

[a] Current liabilities: Financial liabilities - Trade payables ageing (contd.)

₹ crore

Particulars	As at 31-3-2023						Total
	Unbilled Dues	Not due	Outstanding for the following periods from the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
Micro and small enterprises	58.21	619.75	64.88	4.94	2.27	1.66	751.71
Others	11375.85	21957.89	5747.79	424.92	152.27	1361.80	41020.52
Disputed:							—
Micro and small enterprises	—	—	—	—	—	—	—
Others	—	7.48	—	—	—	0.66	8.14
Total	11434.06	22585.12	5812.67	429.86	154.54	1364.12	41780.37

NOTE [26]

Current liabilities - Other financial liabilities

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Unclaimed dividend	129.90	129.10
Forward contract payable	270.74	163.69
Embedded derivative payable	41.64	43.78
Financial guarantee contracts	25.46	27.53
Due to others ^{[1][2]}	3603.76	3753.82
	4071.50	4117.92

^[1] Due to others include due to directors ₹ 123.61 crore (previous year ₹ 92.20 crore)

^[2] Mainly includes liability towards employee benefits and capital goods

NOTE [27]

Other current Liabilities

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Contract liabilities [refer Note 41(d)]		
Excess of billing over revenue	14487.32	13513.76
Advances from customers	22133.60	16926.77
	36620.92	30440.53
Other payables ^[1]	2762.89	1836.84
	39383.81	32277.37

^[1] Mainly includes liabilities towards joint operations, statutory dues and employee benefits

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

NOTE [28]
Current liabilities - provisions

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Provision for employee benefits:		
Gratuity	118.93	103.00
Compensated absences	571.79	672.71
Employee pension scheme	30.39	28.83
Post-retirement medical benefits plan	17.76	13.91
	738.87	818.45
Other Provisions [refer Note 50]	912.70	1013.92
	1651.57	1832.37

NOTE [29]
Contingent liabilities

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
(a) Claims against the Company not acknowledged as debts	4569.64	4276.96
(b) Sales tax/GST liability that may arise in respect of matters in appeal	1169.36	561.64
(c) Excise duty/service tax/customs duty liability that may arise in respect of matters in appeal/ challenged by the Company in WRIT	426.36	384.30
(d) Income tax liability that may arise in respect of which the Company is in appeal	3380.37	2652.73
(e) Corporate guarantees given for financial obligations of Subsidiary companies/joint venture companies	8826.56	8892.58
(f) Corporate and bank guarantees for performance obligations of Subsidiary companies/joint venture companies	120947.97	68828.25
(g) Contingent liabilities incurred in relation to interests in joint operations	3006.66	2976.71
(h) Share in contingent liabilities of joint operations for which the Company is contingently liable	123.84	87.48
(i) Contingent liabilities in respect of liabilities of other joint operators of joint operations	4364.24	4407.38
(j) Indemnities for performance given on behalf of third parties	56.79	96.41

Notes :

- The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matters at (j)
- 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 three 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 six 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.
- In respect of matters at (j), the cash outflows, if any, is fully reimbursable by the third parties under an agreement entered in to with them.

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

NOTE [30]

Commitments

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) on:		
(i) Property, plant and equipment	808.81	1080.83
(ii) Investment property	219.85	—
(iii) Intangible assets	16.73	10.79
	1045.39	1091.62
(b) Funding committed by way of equity/loans to subsidiary companies	239.25	349.47
(c) Uncalled liability on shares and other investments partly paid	—	880.00

NOTE [31]

Revenue from operations

	₹ crore	
Particulars	2023-24	2022-23
Sales and service:		
Construction and project related activity	118835.90	103509.82
Manufacturing and trading activity	3852.08	3582.80
Property development activity	509.35	444.67
Engineering and service fees	115.34	108.28
Servicing	1614.03	1421.59
Commission	141.81	136.87
	125068.51	109204.03
Other operational income:		
Net gain/(loss) on sale of investment properties	—	82.62
Lease rentals	102.96	56.16
Income from services to Group companies	104.95	92.12
Premium earned (net) on related forward exchange contracts	27.82	64.91
Miscellaneous Income	931.61	1001.14
	1167.34	1296.95
	126235.85	110500.98

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

NOTE [32]
Other income

	₹ crore	
Particulars	2023-24	2022-23
Interest income:		
Subsidiary and associate companies	389.09	641.88
Others	1333.65	970.37
	1722.74	1612.25
Dividend income:		
Subsidiary companies	2519.42	1568.08
Joint venture companies	129.83	144.34
Others	6.42	0.97
	2655.67	1713.39
Net gain/(loss) on fair valuation of investments	35.08	(72.04)
Net gain/(loss) on sale of investments	249.70	232.21
	284.78	160.17
Net gain/loss on derivatives at fair value through profit or loss	(23.07)	92.71
Net gain/(loss) on sale of property, plant and equipment	58.67	48.03
Lease rentals	58.05	95.75
Miscellaneous income (net of expenses)	583.76	312.65
	5340.60	4034.95

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

NOTE [33]

Manufacturing, construction and operating expenses

	₹ crore	
Particulars	2023-24	2022-23
Cost of raw materials, components consumed:		
Raw materials and components	11794.06	13342.47
Less : Scrap sales	172.58	179.42
	11621.48	13163.05
Construction materials consumed	43031.68	38098.69
Purchase of stock-in-trade	1078.54	1076.29
Stores, spares and tools consumed	3613.78	4260.17
Sub-contracting charges	30750.87	24353.62
Changes in inventories of finished goods, work-in-progress and stock-in-trade and property development :		
Closing stock:		
Finished goods	0.87	16.77
Stock-in-trade	228.30	364.92
Work-in-progress	10048.69	10310.78
	10277.86	10692.47
Less : Opening stock:		
Finished goods	16.77	16.65
Stock-in-trade	364.92	319.61
Work-in-progress	10308.00	7425.48
	10689.69	7761.74
	411.83	(2930.73)
Other manufacturing, construction and operating expenses:		
Power and fuel	2440.76	2568.18
Royalty and technical know-how fees	127.08	30.66
Packing and forwarding	713.65	864.08
Rent hire charges	3975.24	3399.96
Engineering, professional, technical and consultancy fees	2352.00	1685.51
Insurance	707.37	587.09
Rates and taxes	767.35	798.46
Travelling and conveyance	973.31	935.34
Repairs to plant and equipment	120.54	90.78
Repairs to buildings	16.69	24.58
General repairs and maintenance	692.53	633.03
Bank guarantee charges	298.95	302.67
Provision/(reversal) for foreseeable losses on construction contracts	86.00	187.46
Other provisions/(reversal of provisions)	19.32	(119.71)
Miscellaneous expenses	434.07	385.15
	13724.86	12373.24
	104233.04	90394.33

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

NOTE [34]

Employee benefits expense

	₹ crore	
Particulars	2023-24	2022-23
Salaries, wages and bonus	7847.40	7409.77
Contribution to and provision for:		
Provident funds and pension fund	197.74	180.27
Superannuation/employee pension schemes	26.76	25.60
Gratuity funds	91.54	98.32
	316.04	304.19
Expenses on employees stock option schemes	91.25	28.16
Employee medical and other insurance premium expenses	130.32	121.89
Staff welfare expenses	797.03	697.17
Recoveries on account of deputation	(317.63)	(262.96)
	8864.41	8298.22

NOTE [35]

Sales, administration and other expenses

	₹ crore	
Particulars	2023-24	2022-23
Power and fuel	81.59	80.34
Packing and forwarding	57.58	62.31
Professional fees	644.55	503.14
Audit fees	8.70	8.03
Insurance	68.97	62.06
Rent & hire charges	114.26	143.97
Rates and taxes	74.94	43.66
Travelling and conveyance	282.41	246.89
Repairs to buildings	20.31	21.19
General repairs and maintenance	335.78	279.55
Directors' fees	1.06	0.99
Telephone, postage and telegrams	115.35	121.92
Advertising and publicity	79.67	73.46
Stationery and printing	45.29	45.44
Commission	19.62	24.56
Bank charges	81.53	76.01
Miscellaneous expenses	606.46	577.75
Bad debts and advances written off (net of written back)	592.33	158.20
Less: Allowance for expected credit loss written back	546.44	135.24
	45.89	22.96
Corporate social responsibility	150.98	137.19
Allowance for expected credit loss (net)	969.03	729.13
Exchange (gain)/loss (net)	(99.93)	(417.25)
Provision/(reversal of provision) on loans given to/investments in subsidiary	(70.24)	(891.86)
Loss on cancellation of equity shares on capital reduction by subsidiary	—	602.95
Other provisions/(reversal of provisions)	(116.87)	34.29
Recoveries from subsidiary and associates	(63.09)	(74.87)
	3453.84	2513.81

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

NOTE [36]

Finance costs

	₹ crore	
Particulars	2023-24	2022-23
Interest expenses	2396.49	2096.14
Exchange loss	9.34	29.09
	<u>2405.83</u>	<u>2125.23</u>

NOTE [37]

Depreciation, amortisation, impairment and obsolescence

	₹ crore	
Particulars	2023-24	2022-23
Depreciation on:		
Property plant and equipment	1542.76	1203.05
Right-of-use assets	114.31	101.97
Investment property	17.27	16.79
	<u>1674.34</u>	<u>1321.81</u>
Amortisation of intangible assets	69.07	45.68
Obsolescence on property, plant and equipment	7.60	4.15
	<u>1751.01</u>	<u>1371.64</u>

NOTE [38]

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.

and Note 35 – Sales, administration and other expenses.

₹ crore

Sr. No.	Nature of expenses	2023-24				2022-23			
		Note 33	Note 34	Note 35	Total	Note 33	Note 34	Note 35	Total
1	Power and fuel	2440.76	–	81.59	2522.35	2568.18	–	80.34	2648.52
2	Packing and forwarding	713.65	–	57.58	771.23	864.08	–	62.31	926.39
3	Insurance	707.37	130.32	68.97	906.66	587.09	121.89	62.06	771.04
4	Rent hire charges	3975.24	–	114.26	4089.50	3399.96	–	143.97	3543.93
5	Rates and taxes	767.35	–	74.94	842.29	798.46	–	43.66	842.12
6	Travelling and conveyance	973.31	–	282.41	1255.72	935.34	–	246.89	1182.23
7	Repairs to buildings	16.69	–	20.31	37.00	24.58	–	21.19	45.77
8	General repairs and maintenance	692.53	–	335.78	1028.31	633.03	–	279.55	912.58
9	Miscellaneous expenses	434.07	–	606.46	1040.53	385.15	–	577.75	962.90

NOTE [39]

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

Assets held for sale as at March 31, 2024 includes:

- Investment of ₹ 1005.36 crore in L&T Infrastructure Development Projects Limited (L&T IDPL), a joint venture, primarily engaged in the development and operation of toll roads and power transmission assets. The stake sale is concluded on April 10, 2024.
- Land of ₹ 172.55 crore situated at Mumbai, Maharashtra. The asset forms part of Realty business which is reported under "Others" segment (refer Note 40).

Assets and liabilities held for sale as at March 31, 2023 includes:

- Assets of ₹ 1280.31 crore and liabilities of ₹ 998.48 crore of Carved-out Business of Smart World and Communication (SWC) Business unit of the Company. The transfer of Carved-out Business to L&T Technology Services Limited (LTTS), a listed subsidiary is completed on April 1, 2023 for cash consideration of ₹ 800.00 crore.
- Investment of ₹ 1032.35 crore in L&T Infrastructure Development Projects Limited and its subsidiaries, primarily engaged in the development and operation of toll roads and power transmission assets, consequent to the Company entering into a Share Purchase Agreement to sell its entire shareholding, subject to regulatory approvals on December 16, 2022.
- Land of ₹ 28.35 crore situated at Mumbai, Maharashtra. The asset forms part of Realty business which is reported under "Others" segment (refer Note 40).

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

NOTE [40]

Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) Information about reportable segments:

Particulars	For the year ended 31-3-2024			For the year ended 31-3-2023		
	External	Inter-segment	Total	External	Inter-segment	Total
Revenue						
Infrastructure Projects	94441.58	1144.04	95585.62	79097.18	726.67	79823.85
Energy Projects	19357.05	26.34	19383.39	19997.59	36.81	20034.40
Hi-Tech Manufacturing	8195.99	569.32	8765.31	6534.91	625.97	7160.88
Others	4241.23	22.48	4263.71	4871.30	24.14	4895.44
Sub-total	126235.85	1762.18	127998.03	110500.98	1413.59	111914.57
Inter-segment revenue		1762.18	1762.18		1413.59	1413.59
Total	126235.85	—	126235.85	110500.98	—	110500.98
Segment result [Profit/(loss) before interest and tax]						
Infrastructure Projects			4456.02			4821.69
Energy Projects			2240.67			1589.25
Hi-Tech Manufacturing			1169.50			995.25
Others			511.64			695.46
Total			8377.83			8101.65
Inter-segment margins on capital jobs			(108.53)			(41.81)
Unallocable corporate income net of expenditure			5004.85			3898.09
Finance costs			(2405.83)			(2125.23)
Exceptional items (net of tax) [Note 59]			447.99			—
Profit before tax			11316.31			9832.70
Current tax			(2205.00)			(2334.76)
Deferred tax			193.02			351.03
Net profit after tax			9304.33			7848.97

₹ crore

Particulars	Segment Assets		Segment Liabilities	
	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023
Infrastructure Projects	83848.63	78431.66	62203.70	55913.06
Energy Projects	16265.77	17845.43	11482.13	14355.46
Hi-Tech Manufacturing	10071.97	9159.89	8,865.36	6612.24
Others	8331.41	8449.64	3959.41	4420.84
Total	118517.78	113886.62	86510.60	81301.60
Unallocable corporate assets/liabilities	57980.63	59756.60	25571.77	20813.67
Inter-segment assets/liabilities	(1215.72)	(1218.73)	(1215.72)	(1218.73)
Total assets/liabilities	175282.69	172424.49	110866.65	100896.54

₹ crore