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

NOTE [63]

(a) Notes with respect to remarks in CARO Report:

(i) During the year, the Company renewed both shareholder & bridge loans of ₹ 303.50 crore to L&T Sapura Shipping Private Limited (LTSSPL), a subsidiary[1] due to delay in generation of sufficient cash from operations. However, LTSSPL subsequently fully repaid the bridge loan of ₹ 126.56 crore with a delay.

(ii) L&T Special Steels and Heavy Forgings Private Limited (LTSSHF), a subsidiary[1], has not repaid the loan and net interest thereon aggregating to ₹ 2071.53 crore to the Company due to insufficient funds. LTSSHF is in discussion with its promoters viz. the Company and Nuclear Power Corporation of India Limited, for exploring options to restructure its balance sheet.

[1] Subsidiary classification is in accordance with the Companies Act, 2013

(b) Balances with Struck off Companies

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
1	A K Infrasolutins Private Limited	Accounts Payables	NA	0.02	0.02
2	Aadhiraj Projects Private Limited	Accounts Payables	NA	– [1]	– [1]
3	Aahsin India Private Limited	Accounts Payables	NA	0.02	0.02
4	Aarib Constructions Private Limited	Accounts Payables	NA	0.02	0.02
5	Aayansh Securities Systems Private Limited	Accounts Payables	NA	0.15	0.15
6	Abhiraksha Constructions Private Limited	Accounts Payables	NA	0.03	0.03
7	Ace Offshore And Engineering Private Limited	Accounts Payables	NA	– [1]	– [1]
8	Acrp Infracon Private Limited	Accounts Payables	NA	– [1]	– [1]
9	Active Brain Infra Engg Private Limited	Accounts Payables	NA	– [1]	– [1]
10	Adm Infracon India Private Limited	Accounts Payables	NA	– [1]	– [1]
11	Advance Mep Solutions Private Limited	Accounts Payables	NA	– [1]	– [1]
12	Aeroglobal Infrastructure Engineers Private Limited	Accounts Payables	NA	–	0.03
13	Aghasthya Infratech Mangalore Private Limited	Accounts Payables	NA	–	0.04
14	Aircon System Engineers Private Limited	Accounts Payables	NA	– [1]	– [1]
15	Akashdeep Infratech Private Limited	Accounts Payables	NA	0.01	0.01
16	Akonn Infra Tech (India) Private Limited	Accounts Payables	NA	0.03	0.03
17	Alakshya Infracon Private Limited	Accounts Payables	NA	– [1]	– [1]
18	Alert Infraprojects Private Limited	Accounts Payables	NA	–	0.01
19	Alias Management Marketing Private Limited	Accounts Payables	NA	– [1]	– [1]
20	Alpana Buildtech Private Limited	Accounts Payables	NA	– [1]	– [1]
21	Alufascia Private Limited	Accounts Payables	NA	– [1]	– [1]
22	Amaravati Rcc Pipes India Private Limited	Accounts Payables	NA	0.02	0.01
23	Amritlaxmi Properties Private Limited	Accounts Payables	NA	0.02	0.02
24	Angelina Infratech Private Limited	Accounts Payables	NA	– [1]	– [1]
25	Antilia Facility Management Private Limited	Accounts Payables	NA	0.15	0.15
26	Arj Infra Private Limited	Accounts Payables	NA	– [1]	– [1]
27	Artisans Design & Build Private Limited	Accounts Payables	NA	– [1]	– [1]

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
28	Ashok Balyan Infra Project Private Limited	Accounts Payables	NA	– [1]	– [1]
29	AT & LS Private Limited.	Accounts Payables	NA	0.02	0.02
30	Atlantic Works Private Limited	Accounts Payables	NA	– [1]	– [1]
31	Aura Metlab Private Limited	Accounts Payables	NA	– [1]	– [1]
32	Auskini Infraqp Private Limited	Accounts Payables	NA	0.12	0.12
33	Avn Green Technologies Private Limited	Accounts Payables	NA	– [1]	– [1]
34	Ayurda Millennium Ventures Private Limited	Accounts Payables	NA	0.04	0.04
35	B K Equipments Private Limited	Accounts Payables	NA	– [1]	– [1]
36	Baba Balaknathji Entertainment Private Limited	Accounts Payables	NA	–	– [1]
37	Bennett Coleman And Company Limited	Accounts Payables	NA	0.02	–
38	Bindra Evolutiion Enterprises Private Limited	Accounts Payables	NA	– [1]	– [1]
39	Blueman Construction Projects Private Limited	Accounts Payables	NA	– [1]	– [1]
40	Brahmaputra Engitech Private Limited	Accounts Payables	NA	0.01	0.01
41	Bramhands Infrastructure Private Limited	Accounts Payables	NA	0.01	0.01
42	Brightom Hospitality & Events Private Limited	Accounts Payables	NA	– [1]	– [1]
43	Brjs Contractors Private Limited	Accounts Payables	NA	0.24	0.27
44	Bulsar Construction And Consulting Opc Private Limited	Accounts Payables	NA	0.07	0.02
45	Calorifique Renewable Energie India Private Limited	Accounts Payables	NA	– [1]	– [1]
46	Care Infra Engineers Limited	Accounts Payables	NA	– [1]	– [1]
47	Chandrawati Power Construction Private Limited	Accounts Payables	NA	– [1]	– [1]
48	Cheyuta Infrasturcture Private Limited	Accounts Payables	NA	0.03	0.03
49	Cmi Limited	Accounts Payables	NA	– [1]	0.12
50	Creo Projects Private Limited	Accounts Payables	NA	– [1]	– [1]
51	Csk Engineering And Construction Private Limited	Accounts Payables	NA	0.02	0.02
52	Csp Constructions Private Limited	Accounts Payables	NA	– [1]	– [1]
53	D.B.Constructions Private Limited	Accounts Payables	NA	0.28	0.28
54	Ddsabi Global Services Private Limited	Accounts Payables	NA	– [1]	– [1]
55	Deepak Singh Chouhan Construction Private Limited.	Accounts Payables	NA	0.01	0.01
56	Devine Devbuild Private Limited	Accounts Payables	NA	– [1]	– [1]
57	Dhanamjay Infra Private Limited	Accounts Payables	NA	– [1]	– [1]
58	Dhiren Construction India Private Limited	Accounts Payables	NA	0.02	0.02
59	Dimensions India Private Limited	Accounts Payables	NA	– [1]	– [1]

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
60	Dipl Construction Private Limited	Accounts Payables	NA	0.10	0.10
61	Divaah Adya Facility Solutions (P) Limited	Accounts Payables	NA	– [1]	– [1]
62	Dne Infra Private Limited	Accounts Payables	NA	– [1]	– [1]
63	Dv Procon Private Limited	Accounts Payables	NA	– [1]	– [1]
64	Dwarkesh Buildcom Private Limited	Accounts Payables	NA	0.06	0.06
65	Dynastyraj Infrastructure Private Limited	Accounts Payables	NA	– [1]	– [1]
66	Edgecon Engineering Projects Private Limited	Accounts Payables	NA	0.13	0.13
67	Elena Management & Services Private Limited	Accounts Payables	NA	– [1]	– [1]
68	Energie Shine Engineering Solution Private Limited	Accounts Payables	NA	– [1]	– [1]
69	Er Infra Innovative Private Limited	Accounts Payables	NA	0.01	0.01
70	Escalador Geo-Systems And Engineering Survey Private Limited	Accounts Payables	NA	0.01	0.01
71	Essa Infrabuild Private Limited	Accounts Payables	NA	– [1]	– [1]
72	Expeditive Infotech Private Limited	Accounts Payables	NA	– [1]	– [1]
73	Fairmans Construction Private Limited	Accounts Payables	NA	– [1]	– [1]
74	Faithful Creator Infra Private Limited	Accounts Payables	NA	– [1]	– [1]
75	Farhad Interior And Exterior Private Limited	Accounts Payables	NA	– [1]	– [1]
76	Filtm Online Services Private Limited	Accounts Payables	NA	– [1]	– [1]
77	Friends Civil Works Private Limited	Accounts Payables	NA	– [1]	– [1]
78	Fundamental Infratech Private Limited	Accounts Payables	NA	0.01	0.01
79	G-5 Construction Private Limited	Accounts Payables	NA	0.02	0.02
80	Genesis Infosolutions Private Limited	Accounts Payables	NA	0.03	0.03
81	Genius Security Services Private Limited	Accounts Payables	NA	– [1]	– [1]
82	Global Engineering & Marketing Services Private Limited	Accounts Payables	NA	0.05	0.05
83	Gnxt Energy Private Limited	Accounts Payables	NA	– [1]	– [1]
84	Gogreen Facility Management Private Limited	Accounts Payables	NA	– [1]	– [1]
85	Goldentree Facility Management Private Limited	Accounts Payables	NA	–	–
86	Gulba Topographical Surveyors Private Limited	Accounts Payables	NA	– [1]	– [1]
87	H M Brothers Limited	Accounts Payables	NA	0.03	0.03
88	Ham Constructions & Engineering Works Private Limited	Accounts Payables	NA	– [1]	– [1]
89	Harhar Mahadev Infra Developer Private Limited	Accounts Payables	NA	– [1]	– [1]
90	Honeyed Engineering Private Limited OPC	Accounts Payables	NA	0.04	0.04

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
91	Hsb Projects Private Limited	Accounts Payables	NA	– [1]	– [1]
92	Hudor Projects India Private Limited	Accounts Payables	NA	0.03	0.03
93	I S Earth Movers Private Limited	Accounts Payables	NA	– [1]	– [1]
94	Ifensys Software Solutions Private Limited	Accounts Payables	NA	– [1]	– [1]
95	Imperium Infratech Private Limited	Accounts Payables	NA	– [1]	– [1]
96	Indco Engineers & Contractors Private Limited	Accounts Payables	NA	– [1]	– [1]
97	Infisoft India Technology Private Limited	Accounts Payables	NA	– [1]	– [1]
98	Infra American India Private Limited	Accounts Payables	NA	– [1]	– [1]
99	Inl-Intech India Automation (P) Limited	Accounts Payables	NA	– [1]	– [1]
100	Innovations Events And Entertainment Private Limited	Accounts Payables	NA	– [1]	– [1]
101	Inox India Private Limited	Accounts Payables	NA	– [1]	– [1]
102	Isha Heights And Silos Private Limited	Accounts Payables	NA	– [1]	– [1]
103	Janatha Readymix Concrete India Private Limited	Accounts Payables	NA	– [1]	– [1]
104	Jatra Services India Private Limited	Accounts Payables	NA	– [1]	– [1]
105	Jbs Estcon Private Limited	Accounts Payables	NA	0.13	0.13
106	Jodhpur Infra-Con Private Limited	Accounts Payables	NA	– [1]	– [1]
107	Jps Engineering Private Limited	Accounts Payables	NA	0.06	0.06
108	Jrc Biuildcon Private Limited	Accounts Payables	NA	– [1]	– [1]
109	Kazmi And Sons Builders Private Limited	Accounts Payables	NA	0.07	0.07
110	Kegan Constructions Private Limited	Accounts Payables	NA	0.03	0.03
111	Kishley Constructions Private Limited	Accounts Payables	NA	– [1]	– [1]
112	Kissan Land Promoters Private Limited	Accounts Payables	NA	– [1]	– [1]
113	Kiwi Projects Private Limited	Accounts Payables	NA	0.03	0.03
114	Knight Engineers Contractors & Consultants Private Limited	Accounts Payables	NA	0.02	0.02
115	Kolkata Industrial Security Service Private Limited	Accounts Payables	NA	– [1]	– [1]
116	Ktek Level Engg Private Limited	Accounts Payables	NA	– [1]	– [1]
117	Lakshman Singh Construction Private Limited	Accounts Payables	NA	– [1]	– [1]
118	Lanster Developer Private Limited	Accounts Payables	NA	– [1]	– [1]
119	Laxmi Infra Eng Private Limited	Accounts Payables	NA	– [1]	– [1]
120	L-Upd-Saubha-Auraiya Dehat And Kanpurnagar Dvvnl	Accounts Payables	NA	– [1]	– [1]
121	Ganga Mechanical Works Private Limited	Accounts Payables	NA	– [1]	– [1]
122	Mangalam Consultancy Private Limited	Accounts Payables	NA	– [1]	– [1]
123	Manha Earthcon Private Limited	Accounts Payables	NA	– [1]	– [1]
124	Manish Duggal Telecom Private Limited	Accounts Payables	NA	– [1]	–

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
125	Mars Dsp Waves Private Limited	Accounts Payables	NA	– [1]	– [1]
126	Marvel Technicals Sales And Service Privte Limited	Accounts Payables	NA	– [1]	– [1]
127	Mass Ventures Limited	Accounts Payables	NA	– [1]	– [1]
128	Maurya Devbuild Private Limited	Accounts Payables	NA	– [1]	– [1]
129	Maxtel Constructions Private Limited	Accounts Payables	NA	– [1]	– [1]
130	Maxx Ultra Conchem Opc Private Limited	Accounts Payables	NA	– [1]	– [1]
131	Mecavo (R&D) Private Limited	Accounts Payables	NA	–	–0.04
132	Mecvil Infracon Private Limited	Accounts Payables	NA	– [1]	– [1]
133	Mei Engineers Private Limited	Accounts Payables	NA	– [1]	– [1]
134	MSP Develco Private Limited	Accounts Payables	NA	0.01	0.01
135	Muskan Techno Engineering Construction Private Limited	Accounts Payables	NA	0.07	0.07
136	Nap Energy And Infratech Private Limited	Accounts Payables	NA	– [1]	–
137	Narshimha Buildtech Private Limited	Accounts Payables	NA	0.03	0.03
138	Nevil Consultancy Services PrivateLimited	Accounts Payables	NA	– [1]	– [1]
139	New Proponent Security Services Private Limited	Accounts Payables	NA	– [1]	– [1]
140	Nexgen Transcom Private Limited	Accounts Payables	NA	0.04	0.04
141	Nirmal Aircon Private Limited	Accounts Payables	NA	0.03	0.04
142	Nirmal Sai Construction Private Limited	Accounts Payables	NA	– [1]	– [1]
143	Normet India Private Limited	Accounts Payables	NA	7.02	7.47
144	Nstech International Private Limited	Accounts Payables	NA	–	– [1]
145	Om Pranav Infrastructure Engineering Private Limited	Accounts Payables	NA	0.02	0.01
146	Om Sai Project Developers And Engineers Private Limited	Accounts Payables	NA	0.05	0.05
147	Onella Visions Private Limited	Accounts Payables	NA	0.01	0.01
148	Opti Tech Infra Projects India Opc Private Limited	Accounts Payables	NA	– [1]	– [1]
149	Orsang Infotech Private Limited	Accounts Payables	NA	– [1]	– [1]
150	PAF Infrastructure Private Limited	Accounts Payables	NA	0.03	0.03
151	Paradisegarden Infraproject Private Limited	Accounts Payables	NA	– [1]	– [1]
152	Paramshiv Infra Private Limited	Accounts Payables	NA	– [1]	– [1]
153	Parim Infocomm Private Limited	Accounts Payables	NA	– [1]	– [1]
154	Peass Infra Private Limited	Accounts Payables	NA	– [1]	0.01
155	Perfect Office Systems Private Limited	Accounts Payables	NA	– [1]	–
156	Petrichor Emerging Technologies India Private Limited	Accounts Payables	NA	–	– [1]
157	Pinak Security & Management Private Limited	Accounts Payables	NA	– [1]	– [1]

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
158	Pioneer Tech Engineering Services Private Limited	Accounts Payables	NA	– [1]	– [1]
159	Posorbis Infrastucture Private Limited	Accounts Payables	NA	0.02	0.03
160	Priyanka Managment Solution (India) Private Limited	Accounts Payables	NA	0.50	0.50
161	Probus Infratech Private Limited	Accounts Payables	NA	– [1]	– [1]
162	Purma Plast Private Limited	Accounts Payables	NA	– [1]	– [1]
163	R B C Bearings Private Limited	Accounts Payables	NA	– [1]	– [1]
164	R Square E Service Private Limited	Accounts Payables	NA	– [1]	– [1]
165	Raas Infratech Private Limited	Accounts Payables	NA	– [1]	– [1]
166	Ramakrishna Power Tech Private Limited	Accounts Payables	NA	0.33	0.33
167	Rani Aishwarya Infracon Private Limited	Accounts Payables	NA	0.01	0.01
168	Rattiputra Construction Private Limited	Accounts Payables	NA	0.01	0.01
169	Real Construction Private Limited	Accounts Payables	NA	– [1]	– [1]
170	Real Tech Engineering And Construction Private Limited	Accounts Payables	NA	– [1]	– [1]
171	Realsharp Infraatech Services Private Limited	Accounts Payables	NA	0.01	0.01
172	RGK Infracon Private Limited	Accounts Payables	NA	0.18	0.18
173	Riccardo Readymixs And Infra Projects Private Limited	Accounts Payables	NA	– [1]	– [1]
174	Rk Build Solutions Private Limited	Accounts Payables	NA	– [1]	– [1]
175	RK Gautam Construction Private Limited	Accounts Payables	NA	– [1]	– [1]
176	Rockhard Infrastructure Private Limited	Accounts Payables	NA	– [1]	– [1]
177	Roshan Tradevision Private Limited	Accounts Payables	NA	– [1]	– [1]
178	Roy Management And Information Technology Private Limited	Accounts Payables	NA	– [1]	– [1]
179	Rpnr Concrete Solutions Private Limited	Accounts Payables	NA	– [1]	– [1]
180	S K Modern Construction & Engineering Private Limited	Accounts Payables	NA	0.10	0.10
181	S S D N Infratech Private Limited	Accounts Payables	NA	– [1]	– [1]
182	S V Infraproperties Private Limited	Accounts Payables	NA	0.04	0.04
183	Safety And Environment Education For Development Private Limited	Accounts Payables	NA	– [1]	– [1]
184	Sahu Infrastructure Private Limited	Accounts Payables	NA	– [1]	– [1]
185	Sai Ashray Infratech Private Limited	Accounts Payables	NA	– [1]	– [1]
186	Sampada Infratech Private Limited	Accounts Payables	NA	– [1]	– [1]
187	Samrat Fabrication And Construction Private Limited.	Accounts Payables	NA	– [1]	0.02
188	Savitri Infrastrcuture Private Limited	Accounts Payables	NA	0.02	0.02
189	Sbh Shoring Systems Private Limited	Accounts Payables	NA	– [1]	– [1]

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
190	Sce Global Steel And Facade Private Limited	Accounts Payables	NA	– [1]	– [1]
191	Scotnix Solution Private Limited	Accounts Payables	NA	– [1]	– [1]
192	Set Sanayi Elektrik-Tesisat Taahhut Ve Ticaret India Private Limited	Accounts Payables	NA	0.02	0.02
193	Shahid Engineers & Contractors Private Limited	Accounts Payables	NA	0.02	0.02
194	Sharma Infrabuild Private Limited	Accounts Payables	NA	0.05	0.05
195	Sheoveena Construction Private Limited	Accounts Payables	NA	– [1]	– [1]
196	Shravani Environment Technology Private Limited	Accounts Payables	NA	0.03	0.03
197	Shree Kranti Infracon Private Limited	Accounts Payables	NA	0.23	0.26
198	Shreeji Home Infra Private Limited	Accounts Payables	NA	0.03	0.03
199	Shreya Infra Venture Private Limited	Accounts Payables	NA	– [1]	– [1]
200	Shri Vedika Engineering Private Limited	Accounts Payables	NA	0.09	0.02
201	Sieat Consultancy Private Limited	Accounts Payables	NA	0.04	0.04
202	Sikar Trading And Contracting Private Limited	Accounts Payables	NA	0.04	0.04
203	Silk Route Infrastructure Private Limited	Accounts Payables	NA	0.05	0.05
204	Soul And Mind Concrete System Private Limited	Accounts Payables	NA	0.07	0.07
205	Sri Abs Lakshn Projects Private Limited	Accounts Payables	NA	0.03	0.10
206	Star Wire (India) Limited	Accounts Payables	NA	0.02	0.03
207	Stellent Engineering Solutions Private Limited	Accounts Payables	NA	– [1]	– [1]
208	Sublime Contractors Private Limited	Accounts Payables	NA	– [1]	– [1]
209	Sudha Rehabs And Hospitality Private Limited	Accounts Payables	NA	0.01	0.01
210	Suhashini Infra Engineering Private Limited	Accounts Payables	NA	– [1]	– [1]
211	Sukita Security And Services Private Limited	Accounts Payables	NA	– [1]	– [1]
212	Sumera Builders & Developers Private Limited	Accounts Payables	NA	– [1]	– [1]
213	Supreme Housekeeping Services Private Limited	Accounts Payables	NA	0.06	0.06
214	Sv Engineering And Contracting Services Private Limited	Accounts Payables	NA	0.03	0.03
215	Swadesh Energy Private Limited	Accounts Payables	NA	– [1]	– [1]
216	Swadeshi Buildtrade Private Limited	Accounts Payables	NA	– [1]	– [1]
217	Swift Equipments Private Limited	Accounts Payables	NA	0.01	0.01
218	Techcon Chemicals Private Limited	Accounts Payables	NA	0.08	–
219	Techno Power Constructions Private Limited	Accounts Payables	NA	–	– [1]
220	Tej Infrapromoters Private Limited	Accounts Payables	NA	–	– [1]

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
221	Telmax Construction Private Limited	Accounts Payables	NA	0.02	0.02
222	Terra Firma Promoters & Developers Private Limited	Accounts Payables	NA	0.07	0.07
223	Texsa India Limited	Accounts Payables	NA	– [1]	– [1]
224	Thakurai Engineering Private Limited	Accounts Payables	NA	0.15	0.15
225	Thought Zone Consulting Private Limited	Accounts Payables	NA	– [1]	– [1]
226	Threess Innovative Tech India Private Limited	Accounts Payables	NA	– [1]	– [1]
227	Timely Developers Consultants Private Limited	Accounts Payables	NA	0.02	0.02
228	TMM Industries Private Limited	Accounts Payables	NA	– [1]	– [1]
229	Torobuild Constructions Opc Private Limited	Accounts Payables	NA	– [1]	–
230	Triplex Builders Private Limited	Accounts Payables	NA	0.04	0.04
231	Trunk Facility Management Services Private Limited	Accounts Payables	NA	– [1]	– [1]
232	Tumbi Office Systems Private Limited	Accounts Payables	NA	– [1]	– [1]
233	Ukr Infra Private Limited	Accounts Payables	NA	0.02	0.02
234	Ultra-Tech Concretes Works PrivateLimited	Accounts Payables	NA	– [1]	– [1]
235	Umansh Infracon Private Limited	Accounts Payables	NA	– [1]	– [1]
236	Unique Fabricators & Erectors Private Limited	Accounts Payables	NA	0.03	0.03
237	Utech Infracon Private Limited	Accounts Payables	NA	– [1]	– [1]
238	Vaigunthaa Infra Private Limited	Accounts Payables	NA	–	– [1]
239	Vams Construction Private Limited	Accounts Payables	NA	0.13	0.13
240	Vansh Infrasolution Private Limited	Accounts Payables	NA	0.10	0.10
241	Varad Infra Projects (P) Limited	Accounts Payables	NA	– [1]	– [1]
242	Vardhman Trading Co. Private Limited	Accounts Payables	NA	– [1]	– [1]
243	Vee Gee Yem Engineers India Privite Limited	Accounts Payables	NA	– [1]	– [1]
244	Veekay Engineering India Private Limited	Accounts Payables	NA	– [1]	– [1]
245	Vertex Realtech Infra Private Limited	Accounts Payables	NA	0.50	0.50
246	Victory Engineering India Private Limited	Accounts Payables	NA	0.10	0.10
247	Victra Constructions Private Limited	Accounts Payables	NA	– [1]	– [1]
248	Vishnuvedanga Infra-Tech Private Limited	Accounts Payables	NA	– [1]	– [1]
249	Vishwa Infratech & Projects Private Limited	Accounts Payables	NA	– [1]	– [1]
250	Vissa Engineering Private Limited	Accounts Payables	NA	0.02	0.02
251	Vk Management Services PrivateLimited	Accounts Payables	NA	– [1]	0.17
252	Walls Infra Solution Private Limited	Accounts Payables	NA	– [1]	– [1]

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
253	White Vibes Private Limited	Accounts Payables	NA	0.19	0.19
254	Wipo Teleservices Private Limited	Accounts Payables	NA	0.03	0.03
255	Yashas Frp Manufacturing Private Limited	Accounts Payables	NA	0.05	0.05
256	Ye Power Transmission Private Limited	Accounts Payables	NA	– [1]	– [1]
257	Z Rose Constructions & Interiors Private Limited	Accounts Payables	NA	– [1]	– [1]
258	Zaaharveer Projects Private Limited	Accounts Payables	NA	0.02	0.02
259	Zafcon Engineering Private Limited	Accounts Payables	NA	0.03	0.03
260	Zain Thermal Solutions Private Limited	Accounts Payables	NA	– [1]	– [1]
261	Zippy Facility Management & Services Private Limited	Accounts Payables	NA	– [1]	– [1]
	Total Payables (A)			14.17	15.18
1	NCR Aggregate Solutions Private Limited	Advance given to	NA	1.79	1.79
	Total advances given (B)			1.79	1.79
1	Pranavam Constructions Private Limited	Accounts Receivables	NA	– [1]	– [1]
2	The Rubber Products Limited	Accounts Receivables	NA	– [1]	– [1]
3	Profusion Engineering	Accounts Receivables	NA	– [1]	0.04
4	Angelina Infratech Private Limited	Accounts Receivables	NA	0.01	0.01
5	Sai Ashray Infratech Private Limited	Accounts Receivables	NA	0.01	0.01
	Total Receivables (C)			0.02	0.06
1	Kothari Intergroup Limited	L&T's shareholder	NA	– [1]	– [1]
2	Alike Trading Private Limited	L&T's shareholder	NA	– [1]	– [1]
3	Alley Fisheries Private Limited	L&T's shareholder	NA	– [1]	– [1]
4	Aloke Speciality Machines and Components Private Limited	L&T's shareholder	NA	– [1]	– [1]
5	Amersey Brothers Private Limited	L&T's shareholder	NA	– [1]	– [1]
6	Avni Financial Advisors Private Limited	L&T's shareholder	NA	– [1]	– [1]
7	Demuric Holdings Private Limited	L&T's shareholder	NA	– [1]	– [1]
8	Fairtrade Securities Limited	L&T's shareholder	NA	– [1]	– [1]
9	Jabac Consultancies Private Limited	L&T's shareholder	NA	– [1]	– [1]
10	Omni Market Research Services Private Limited	L&T's shareholder	NA	– [1]	– [1]
11	Safna Consultancy Private Limited	L&T's shareholder	NA	– [1]	– [1]
12	Satvik Financial Services Limited	L&T's shareholder	NA	– [1]	– [1]
13	Siddha Papers Private Limited	L&T's shareholder	NA	– [1]	– [1]
14	Upgrade Management Ser Private Limited	L&T's shareholder	NA	– [1]	– [1]
15	VMS Consultants Private Limited	L&T's shareholder	NA	– [1]	– [1]
16	Yogesh Investment Private Limited	L&T's shareholder	NA	– [1]	– [1]
	Total equity shares held (D)			– [1]	– [1]

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

NOTE [63]

(b) Balances with Struck off Companies *(contd.)*

₹ crore

S. No.	Name of the Struck off Company	Nature of Transaction	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
1	Upgrade Management Services Private Limited	Dividend payable	NA	– [1]	– [1]
2	Amersey Brothers Private Limited	Dividend payable	NA	– [1]	–
3	Omni Market Research Services Private Limited	Dividend payable	NA	– [1]	–
4	Safna Consultancy Private Limited	Dividend payable	NA	– [1]	– [1]
5	Fairtrade Securities Limited	Dividend payable	NA	– [1]	– [1]
6	Kothari Intergroup Limited	Dividend payable	NA	– [1]	– [1]
7	Jabac Consultancies Private Limited	Dividend payable	NA	– [1]	– [1]
8	Alike Trading Private Limited	Dividend payable	NA	– [1]	– [1]
9	Satvik Financial Services Limited	Dividend payable	NA	– [1]	– [1]
	Total dividend payable (E)			– [1]	– [1]
	Grand Total (A+B+C+D+E)			15.98	17.03

[1] Less than ₹ 1 Lakhs.

(c) i. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

A. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

B. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

ii. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

A. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

B. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

NOTE [64]

Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

Find us on:

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Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Larsen & Toubro Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes 35 joint operations of the Group accounted on proportionate basis and the Group's share of loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the joint operations, subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current financial year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition – accounting for construction contracts	
Key audit matter description	There are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of costs to complete. The Group recognizes revenue on the basis of stage of completion in proportion of the contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract. Significant judgements are involved in determining the expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the life of the contract and adjusted where appropriate. The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable. Refer to Note No. [1](II)(i) and 34 to the Consolidated Financial Statements
Principal Audit Procedures	Our audit procedures related to the (1) identification of distinct performance obligations, (2) evaluation of the process for estimation of costs to complete (3) evaluation of implications of change orders on costs estimates of costs to complete and revenue and (4) evaluation of any variable consideration included the following, amongst others: • We tested the effectiveness of controls relating to the (a) evaluation of performance obligations and identification of those that are distinct; (b) estimation of costs to complete each of the performance obligations including the contingencies in respect thereof, as work progresses and the impact thereon as a consequence of change orders; (c) the impact of change orders on the transaction price of the related contracts; and (d) evaluation of the impact of variable consideration on the transaction price.

Revenue recognition – accounting for construction contracts	
	• We selected a sample of contracts with customers and performed the following procedures: i. Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement; ii. Identified significant terms and deliverables in the contract to assess Management's conclusions regarding the (i) identification of distinct performance obligations; (ii) changes to costs to complete as work progresses and as a consequence of change orders; (iii) the impact of change orders on the transaction price; and (iv) the evaluation of the adjustment to the transaction price on account of variable consideration; iii. Compared costs incurred with Group's estimates of costs incurred to date to identify significant variations and evaluated whether those variations have been considered appropriately in estimating the remaining costs to complete the contract; and iv. Tested the estimate for consistency with the status of delivery of milestones and customer acceptance to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligation.

Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices	
Key audit matter description	The Group, in its contract with customers, promises to transfer distinct services to its customers, which may be rendered in the form of engineering, procurement, and construction ("EPC") services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could be based on agreed unit price or lump-sum revenue arrangements. At each reporting date, revenue is accrued for costs incurred against work performed that may not have been invoiced. Identifying whether the Group's performance has resulted in a service that would be billable and collectable where the works carried out have not been acknowledged by customers as of the reporting date, or in the case of certain defence contracts, where the evidence of work carried out and cost incurred are covered by confidentiality arrangements, involves a significant amount of judgement. Assessing the recoverability of contract assets related to overdue milestones and amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period also involves a significant amount of judgment. Refer to Note No. [1](II)(i), [1](II)(r), 13 and 19 to the Consolidated Financial Statements.
Principal Audit Procedures	Our audit procedures related to the (1) evaluation of evidence supporting the execution of work; (2) evaluation of recoverability of the overdue amounts including the impact on the expected credit loss allowance; and (3) assessment of adjusting events after the reporting date i.e. March 31, 2024 and the date when the financial statements are approved by the Parent's Board of Directors included the following amongst others: • We tested the effectiveness of controls relating to the (a) gathering and evaluation of evidence supporting the execution of work; (b) evaluation of recoverability of the overdue amounts including the impact on the expected credit loss allowance; and (c) assessment of adjusting events after the reporting date i.e. March 31, 2024 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets. Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices. • We selected a sample of contracts assets with corresponding trade receivables that were overdue and evaluated the basis for Management's conclusions regarding the (1) evidence supporting the execution of work for which the contract assets were recognised; (2) reasons for the delays in recovery of invoices and the basis on which recoverability of the contract assets was assessed; (3) impact on the allowance for expected credit losses; and (4) adjusting events after the reporting date i.e. March 31, 2024 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets. • In respect of the sample contracts, we compared previous estimates relating to recoverability of contract assets and compared it with actual collections during the year.

Impairment on Assets – Metro Rail Cash Generating Unit	
Key audit matter description	As per the requirements of Ind AS 36, the Group assesses at the end of every reporting period, whether there is any indication that cash generating unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the CGU. The determination of recoverable amount being value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections. The Group is carrying Intangible asset, Property Plant & Equipment and Investment property relating to Metro Rail CGU (comprising of Hyderabad Metro operations). During the year, as the indication exists, the Group has reassessed its impairment assessment with respect to the above CGU. Impairment of assets is a key audit matter considering the significance of the carrying value, estimations and the significant judgement involved in impairment assessment. Refer to Note [1](II)(o), 2 and 5 to the Consolidated Financial Statements

Impairment on Assets – Metro Rail Cash Generating Unit	
Principal Audit Procedures	Our audit procedures related to forecasts of future traffic, revenue, free cash flows generated, selection of the method for estimating recoverable value and discount rate for the entity: • We tested the effectiveness of controls over forecasts of future traffic, revenue, free cash flows and selection of the discount rate; • We evaluated the reasons for variation between the Management's previous estimate of traffic, revenue and cash flow forecasts and obtained our understanding of the manner in which revised forecasts were obtained; • With the assistance of our fair value specialists who have specialised skill and knowledge, we evaluated the reasonableness of the methodology and discount rate by testing the source information underlying the determination of the discount rate and mathematical accuracy of the calculations; and • We performed sensitivity analysis of the discount rate to assess the extent of change in discount rate that would be required for the investment to be impaired.

Revenue recognition - Fixed price contracts using the percentage of completion method in respect of IT Segment - LTIMindtree Limited ("the Company")	
Key audit matter description	Revenue from fixed price contracts including software development and system integration contracts is recognized using a percentage of completion method. Use of the percentage of completion method requires the Company to determine the actual costs expended to date as a proportion of the estimated total costs to be incurred. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue recognition of fixed price contracts where the percentage of completion is identified as Key Audit Matter since – • High inherent risk around accuracy of revenue, given the customized and complex nature of these contracts. • High inherent uncertainty and requires consideration of progress of the contract, costs incurred to-date and estimates of costs required to complete the remaining contract performance obligations over the term of the contract. • At year-end, significant amount of work in progress (Unbilled revenue), related to these contracts is recognised on the balance sheet. This required a high degree of auditor judgment in evaluating the audit evidence and a higher extent of audit effort to evaluate the reasonableness of the total estimated amount of revenue and unbilled revenue recognized on these fixed-price contracts. Refer to Note No. [1](II)(i) and 34 to the Consolidated Financial Statements.
Principal Audit Procedures	The components' auditors (being other firms of chartered accountants) have performed the following audit procedures: • Tested the effectiveness of controls relating to: i. recording of costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations; and ii. access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred. • Selected a sample of fixed price contracts with customers measured using the percentage-of-completion method and performed the following: i. Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time using percentage of completion method was appropriate, and the contract was included in Management's calculation of revenue over time; ii. Compared costs incurred with Company's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. iii. Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.

Revenue recognition- Fixed price contracts in respect of technology services segment – L&T Technology Services Limited ("the Company")	
Key audit matter description	The Company engages in fixed price contracts with its customers wherein revenue from such contracts are recognized over time. The Company uses input method to recognise revenue, as it represents efforts expended towards satisfying a performance obligation relative to the total expected efforts or inputs to satisfy the performance obligation. This involves computation of actual cost incurred and estimation of total cost on each contract to measure progress towards completion. Amount of revenue recognition in respect of fixed price contracts has been identified as a Key Audit Matter considering that: • these contracts involve identification of actual cost incurred on each contract; • these contracts require estimation of future cost for completion of each contract; and • at the period end a significant amount of contract assets (unbilled revenue) or contract liabilities (unearned revenue) related to each contract is to be identified. Refer to Note [1](II)(i) and 34 to the Consolidated Financial Statements.
Principal Audit Procedures	The component's auditors (being other firms of chartered accountants) have performed the following audit procedures: • Obtained an understanding of the systems, processes and controls implemented by the Company with respect to recognition of actual cost incurred on each contract, estimation of future cost to completion, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion; • Involved Information technology ('IT') specialists to assess the design and operating effectiveness of the key IT controls relating to revenue recognition and in particular; i. Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised; ii. Tested the IT controls over appropriateness of cost and revenue reports generated by the system; iii. Assessed the appropriateness of actual cost incurred on contracts including the testing of the IT general controls and specific IT application controls over information systems used for capturing these costs; and iv. Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/changes to costs incurred on sample basis. • Verified on test check basis that the revenue recognized is in accordance with the applicable Indian Accounting Standard, including: i. Verification of the underlying agreements and other forms of supporting documentation to ensure that each party's rights and obligations regarding the goods or services to be transferred and payment terms are identified and contracts have commercial substance; ii. Inspection of the underlying agreements and other forms of supporting documentation to ensure that various performance obligations within a contract have been properly identified by Management; iii. Inspection of the underlying agreements and other forms of supporting documentation to ensure that transaction price has been properly determined and allocated to relevant performance obligations on an appropriate basis; and iv. Verification of the Company's computation of revenue to be recognized over a period of time on a sample basis, where the component's auditors have performed the following; a) Verified Management's process relating to the estimation of contract costs required to complete the respective projects and assessed that the estimates of costs to complete were reviewed and approved by appropriate designated Management personnel and are appropriate; b) Verified the reasonableness of Management's estimation of cost projections by comparing actual cost incurred with Management initial/updated estimation of total cost for that project; c) Recomputed the amount of revenue recognised on these contracts and compared the same with the actual revenue recorded;

Revenue recognition- Fixed price contracts in respect of technology services segment – L&T Technology Services Limited ("the Company")	
	d) Assessed the appropriateness of work in progress (contract assets and contract liabilities) as at the balance sheet date by evaluating the underlying documentation to identify possible delays in achieving milestones which require changes in estimated costs to complete the remaining performance obligations; and • Assessed the adequacy and appropriateness of disclosures made in the financial statements in compliance with applicable Indian Accounting Standards and applicable financial reporting framework.

Allowance for Expected Credit Loss on Retail Loan Assets in respect of Financial Services segment – L&T Finance Limited ("the Company")	
Key audit matter description	Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loans carried at amortised cost is a critical estimate involving greater level of management judgement. As part of their risk assessment, the component auditors (being other firm of Chartered Accountants) determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements. The significant assumptions that they focused in their audit included those with greater levels of management judgement and for which variations had the most significant impact on ECL. The key areas where they identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: Each borrower is classified into Stage 1, 2, 3 based on the objective criteria of Day Past Due (DPD) status as of the reporting date and other loss indicators, as applicable. Such classification by borrower is done across all facilities provided to the borrower, i.e., maximum of the DPDs from among the different facilities ["Max DPD"] provided to that borrower. Inherently, significant judgment is involved in the use of models to estimate ECL which includes determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity and as a result are considered the most significant judgments in the Company's modelling approach. The modelling methodologies used to estimate ECL are developed using historical experience. The impact of the prevailing macroeconomic conditions has also resulted in certain limitations in the reliability of these methodologies to forecast the extent and timing of future customer defaults or potential credit risks and therefore in estimates of ECL. In addition, modelling methodologies do not necessarily incorporate all factors that are relevant to estimating ECL, such as differentiating the impact on industry sectors and economic conditions. These limitations are attempted to be addressed with management overlay, the measurement of which is inherently judgemental and subject to a high level of estimation uncertainty. Accordingly, the Allowance for Expected Credit Loss on Retail Loan Assets has been determined as Key Audit Matter because it requires a high degree of judgement and estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. Refer to Note [1](II)(r)(i)(D) to the Consolidated Financial Statements.
Principal Audit Procedures	The component's auditors (being other firm of chartered accountants) have performed the following audit procedures: • Reviewed the Board Approved Policy and procedures & associates design/controls and expected credit loss memo concerning the assessment of credit and other risks. • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. • Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information. • Evaluated the appropriateness of the Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard and the basis for classification of various exposures into various stages.

Allowance for Expected Credit Loss on Retail Loan Assets in respect of Financial Services segment – L&T Finance Limited ("the Company")	
	• Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights and computation of probability of default and loss given default percentages. • Reviewed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the movement between stages, Exposure at default, (EAD), probability of default (PD) or loss given default (LGD). • Involved Information system resource to obtain comfort over data integrity and process of report generation through interface of various information systems. • Tested controls placed over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied as detailed below: i. verified the completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors. ii. checked the appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different stages depending on the nature of the portfolio reconciled the total retail considered for ECL assessment with the books of accounts to ensure the completeness. iii. performed test of details over model calculations testing through re-performance, where possible. iv. tested appropriateness of staging of borrowers based on DPD and other loss indicators. v. tested the factual accuracy of information such as period of default and other related information used in estimating the PD. vi. evaluated the reasonableness of applicable assumptions included in LGD computation. vii. evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Financial Statements are appropriate and sufficient. • Verified the manner of preparation of information w.r.t. to provisions and disclosures in the Financial Statements. • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

Information Technology ("IT") Systems and Controls in respect of Financial Services segment – L&T Finance Limited ("the Company")	
Key audit matter description	The Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions are processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. Component auditor identified 'IT systems and controls' as a key audit matter because of the high-level automation, significant number of systems being used by the Management and the complexity of the IT architecture and its impact on the financial reporting system.
Principal Audit Procedures	The component's auditors (being other firms of chartered accountants) have performed the following audit procedures: • Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi-automated controls) to determine the accuracy of the information produced by the Company's IT systems; • With respect to the "In-scope IT systems" identified as relevant to the audit of the financial statements and financial reporting process of the Company, evaluated and tested relevant IT general controls;

Information Technology ("IT") Systems and Controls in respect of Financial Services segment – L&T Finance Limited ("the Company")	
	• On such "In-scope IT systems" performed the following procedures: i. Obtained an understanding of IT applications landscape implemented by the Company, including an understanding of the process, mapping of applications and understanding financial risks posed by people-process and technology; ii. Tested design and operating effectiveness of key controls over user access Management (including user access provisioning, de-provisioning, user access review, password configuration review and privilege access), change Management (including compliance of change release in production environment to the defined procedures), program development (including review of data migration activity), computer operations (including testing of key controls pertaining to, backup, batch processing, incident Management and data centre security. Also tested entity level controls pertaining to IT policy and procedure and business continuity plan assessment; and iii. Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over the financial reporting system.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, standalone financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the joint operations, subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint operations, subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act.

The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial information of 32 joint operations included in the standalone financial statements of the entities included in the Group, whose financial information reflects total assets of ₹ 3,579.32 crore as at March 31, 2024, total revenues of ₹ 4,469.64 crore and net cash flows amounting to ₹ (471.70) crore for the year ended March 31, 2024, as considered in the respective standalone financial statements of the entities included in the Group. The financial information of these joint operations has been audited by other auditors whose reports have been furnished to us by the Parent's management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the report of such other auditors.
- We did not audit the financial information of 63 subsidiaries, whose financial information reflects total assets of ₹ 1,74,770.36 crore as at March 31, 2024, total revenues of ₹ 66,961.37 crore and net cash flows amounting to ₹ 4,600.27 crore for the year ended March 31, 2024, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total net loss after tax of ₹ 28.76 crore for the year ended March 31, 2024 and total comprehensive loss (net) of ₹ 24.07 crore for

the year ended March 31, 2024, as considered in the Consolidated Financial Statements, in respect of 2 associates and 8 joint ventures, whose financial information has not been audited by us. This financial information has been audited by other auditors whose reports have been furnished to us by the Parent's management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of other auditors.

- We did not audit the financial information of 2 joint operations included in the standalone financial statements of the entities included in the Group, whose financial information reflects total assets of ₹ 1.67 crore as at March 31, 2024, total revenues of ₹ NIL and net cash flows of ₹ 0.00 crore for the year ended March 31, 2024, respectively, as considered in the respective standalone financial statements of the entities included in the Group. This financial information of these joint operations have not been audited by the auditor whose financial information has been furnished to us by the Parent's Management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such financial information. According to the information and explanations given to us by the Parent's Management, the financial information of this entity are not material to the Group.

- We did not audit the financial information of 31 subsidiaries, whose financial information reflects total assets of ₹ 838.29 crore as at March 31, 2024, total revenues of ₹ 909.77 crore and net cash flows amounting to ₹ (63.58) crore for the year March 31, 2024, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total net loss after tax of ₹ 0.60 crore and total comprehensive loss (net) of ₹ 1.00 crore for the year ended March 31, 2024, as considered in the Consolidated Financial Statements, in respect of 3 associates and 4 joint ventures, whose financial information has not been audited by their respective auditors. This financial information is unaudited and has been furnished to us by the Parent's Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the joint operations, subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

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

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

    d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its joint operation companies, subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies, associate companies and joint venture companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies, associate companies and joint venture companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures (Refer Note No 32 to the Consolidated Financial Statements);

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India;

iv. a. The respective Managements of the Parent and its subsidiaries, associates and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, associates and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The respective Managements of the Parent and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries, associates and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries, associates and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.

v. The amount of dividend is in accordance with Section 123 of the Act.

a. The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries, associates and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

b. The interim dividend declared and paid by the subsidiaries and joint ventures of the Parent which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year and until the date of this report is in compliance with section 123 of the Act.

c. As stated in note no. 20 to the Consolidated Financial Statements, the Board of Directors of the Parent and its subsidiaries, associates and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries and joint ventures at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies, associate companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its subsidiary companies, associate companies and joint venture companies incorporated in India have used accounting software(s) for maintaining their respective books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s).

Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements except for the following:

Name of the company	**CIN**	**Nature of relationship**	**Clause number of the CARO report which is qualified or adverse***
Larsen and Toubro Limited	L99999MH1946PLC004768	Parent	Clause –iii (c), iii (e)
L&T Seawoods Limited	U45203MH2008PLC180029	Subsidiary	Clause –iii (c) and ix (a)
L&T Realty Developers Limited	U29119MH1997PLC109700	Subsidary	Clause iii (c)
L&T Special Steels and Heavy Forgings Private Limited	U27109MH2009PTC193699	Joint Venture	Clause – ix (a) and xix

*Refer to Note No. 63(a) to the Consolidated Financial Statements

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

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
UDIN: 24046930BKEZVQ4819

Place: Mumbai
Date: May 08, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of LARSEN & TOUBRO LIMITED (hereinafter referred to as "Parent") and its subsidiary companies which includes one of the Group's 35 joint operations which is a company incorporated in India, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing ("SA"), prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, joint operation, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies, its joint operation, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its joint operation, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial controls with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to 36 subsidiary companies, 1 joint operation company, 8 joint ventures and 2 associates, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to 2 subsidiary companies and 1 associate company, which are companies incorporated in India, whose financial information is unaudited and whose efficacy of internal financial controls with reference to Consolidated Financial Statements is based solely on the Management's certification provided to us and our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Group is not affected as the financial information of such entities is not material to the Group.

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

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

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
UDIN: 24046930BKEZVQ4819

Place: Mumbai
Date: May 08, 2024

Consolidated Balance Sheet as at March 31, 2024

₹ crore

Particulars	Note	As at 31-3-2024		As at 31-3-2023	
ASSETS:					
Non-current assets					
Property, plant and equipment	2		13297.64		11336.28
Capital work-in-progress	2		2897.04		2949.09
Investment property	3		2191.37		3360.22
Goodwill	4		7800.88		7798.65
Other intangible assets	5		17384.52		18007.98
Intangible assets under development	5		147.97		116.48
Right-of-use assets	61(b)(iii)		2289.41		2137.87
Financial assets					
Investments in joint ventures and associates	43(e)	1264.25		1304.86	
Other investments	6	9425.94		7920.03	
Loans towards financing activities	7	52154.76		40920.92	
Other loans	8	475.46		356.00	
Other financial assets	9	1952.08		1965.78	
			65272.49		52467.59
Deferred tax assets (net)	51(d)		3863.72		3984.79
Current tax receivable (net)			4245.78		3611.66
Other non-current assets	10		2156.55		2377.38
Sub-total - Non-current assets			121547.37		108147.99
Current assets					
Inventories	11		6620.19		6828.78
Financial assets					
Investments	12	34957.63		35573.42	
Trade receivables	13	48770.95		44731.53	
Cash and cash equivalents	14	11958.50		16926.69	
Other bank balances	15	3399.89		5592.91	
Loans towards financing activities	16	34814.59		40460.55	
Other loans	17	106.54		251.15	
Other financial assets	18	5563.92		4930.10	
			139572.02		148466.35
Other current assets	19		70882.30		65920.39
Sub-total - Current assets			217074.51		221215.52
Group(s) of assets classified as held for sale	45(b)		1005.36		988.80
TOTAL ASSETS			339627.24		330352.31

Consolidated Balance Sheet as at March 31, 2024 (contd.)

₹ crore

Particulars	Note	As at 31-3-2024		As at 31-3-2023	
EQUITY AND LIABILITIES:					
Equity					
Equity share capital	20	274.93		281.10	
Other equity	21	86084.31		89044.85	
Equity attributable to owners of the Company			86359.24		89325.95
Non-controlling interests			16190.42		14241.27
TOTAL EQUITY			102549.66		103567.22
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	22	56506.97		61217.68	
Lease liability		1734.78		1646.31	
Other financial liabilities	23	96.07		272.96	
			58337.82		63136.95
Provisions	24		987.38		869.99
Deferred tax liabilities (net)	51(d)		533.63		630.43
Other non-current liabilities	25		618.02		81.73
Sub-total - Non-current liabilities			60476.85		64719.10
Current liabilities					
Financial liabilities					
Borrowings	26	27834.27		30896.32	
Current maturities of long term borrowings	27	29698.53		26399.38	
Lease liability		547.67		490.75	
Trade payables:					
Due to micro enterprises and small enterprises		1018.71		851.70	
Due to others	28	52274.17		48932.42	
Other financial liabilities	29	7575.67		7441.94	
			118949.02		115012.51
Other current liabilities	30		52333.73		42166.55
Provisions	31		3457.51		3493.47
Current tax liabilities (net)			1860.47		1393.46
Sub-total - Current liabilities			176600.73		162065.99
TOTAL LIABILITIES			237077.58		226785.09
TOTAL EQUITY AND LIABILITIES			339627.24		330352.31
CONTINGENT LIABILITIES	32				
COMMITMENTS (capital and others)	33				
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 to 65				

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

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

RUPEN K. BHATT
Partner
Membership No. 046930

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

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

₹ crore

Particulars	Note	2023-24	2023-24	2022-23	2022-23
INCOME:					
Revenue from operations	34		221112.91		183340.70
Other income (net)	35		4158.03		2929.17
Total Income			225270.94		186269.87
EXPENSES:					
Manufacturing, construction and operating expenses:	36				
Cost of raw materials, components consumed		19442.25		18995.11	
Construction materials consumed		54813.97		43237.35	
Purchase of stock-in-trade		1063.77		1052.86	
Stores, spares and tools consumed		4432.02		4814.89	
Sub-contracting charges		35054.35		25624.45	
Changes in inventories of finished goods, work-in-progress, stock-in-trade and property development		1021.07		(3156.64)	
Other manufacturing, construction and operating expenses		24486.49		20020.81	
Finance cost of financial services business and finance lease activity		5714.90		6026.44	
			146028.82		116615.27
Employee benefits expense	37		41171.02		37214.11
Sales, administration and other expenses	38		10419.42		8758.04
Finance costs	39		3545.85		3207.16
Depreciation, amortisation, impairment and obsolescence	40		3682.33		3502.25
Total Expenses			204847.44		169296.83
Profit before exceptional items and tax			20423.50		16973.04
Exceptional items before tax (net) [gain/(loss)]			114.44		(91.97)
Tax expense on exceptional items:	51(a)				
Current tax		20.83		448.35	
Deferred tax		–		(676.31)	
			20.83		(227.96)
Exceptional items (net of tax)	48		93.61		135.99
Profit before tax			20517.11		17109.03
Tax expense:	51(a)				
Current tax		5127.70		5055.17	
Deferred tax		(180.31)		(571.01)	
			4947.39		4484.16
Profit after tax			15569.72		12624.87
Share in profit/(loss) after tax of joint ventures/associates (net)	43(f)		(22.62)		(94.25)
Profit for the year			15547.10		12530.62
Other comprehensive income					
A Items that will not be reclassified to profit or loss:					
Gain/(loss) on remeasurements of the net defined benefit plans		28.82		(23.60)	
Income tax (expenses)/income on remeasurements of the net defined benefit plans		(8.61)		6.79	
			20.21		(16.81)
Share in Other comprehensive income of joint ventures/associates (net)			0.27		15.58
B Items that will be reclassified to profit or loss:					
Debt instruments through Other comprehensive income		126.80		(246.80)	
Income tax (expenses)/income on debt instruments through Other comprehensive income		(26.97)		53.21	
			99.83		(193.59)
Carried forward - Other comprehensive income			120.31		(194.82)

Consolidated Statement of Profit and Loss for the year ended March 31, 2024 (contd.)

₹ crore

Particulars	Note	2023-24	2023-24	2022-23	2022-23
Brought forward - Other comprehensive income			120.31		(194.82)
Exchange differences in translating the financial statements of foreign operations		13.81		101.83	
Income tax (expenses)/income on exchange differences in translating the financial statements of foreign operations		1.74		3.55	
			15.55		105.38
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		388.41		(1216.61)	
Income tax (expenses)/income on effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(121.36)		321.95	
			267.05		(894.66)
Cost of hedging reserve		0.12		(0.06)	
Income tax (expenses)/income on cost of hedging reserve		(0.03)		0.02	
			0.09		(0.04)
Share in Other comprehensive income of joint ventures/associates (net)			4.41		25.60
Other comprehensive income for the year (net of tax)			407.41		(958.54)
Total comprehensive income for the year			15954.51		11572.08
Profit for the year attributable to:					
Owners of the Company			13059.11		10470.72
Non-controlling interests			2487.99		2059.90
			15547.10		12530.62
Other comprehensive income for the year attributable to:					
Owners of the Company			235.70		(754.74)
Non-controlling interests			171.71		(203.80)
			407.41		(958.54)
Total comprehensive income for the year attributable to:					
Owners of the Company			13294.81		9715.98
Non-controlling interests			2659.70		1856.10
			15954.51		11572.08
Earnings per share (EPS) of ₹ 2 each					
Basic earnings per equity share (₹)	55		93.96		74.51
Diluted earnings per equity share (₹)	55		93.88		74.45
Face value per equity share (₹)			2.00		2.00
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 to 65				

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

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

RUPEN K. BHATT
Partner
Membership No. 046930

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

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital

Particulars	2023-24 Number of shares	2023-24 ₹ crore	2022-23 Number of shares	2022-23 ₹ crore
Issued, subscribed and fully paid up equity shares 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

B. Other equity

₹ crore

Particulars	Reserves and surplus						Items of Other comprehensive income						
	Capital reserve	Capital redemption reserve	Securities premium	Employee share options (net)	Statutory reserves	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	Equity instruments through Other comprehensive income	Total other equity	Non-controlling interests	Total
Balance as at 1-4-2022	282.44	335.10	8718.74	371.65	3710.47	67139.90	696.00	718.53	98.20	55.62	82126.65	12966.07	95092.72
Profit for the year (a)	–	–	–	–	–	10470.72	–	–	–	–	10470.72	2059.90	12530.62
Other comprehensive income for the year (b)	–	–	–	–	–	(19.06)	81.53	(644.88)	(188.02)	15.66	(754.77)	(203.80)	(958.57)
Total comprehensive income for the year (a+b)	–	–	–	–	–	10451.66	81.53	(644.88)	(188.02)	15.66	9715.95	1856.10	11572.05
Issue of equity shares on exercise of employee share options	–	–	10.22	–	–	–	–	–	–	–	10.22	–	10.22
Transfer on account of exercise of employee share options	–	–	41.23	(41.23)	–	–	–	–	–	–	–	–	–
Transfer to non-financial assets/liabilities	–	–	–	–	–	–	–	68.11	–	–	68.11	–	68.11
Transfer from/(to) retained earnings	–	(6.24)	–	(19.21)	65.11	(39.66)	–	–	–	–	–	–	–
Employee share options (net)	–	–	–	155.88	–	–	–	–	–	–	155.88	66.75	222.63
Dividend paid	–	–	–	–	–	(3091.42)	–	–	–	–	(3091.42)	(613.59)	(3705.01)
Net gain/loss on transactions with non-controlling interests	–	–	–	–	–	60.16	–	–	–	–	60.16	(60.16)	–
Decrease in non-controlling interests due to dilution/ divestment/acquisition	–	–	–	–	–	(0.70)	–	–	–	–	(0.70)	26.10	25.40
Balance as at 31-3-2023	282.44	328.86	8770.19	467.09	3775.58	74519.94	777.53	141.76	(89.82)	71.28	89044.85	14241.27	103286.12

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

₹ crore

Particulars	Reserves and surplus						Items of Other comprehensive income						
	Capital reserve	Capital redemption reserve	Securities premium	Employee share options (net)	Statutory reserves	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	Equity instruments through Other comprehensive income	Total other equity	Non-controlling interests	Total
Balance as at 1-4-2023	282.44	328.86	8770.19	467.09	3775.58	74519.94	777.53	141.76	(89.82)	71.28	89044.85	14241.27	103286.12
Profit for the year (c)	–	–	–	–	–	13059.11	–	–	–	–	13059.11	2487.99	15547.10
Other comprehensive income for the year (d)	–	–	–	–	–	14.28	13.14	110.34	97.94	–	235.70	171.71	407.41
Total comprehensive income for the year (c+d)	–	–	–	–	–	13073.39	13.14	110.34	97.94	–	13294.81	2659.70	15954.51
Buyback of equity shares	–	–	(8770.19)	–	–	(1223.56)	–	–	–	–	(9993.75)	–	(9993.75)
Tax on buyback of equity shares	–	–	–	–	–	(2253.33)	–	–	–	–	(2253.33)	–	(2253.33)
Expenses for buyback of equity shares (net of tax)	–	–	–	–	–	(26.55)	–	–	–	–	(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	–	9.56
Transfer on account of exercise of employee share options			41.00	(41.00)	–	–	–	–	–	–	–	–	–
Transfer to non-financial assets/liabilities	–	–	–	–	–	–	–	22.24	–	–	22.24	–	22.24
Transfer from/(to) retained earning	–	–	–	(12.17)	455.98	(443.81)	–	–	–	–	–	–	–
Employee share options (net)	–	–	–	136.62	–	–	–	–	–	–	136.62	137.15	273.77
Dividend paid (including special dividend)	–	–	–	–	–	(4216.95)	–	–	–	–	(4216.95)	(855.16)	(5072.11)
Increase in non-controlling interest due to dilution/ divestment/acquisition	–	–	–	–	–	66.81	–	–	–	–	66.81	7.46	74.27
Balance as at 31-3-2024	282.44	335.11	50.56	550.54	4231.56	79489.69	790.67	274.34	8.12	71.28	86084.31	16190.42	102274.73

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

Consolidated 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 exceptional items and tax	20423.50	16973.04
Adjustments for:		
Dividend received	(208.49)	(6.28)
Depreciation, amortisation, impairment and obsolescence	3682.33	3502.25
Exchange difference on items grouped under financing/investing activities	(20.53)	(1.83)
Effect of exchange rate changes on cash and cash equivalents	(2.37)	(66.92)
Finance costs	3545.85	3207.16
Interest income	(2447.07)	(1817.47)
(Profit)/loss on sale of property, plant and equipment, investment property and intangible assets (net)	(95.44)	(167.65)
(Profit)/loss on sale/fair valuation of investments (net)	(734.20)	(52.87)
Employee stock option-discount	297.63	249.51
(Gain)/loss on disposal of subsidiary	(2.65)	–
Impairment of investment in financial instruments	1055.47	716.20
(Profit)/loss on transfer of business undertaking in Development Projects business	(511.73)	–
(Gain)/loss on de-recognition of lease liability/right-of-use assets	(52.27)	(10.16)
Capital subsidy from Government	1.38	–
Operating profit before working capital changes	24931.41	22524.98
Adjustments for :		
(Increase)/decrease in trade and other receivables	(10548.40)	(4495.26)
(Increase)/decrease in inventories	244.68	(475.75)
Increase/(decrease) in trade and other payables	14506.53	5412.71
Cash generated from operations before financing activities	29134.22	22966.68
(Increase)/decrease in loans and advances towards financing activities	(5587.89)	4937.44
Cash generated from operations	23546.33	27904.12
Direct taxes refund/(paid) [net]	(5280.05)	(5127.16)
Net cash generated from operating activities	18266.28	22776.96
B. Cash flow from investing activities:		
Purchase of property, plant and equipment, investment property and intangible assets	(4516.53)	(4143.79)
Sale of property, plant and equipment, investment property and intangible assets	306.06	350.37
Purchase of non-current investments	(4889.46)	(3036.34)
Sale of non-current investments	2127.87	827.15
(Purchase)/sale of current investments (net)	2803.49	(6083.66)
Change in other bank balance and cash not available for immediate use	2697.75	(661.77)
Deposits/loans repaid by associates, joint ventures and third parties	151.72	19.05
Interest received	2408.16	1608.99
Dividend received from joint ventures/associates	129.83	151.14
Dividend received from other investments	96.25	6.28
Consideration received on disposal of subsidiaries/joint venture	214.67	2887.30
Consideration received on transfer of business undertaking in Development Projects business	651.33	–
Net payments for transfer of discontinued operations	–	(96.99)
Consideration paid on acquisition of subsidiaries (including contingent consideration)	(13.14)	(131.22)
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	0.01	6.66
Cash and cash equivalents of subsidiaries discharged pursuant to divestment/classification to held for sale	(4.97)	(14.87)
Net cash generated from/(used in) investing activities	2163.04	(8311.70)

Consolidated 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 issue of share capital (including share application money) [net]	9.65	10.31
Buyback of equity shares	(10000.00)	–
Tax on buy-back of equity shares	(2253.33)	–
Expenses on buy-back of equity shares	(26.55)	–
Proceeds from non-current borrowings [Note 50]	23125.43	27940.93
Repayment of non-current borrowings [Note 50]	(24356.65)	(32794.99)
Proceeds from/ (repayment of) other borrowings (net) [Note 50]	(2871.15)	357.40
Payment (to)/from non-controlling interest (net)	(808.09)	(612.58)
Settlement of derivative contracts related to borrowings	49.65	87.93
Dividends paid	(4216.95)	(3091.42)
Repayment of lease liability [Note 50]	(459.89)	(423.34)
Interest paid on lease liability	(167.21)	(158.10)
Interest paid (including cash flows on account of interest rate swaps)	(3438.27)	(2888.63)
Net cash used in financing activities	(25413.36)	(11572.49)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(4984.04)	2892.77
Cash and cash equivalents at beginning of the year [Note 14]	16926.69	13770.24
Effect of exchange rate changes on cash and cash equivalents	15.85	263.68
Cash and cash equivalents at end of the year [Note 14]	11958.50	16926.69

Notes:

1. Statement of Cash Flows has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Property, plant and equipment, investment property and intangible assets adjusted for movement of (a) capital work-in-progress for property, plant and equipment and investment property and (b) Intangible assets under development during the year.
3. 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

S. N. SUBRAHMANYAN
Chairman & Managing Director
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Independent Director
(DIN 01915274)

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

Mumbai, May 8, 2024

Notes forming part of the Consolidated Financial Statements

NOTE [1](I)

Company Overview

The Consolidated Financial Statements comprise financial statements of "Larsen & Toubro Limited" ("L&T", the "Parent Company") and its subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2024.

The Group is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services, operating across multiple geographies. Further details of the business operations of the Group are mentioned in Note [46] Segment Information.

NOTE [1](II)

Material Accounting Policy Information

(a) Statement of compliance

The Group's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by the 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 financials statements have been approved for issue by the Board of Directors at its meeting held on May 8, 2024.

(b) Basis of accounting

The Group 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:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liabilities, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

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

(c) Presentation of financial statements

The Balance Sheet, 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 Rupees 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 Rupees to two decimal places.

(d) Basis of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

(ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired are included in the Consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

(iii) The consolidated financial statements of the Group combine financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

subsidiaries are harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements are presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests, shown separately in the financial statements.

(iv) Non-controlling interests represent that part of the total comprehensive income and net assets of subsidiaries attributable to the interest which is not owned, directly or indirectly, by the Parent Company.

(v) The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company in the Consolidated Financial Statements of the Group.

(vi) The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as investment in an associate or a joint venture or as a financial asset.

(e) Investments in joint ventures and associates

When the Group has with other entities joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint ventures. Joint control exists when the decisions about the relevant activities (i.e. activities that significantly affects the investee's returns) require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interest as investment in associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever required.

An investment in joint venture or associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in Other Equity of joint ventures or associates resulting from divestment or dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture and associate, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve.

The unrealised profits/losses on transactions with joint ventures and associates are eliminated by reducing the carrying amount of investment.

The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is evidence of impairment.

When the Group's share of losses of a joint venture or an associate exceeds the Group's interest in that joint venture or the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture or the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or the associate.

Upon classification of investment in joint ventures and/or associates as held for sale, equity accounting is discontinued in respect of that interest.

(f) Interests in joint operations

When the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities (i.e. activities that significantly affects the investee's returns) require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement, thereby forms part of the consolidated financial statements. Interests in joint operations are included in the segments to which they relate.

(g) Business combination/Goodwill on consolidation

The Group accounts for business combinations under acquisition method of accounting. Acquisition-related costs are recognised in the Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

for recognition are recognised at their fair values at the acquisition date. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively with corresponding adjustments to goodwill or capital reserve as the case maybe, else recognised in the Statement of Profit and Loss.

Goodwill arising on consolidation, of acquisitions represents the excess of (a) consideration paid for acquiring control and (b) acquisition date fair value of previously held ownership interest, if any, in a subsidiary over the Group's share in the fair value of the net assets (including identifiable intangibles) of the subsidiary as on the date of acquisition of control. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised as Capital Reserve.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the acquisition.

After initial recognition, goodwill arising on consolidation is tested for impairment annually and measured at cost less accumulated impairment losses, if any. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Business combinations arising from transfers of interests in entities that are under common control are accounted using pooling of interest method. The difference between consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in equity.

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

Operating cycle for the business activities of the Group covers the duration of the specific project 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.

(i) 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.

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 Group 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 Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Group 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 & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfill 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.

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

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.

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 Group 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 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 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 can not 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 Group 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. In the case of the development project business and the realty business, revenue includes profit on sale of investment properties or sale of business undertaking/stake in the subsidiary and/or joint venture companies as the sale/divestments are inherent in the business model.

E. Rendering of services

Revenue from rendering 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.

In respect of information technology business and technology services business, revenue from contracts awarded on time and material basis is recognised over a period of time when relevant services are rendered and related costs are incurred. Revenue from fixed price contracts is recognised over a period of time using the proportionate completion method.

Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (i) B above.

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

F. In respect of financial services business and finance lease activity, income from interest-bearing loans/lease is recognised on accrual basis over the life of the loans/lease based on the effective yield. Income from bill discounting, advisory and syndication services and other financing activities is accounted on accrual basis.

G. Revenue on account of construction services rendered in connection with Build-Operate-Transfer (BOT) projects undertaken by the Group is recognised during the period of construction using percentage of completion method. After the completion of construction period, revenue from fare/toll charges from users of facilities is accounted when they are collected.

H. Commission income is recognised when the terms of the contract are fulfilled.

I. Course fees/subscription income is recognised over time as per the course/subscription duration and agreed terms.

J. Revenue from charter hire is recognised as per the terms of the time charter agreement.

K. Revenue from operation and maintenance services of power plant receivable under the Power Purchase Agreement is recognised on accrual basis.

L. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and the right to receive the income is established as per the terms of the contract.

M. Warranty and other related obligation

The Group accounts for provision of warranty, return, refund and other similar obligations in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". Refer Note [1(ab)] below for policy on provisions, contingent liabilities and contingent assets.

(j) Other income

A. Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty 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 Group, 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 Group and the amount of income can be measured reliably.

(k) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in Statement of Profit and Loss and in the notes forming part of the financial statements.

(l) Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

All directly attributable costs related to the acquisition of PPE and borrowing costs in case of qualifying assets are capitalised in accordance with the Group's accounting policy.

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

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 entity and the cost can be measured reliably.

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

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 life specified in Schedule II to the Act, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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.

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 owned assets is calculated pro rata from the date it is ready for use.

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

(m) Investment property

Properties (including those under construction) held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing cost capitalised for qualifying assets, in accordance with the Group’s accounting policy. Policies with respect to depreciation, useful life and derecognition are on the same basis as stated in PPE above.

(n) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Group 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, including borrowing costs capitalised for qualifying assets and reduced by accumulated amortisation and cumulative impairment, if any. 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 Group has intention to complete the intangible asset and use or sell it;

C. the Group has ability to use or sell the intangible asset;

D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

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

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

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

Fare collection rights obtained in consideration for rendering construction services represent the right to collect fare during the concession period in respect of Build-Operate-Transfer (BOT) projects undertaken by the Group. Fare collection rights are capitalised as intangible asset upon completion of the project at the cumulative construction costs including related margins.

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

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

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

(i) Specialised software: over a period of two to ten years;

(ii) Technical know-how: over a period of three to eight years;

(iii) New product design and development: over a period of five years;

(iv) Customer contracts and relationship: over a period of the contract which generally is over three to ten years;

(v) Trade name: over a period of three months to six years;

(vi) Platforms and courses: over a period of five years;

(vii) Rights under licensing agreement: over a period of six years;

(viii) Fare collection rights are amortised using the straight-line method over the period of concession; and

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

(o) Impairment of assets

As at the end of each financial year, the carrying amounts of PPE, investment property, intangible assets and investments in joint ventures and associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property, intangible assets and investments in joint ventures and associates are tested for impairment so as to determine the impairment loss, if any. Goodwill and intangible assets not available for use are tested for impairment each year.

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

(i) in the case of an individual asset, at the higher of 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 entity 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. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss 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, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

(p) Employee benefits

(i) Short-term employee benefits:

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

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

(ii) Post-employment benefits:

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

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

The obligation 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 Group recognises related restructuring costs or termination benefits.

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

(iii) 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 Group and is recognised in a similar manner as in the case of defined benefit plans vide (ii) B above.

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

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Group's offer of the termination benefit can no longer be withdrawn or when the Group recognises the related restructuring costs, whichever is earlier.

(q) 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 Group'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 impairment losses, 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.

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

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

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

In case of sale and leaseback transactions, the Group 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 Group 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 above)

(r) Financial instruments

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at 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.

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

(i) Financial assets

A. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, as follows:

1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value

2. Other investments in debt instruments – at amortised cost (unless the same are designated as fair value through profit or loss), subject to following conditions:

   - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
   - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)

   - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
   - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

5. Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

6. Trade receivables, security deposits, cash and cash equivalents, employee and other advances – at amortised cost.

7. The Group has elected to measure the investments in associates and joint ventures held through unit trusts at FVTPL.

B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

C. A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or

2. the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the group has transferred substantially all the risks and rewards of the asset, or b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

D. Impairment of financial assets: The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 and is adjusted for forward looking information.

For all other financial assets, expected credit losses (ECL) 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.

In respect of financial services business, the Group applies a separate model of the expected credit loss for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL as follows:

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for e.g. prepayment, extension, call and similar options) through the expected life of that financial instrument.

- The loss allowance for a financial instrument is measured at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses. To make that assessment, the risk of a default occurring on the financial instrument as at the reporting date is compared with the risk of a default occurring on the financial instrument as at the date of initial recognition using reasonable and supportable information, that is available without undue cost or effort.

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

(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, trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using Effective Interest Rate (EIR) method.

B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

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

A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

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

In case of time period related hedges, the premium element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging 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 in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised in profit or loss.

(iv) Compound financial instruments issued by the Group which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by 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.

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

(s) Inventories

Inventories are valued after providing for obsolescence, as under:

(i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

(ii) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

(iii) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes 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.

(t) 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 bank balances.

(u) Securities premium

(i) Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

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

(v) Earnings per share

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

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

(w) 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.

(x) Share-based payment arrangements

The stock options granted to employees in terms of the Group’s Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

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 retained earnings. 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.

(y) Foreign currencies

(i) The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non- monetary items that are measured in terms of historical cost in foreign currency are not 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;

B. exchange differences on transactions entered into to hedge certain foreign currency risks; and

C. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur or included in the net investment in foreign operation and are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(iii) Exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, liability, expense or income.

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

A. assets and liabilities are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses 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. The portion of foreign currency translation reserve attributed to non-controlling interests is reflected as part of non-controlling interests.

(z) Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

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

(i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including (a) inter- segment revenue and (b) profit on sale of business undertaking/stake in the subsidiary and/or joint venture companies under development projects segment and realty business grouped under "Others" segment.

(ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. In respect of (a) Financial Services segment and (b) Development Projects segment relating to power generation asset given on finance lease, the finance costs on borrowings are accounted as segment expenses.

(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".

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

(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 Group. It also includes the finance costs incurred on interest bearing advances with corresponding credit included in "Unallocable corporate income net of expenditure". Segment result are not adjusted for any exceptional item.

(vi) Segment assets and liabilities include those directly identifiable with the respective segments. In respect of (a) Financial Services segment, and (b) Development Projects segment relating to power generation asset given on finance lease, segment liabilities include borrowings as the finance costs on the borrowings are accounted as segment expenses. Investment in joint ventures and associates identified with a particular segment are reported as part of the segment assets of those respective segments.

Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole.

(vii) 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(x) above] and is allocated to the segment.

(viii) 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

(aa) Taxes on income

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the applicable tax laws, and 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 Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

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

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains"/other temporary differences are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised, to the extent it is probable that such unutilised tax credits will get realised, in the period in which such determination is made.

Transaction or event which is recognised outside profit or loss, either in Other comprehensive income or in equity or in case of business combination, is recorded along with the tax as applicable.

(ab) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) the Group 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

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

NOTE [1](II)

Material Accounting Policy Information (contd.)

(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.

(ac) Commitments

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

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) uncalled liability on shares and other investments partly paid;

c) funding related commitment to associate and joint venture companies; and

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

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

(ad) Discontinued Operations and non-current assets held for sale

Discontinued operation is a component of the Group 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.

(ae) Statement of Cash Flows

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

i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and

iii. all other items for which the cash effects are investing or financing cash flows.

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

(af) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions made by the management are explained under respective policies. Revisions to accounting estimates include useful life 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.

NOTE [1](III)

Recent Pronouncement

There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, which are issued and not effective as at March 31, 2024.

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

NOTE [2]

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

₹ crore

Class of assets	Cost						Depreciation						Impairment	Book value
	As at 1-4-2023	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	Up to 31-3-2024	As at 31-3-2024
Land														
Freehold	855.27	0.71	(1.67)	–	0.08	854.23	–	–	–	–	–	–	–	854.23
leasehold	145.63	–	–	–	–	145.63	14.52	1.59	–	–	–	16.11	–	129.52
Sub-total	1000.90	0.71	(1.67)	–	0.08	999.86	14.52	1.59	–	–	–	16.11	–	983.75
Buildings	4623.52	1,319.07	1.51	0.44	39.95	5904.59	1159.55	202.17	1.31	1.12	7.95	1356.20	185.64	4362.75
Plant & equipment														
Owned	10506.80	2169.12	8.96	6.11	268.01	12422.98	5833.36	1,373.18	8.70	5.27	224.04	6996.48	22.64	5403.86
Leased out	324.22	–	–	–	177.62	146.60	221.58	13.38	–	–	154.75	80.21	–	66.39
Sub-total	10831.02	2169.12	8.96	6.11	445.63	12569.58	6054.94	1,386.56	8.70	5.27	378.78	7076.69	22.64	5470.26
Computers														
Owned	2447.28	291.97	–	1.55	169.15	2571.65	1614.29	338.20	–	1.09	166.86	1786.72	–	784.93
Leased out	6.27	–	–	–	–	6.27	6.27	–	–	–	–	6.27	–	–
Sub-total	2453.55	291.97	–	1.55	169.15	2577.92	1620.56	338.20	–	1.09	166.86	1792.99	–	784.93
Office equipment														
Owned	715.61	105.76	(18.61)	1.05	42.21	761.60	544.28	76.37	(9.22)	0.85	43.23	569.05	–	192.55
Leased out	0.02	–	–	–	–	0.02	–	–	–	–	–	–	–	0.02
Sub-total	715.63	105.76	(18.61)	1.05	42.21	761.62	544.28	76.37	(9.22)	0.85	43.23	569.05	–	192.57
Furniture and fixtures														
Owned	491.46	178.88	–	0.91	53.05	618.20	353.29	64.60	–	0.82	44.02	374.69	0.06	243.45
Leased out	14.36	–	–	–	–	14.36	7.20	–	–	–	–	7.20	–	7.16
Sub-total	505.82	178.88	–	0.91	53.05	632.56	360.49	64.60	–	0.82	44.02	381.89	0.06	250.61
Vehicles	402.54	72.74	–	1.27	69.00	407.55	244.30	45.11	–	1.06	59.42	231.05	–	176.50
Other assets														
Aircraft	249.83	0.09	–	–	–	249.92	85.54	14.80	–	–	–	100.34	–	149.58
Ships	286.39	37.12	–	–	–	323.51	92.12	21.31	–	–	–	113.43	–	210.08
Shiplift, marine structures and related assets	683.07	–	–	–	–	683.07	299.72	29.54	–	–	–	329.26	–	353.81
Breakwater structures	233.43	–	–	–	–	233.43	49.38	5.01	–	–	–	54.39	–	179.04
Leasehold Improvements	469.52	125.28	–	1.96	54.76	542.00	351.32	56.69	–	0.13	49.91	358.23	–	183.77
Sub-total	1922.24	162.49	–	1.96	54.76	2031.93	878.08	127.35	–	0.13	49.91	955.65	–	1076.28
Total	22455.22	4300.74	(9.81)	13.29	873.83	25885.61	10876.72	2241.97	0.79	10.34	750.19	12379.63	208.34	13297.64
Add: Capital work-in-progress														2897.04
														16194.68

* Transfer within property, plant and equipment and Transfer (to) / from investment property

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

NOTE [2] (contd.)

₹ crore

Class of assets	Cost							Depreciation							Impairment	Book value
	As at 1-4-2022	Business combination	Additions	Transfer*	Foreign currency fluctuation	Deductions	As at 31-3-2023	Up to 31-3-2022	Business combination	For the year	Transfer*	Foreign currency fluctuation	Deductions	Up to 31-3-2023	Up to 31-3-2023	As at 31-3-2023
Land																
Freehold	856.64	–	0.06	–	–	1.43	855.27	–	–	–	–	–	–	–	–	855.27
leasehold	145.69	–	–	(0.06)	–	–	145.63	12.82	–	1.70	–	–	–	14.52	–	131.11
Sub-total	1002.33	–	0.06	(0.06)	–	1.43	1000.90	12.82	–	1.70	–	–	–	14.52	–	986.38
Buildings	4485.56	–	119.38	22.16	18.74	22.32	4623.52	1005.73	–	160.66	3.19	5.79	15.82	1159.55	215.34	3248.63
Plant & equipment																
Owned	8941.57	0.02	1752.42	(4.23)	34.92	217.90	10506.80	4989.06	0.02	1014.14	(1.80)	29.58	197.64	5833.36	26.63	4646.81
Leased out	323.59	–	0.63	–	–	–	324.22	204.95	–	16.63		–	–	221.58	–	102.64
Sub-total	9265.16	0.02	1753.05	(4.23)	34.92	217.90	10831.02	5194.01	0.02	1030.77	(1.80)	29.58	197.64	6054.94	26.63	4749.45
Computers																
Owned	2066.11	20.29	448.69	(0.11)	4.13	91.83	2447.28	1340.77	18.14	340.65	(0.11)	2.61	87.77	1614.29	–	832.99
Leased out	6.27	–	–	–	–	–	6.27	6.27	–	–	–	–	–	6.27	–	–
Sub-total	2072.38	20.29	448.69	(0.11)	4.13	91.83	2453.55	1347.04	18.14	340.65	(0.11)	2.61	87.77	1620.56	–	832.99
Office equipment																
Owned	630.37	1.05	94.29	0.16	4.05	14.31	715.61	481.84	0.89	70.56	0.16	3.50	12.67	544.28	0.01	171.32
Leased out	0.02	–	–	–	–	–	0.02	–	–	–	–	–	–	–	–	0.02
Sub-total	630.39	1.05	94.29	0.16	4.05	14.31	715.63	481.84	0.89	70.56	0.16	3.50	12.67	544.28	0.01	171.34
Furniture and fixtures																
Owned	481.06	0.13	39.77	(0.30)	5.49	34.69	491.46	318.74	0.12	63.02	(0.28)	4.21	32.52	353.29	0.24	137.93
Leased out	14.36	–	–	–	–	–	14.36	7.20	–	–	–	–	–	7.20	–	7.16
Sub-total	495.42	0.13	39.77	(0.30)	5.49	34.69	505.82	325.94	0.12	63.02	(0.28)	4.21	32.52	360.49	0.24	145.09
Vehicles																
Owned	404.64	0.36	64.60	–	7.45	74.51	402.54	256.84	0.32	43.48	–	6.69	63.03	244.30	–	158.24
Leased out	0.67	–	–	–	–	0.67	–	0.49	–	0.02	–	–	0.51	–	–	–
Sub-total	405.31	0.36	64.60	–	7.45	75.18	402.54	257.33	0.32	43.50	–	6.69	63.54	244.30	–	158.24
Other assets																
Aircraft	244.45	–	5.38	–	–	–	249.83	71.70	–	13.84	–	–	–	85.54	–	164.29
Ships	264.26	–	22.13	–	–	–	286.39	71.02	–	21.10	–	–	–	92.12	–	194.27
Shiplift, marine structures and related assets	683.07	–	–	–	–	–	683.07	269.17	–	30.55	–	–	–	299.72	–	383.35
Breakwater structures	233.43	–	–	–	–	–	233.43	44.37	–	5.01	–	–	–	49.38	–	184.05
Leasehold Improvements	419.05	–	51.41	–	0.99	1.93	469.52	305.72	–	46.94	–	0.58	1.92	351.32	–	118.20
Sub-total	1844.26	–	78.92	–	0.99	1.93	1922.24	761.98	–	117.44	–	0.58	1.92	878.08	–	1044.16
Total	20200.81	21.85	2598.76	17.62	75.77	459.59	22455.22	9386.69	19.49	1828.30	1.16	52.96	411.88	10876.72	242.22	11336.28
Add: Capital work-in-progress																2949.09
																14285.37

* Transfer within property, plant and equipment and Transfer (to) / from investment property